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Chedworth Properties Limited – Plan Change 12 Submission

Introduction

1. Chedworth Properties Limited (CPL) is a long standing, Hamilton based development company that has provided over 6500 new sites over the past 30+ years. CPL is currently delivering the greenfield subdivision in Ruakura, known as Greenhill Park.

2. Greenhill Park is a medium density subdivision with a portion zoned for commercial and industrial development. The development has been underway since 2015 and is approximately half way through delivering the total of 1800 new residential sites, with a new commercial area currently being designed and planned, and a future industrial area in the pipeline.

Background

3. CPL's landholdings in the Greenhill Park area include:
    a. Approximately 90ha of Medium Density Residential Zone land (Land Development Plan Areas I, J, K, L, M and Q) which includes a future mixed-use Integrated Retail Development;
    b. Approximately 3ha of General Residential land (Land Development Plan Area U); and
    c. Approximately 14ha of Ruakura Industrial Park Zone land (Land Development Plan Area T).

4. This current zoning and land development area framework under the Ruakura Structure Plan was the outcome of both the private Ruakura Plan Change determined by a Board of Inquiry and a subsequent notified Council variation; a planning process which commenced over a decade ago.

5. Part of the vision for the development of the Ruakura Structure Plan was to develop comprehensively planned areas of residential housing connecting with Fairview Downs, and to provide a range of housing choice and affordability.

6. CPL have recognised that higher and medium-density housing is more easily achieved when it is comprehensively planned from the start, and accordingly a master planning approach has been implemented at Greenhill Park. Part of the development's success has been the provision of an attractive, useable and connected network of over 16ha of open space areas.

7. CPL is part of a Private Developers Agreement (PDA) between Tainui Group Holdings Limited, Hamilton City Council (HCC) and itself which confirms the responsibilities and cost allocation of infrastructure and services through the Ruakura development area. As a greenfield development,

this has resulted in CPL directly funding well in excess of $10m towards the three waters and roading infrastructure to service the Greenhill Park area.

8. CPL and their wider consultant team therefore have an in-depth understanding of the Hamilton housing market, the financial and technical constraints to providing housing supply, but also the relevant local and national planning framework that governs it.

9. CPL provide comment on the amendments to the District Plan proposed under Plan Change 12: Enabling Housing Supply (PC12) as follows.

Ruakura Structure Plan – Chapter 3.7

10. It would appear the proposed amendments to Chapter 3.7 of the District Plan are limited to largely minor changes in terminology which results in:
    a. 'Land Development Consent' being referred to as 'resource consent'; and
    b. 'Land Development Plan Areas' being referred to 'Development Areas'.

11. On the basis that the general approach to the consenting of Development Areas and the wider Ruakura Structure Plan provisions remain unchanged, CPL's position on Chapter 3.7 is neutral.

Residential Provisions – Chapter 4

General Residential – Chapter 4.2

12. CPL's Development Area U is currently zoned General Residential – with this General Residential zoning retained under PC12.

13. In short, the General Residential Zone provisions proposed essentially reflect the general prescribed requirements of the Medium Density Residential Standards (MDRS) which HCC are required, as a Tier 1 territorial authority, to incorporate into the District Plan.

14. On this basis, CPL's position on Chapter 4.2 is neutral.

Medium Density Residential – Chapter 4.3

15. The majority of CPL's land at Greenhill Park is currently zoned Medium Density Residential – with PC12 also retaining this Medium Density Residential zoning.

16. Further to the comments above, the Medium Density Residential Zone provisions proposed essentially reflect the general prescribed requirements of the MDRS.

17. The retention of the 'Development activities' (formerly Land Development Consents) consenting approach under Rule 4.3.3.1, which applies specifically to the Ruakura (and Te Awa Lakes) Precinct, is supported.

18. The Medium Density Residential Zone provisions for the 'Ruakura Residential Precinct', as it is now known, also retain an objective, policies and rules which specifically provide for one Integrated Retail Development in accordance with the Ruakura Structure Plan.

19. CPL support these Integrated Retail Development provisions, including the proposed amendments to the associated standards in 4.3.5.8, being the revised height control plane and increased height limit of 14m.

Financial Contributions – Chapter 24

20. Having reviewed PC12, it appears that additional to Development Contributions, Council is seeking to apply financial contributions to developments. Specifically, PC12 revises the general purpose of financial contributions within the District Plan; which under 24.2.1 is now to recover from developers a contribution in the form of money, or land, or a combination of both money and land, which:

> *a. Avoids, remedies, or mitigates adverse effects of the proposed activity on the environment including, but not limited to, effects associated with:*
> *i. Three waters/transport network connections;*
> *ii. Three waters/transport network improvements;*
> *iii. Three waters/transport capacity upgrades;*
> *iv. Parks/reserves/open space network enhancement/improvement;*
> *v. Streetscape amenity improvements;*
>
> *Where the capital expenditure items identified in this rule are not otherwise funded via Council's Development Contribution Policy. and*
>
> *vi. Gives effect to Te Ture Whaimana, including its requirement for restoration and protection of the Waikato River and the relationship between the Waikato River and Waikato-Tainui, Waikato River Iwi, and the Waikato Region's communities and all other objectives and strategies contained within Te Ture Whaimana*.

21. The PC12 documents states the financial contributions are applied to new developments under either the resource consent or building consent at the following rates;

Per PUD (three bedroom home)	*$4,801.23 + GST*
Per 100m^2 of retail	*$4,630.02 + GST*
Per 100m^2 of industrial	*$1,148.00 + GST*

Further inflation costs will also apply to these figures.

22. As Council is aware, at a high-level developments can be broken down into two distinct types, being "*brownfield*" or "*infill*" development, or "*greenfield*" development. Brownfield development is the redevelopment of areas where development has already existed, whereas greenfield development is new development of areas of previously undeveloped land, usually farmland. Council has recognized this distinction through the District Plan, with Greenfield Development being defined as "subdivision and/or urban development of previously undeveloped rural land", while various HCC documents and plans make a clear distinction between "infill" and "greenfield" developments.

23. The financial contributions being proposed under PC12 are more suited to “infill”, or “brownfield” subdivision (i.e. the redevelopment of sites previously occupied by dwellings or buildings), where a developer focuses solely on works within one property (or sometime multiple), and the funds are needed to retrofit/upgrade existing infrastructure to meet demand. The nature of infill developments leaves little scope for that developer to undertake works on existing infrastructure or streetscape amenity beyond the site as part of that development, nor would it likely be proffered beyond the immediate vicinity of the site.

24. Greenfield subdivisions are different. With a greenfield subdivision the infrastructure and streetscape is being provided by the developer, along with the streetscape amenity as the streets are being created as part of the development. For example, Greenhill Park provides all three waters infrastructure, power, telecom, and gas infrastructure, and all roads and footpaths. Furthermore, streetscape amenity in the residential areas of Greenhill Park is already provided at great expense to CPL through the use of tinted concrete, curb design, and extensive planting. This is all undertaken as per designs prepared by Urban Designers (Adapt Studios), and Landscape Architects (Boffa Miskell), and as approved by Council.

25. Additionally, like at Greenhill Park, greenfield developers will be required or will design into their subdivision stormwater mitigation and treatment measures that already avoid any effects on the downstream network. In Greenhill Park this includes the swale network, which covers an area of over 11ha dedicated solely to stormwater mitigation and treatment on site before the water is discharged to the Kirikiriroa Stream, then to the Waikato River. It is noted that Greenhill Park’s stormwater network has already been assessed by Waikato Regional Council against the Vision and Strategy for the Waikato River as part of the stormwater discharge consent process.

26. As another example of the developer already providing for those matters for which financial contributions are being sought, for the planned Commercial Area, CPL has engaged Edwards White Architects to design the buildings and streetscape to ensure this is high quality, attractive, and provides for a high level of amenity for not only Greenhill Park residents but any person from Hamilton or elsewhere who comes to the commercial centre.

27. Beyond any Council requirements, it is in the developers’ best interests to ensure these services are provided and the streetscape amenity features are installed as this adds to the overall amenity of the subdivision. CPL puts a large amount of resource in to ensuring those matters for which financial contributions are now being sought are already provided for as part of the development.

28. As summarised above, the aspects listed in 24.2.1 a. (i-v) that the proposal financial contributions relate to are therefore already paid for by the developer of a greenfield development. As such any further charges relating to those matters would be Council ‘*double dipping*’. Any double up of requirements for money from developers by Council is considered highly inappropriate.

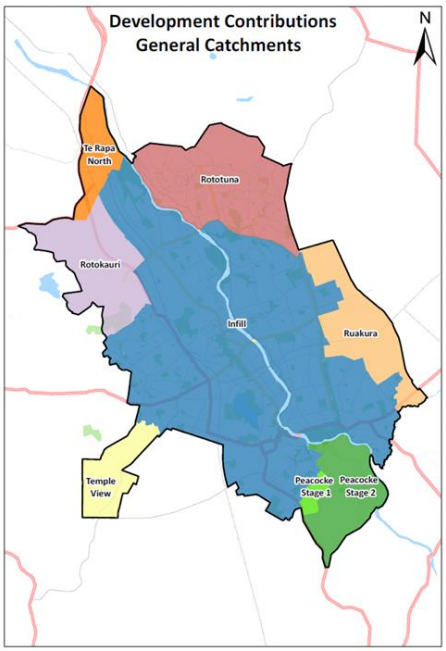
29. Additionally, Council is already receiving money from Development Contributions and through rates. On this note, CPL has already paid the Council over $1,500,000.00 in Development Contributions in 2022 alone, and each new site created provides further revenue for Council through new rates. However, we have seen examples of this money potentially not being well spent. We have seen examples of plants installed as part of subdivisions be completed removed and replanted by Council later with another species, rather than maintaining what is already in place. Council therefore needs to look at how it is spending money and ensure this is the most

efficient and effective use of the funds it is already receiving before looking at increasing revenue streams.

30. Another important factor relating specifically to CPL is that the proposed financial contributions are also over and above the already agreed contributions from CPL under our PDA, which provides certainty for all parties around costs and timing of Ruakura's infrastructure and contributions to HCC as part of the development. It is considered inappropriate for Council to impose further charges outside of the agreement we already have in place.

31. An alternative to the current system would be that Council did not require greenfield developers to provide services or streetscape amenity as part of the development, but rather these are provided by Council, funded by the Financial Contributions. However, this would prove problematic as
    a. It would likely result in some developers paying far too much and other paying far too little towards the costs of services and streetscape amenity, as this will depend numerous factors
    b. Council, being responsible for those works, would then need to invest a huge amount of resources into managing those works and delivering them on time and on budget for the development.
    c. It is likely the amount collected through financial contributions would not cover the full costs of undertaking the works required for greenfield developments should Council be supplying all infrastructure and streetscapes.

32. As above, greenfield development is already defined in the Plan as "*subdivision and/or urban development of previously undeveloped rural land*", so there is already a recognized difference between greenfield and Infill subdivisions. In terms of the proposed PC12 wording, it would be a simple case of excluding greenfield developments from the financial contribution requirements and only apply these to "infill" areas. While relating to a separate matter, the plan below provided by Council already provides delineation of these areas



33. Council also needs to be mindful that the return on investment will be impacted by additional charges, and this may reduce the viability of some projects. Hamilton is in a unique position where there is the ability for us, as a city, to lead the way in terms of development while the other centres slow down (Auckland, Wellington and Christchurch are all showing a decline in Building Consents issued). The inland port and Ruakura growth cell is making headway to bringing homes and employment in new areas where a "Live, work, Play" lifestyle is a reality.

34. The opportunities that result from the Waikato Expressway, the inland port, and Ruakura industrial areas, along with all other areas marked for development can now accelerate Hamilton forward to be a leader in NZ. Council should be doing everything it can, especially in these times, to promote and enable the planned growth of the city, being mindful of adding additional barriers and costs, rather than look at ways to impose further costs and barriers to development in the city.

35. Overall, given that the effects discussed in PC12 are already addressed by the developers, it is not appropriate for Council to apply financial contributions to greenfield developments. This is particularly the case for CPL with Greenhill Park given the existing PDA in place. Any financial contribution charge would be considered 'double dipping' by Council.

36. On this basis, CPL oppose the financial contributions provisions in Chapter 24 as proposed, and specifically consider that it is not appropriate to apply Financial Contributions as proposed by PC12 to greenfield subdivisions.

Three Waters – Chapter 25.13

37. As shown on PC12 Map 2 below, CPL's landholdings at Greenhill Park is a mixture of within and outside of the proposed Infrastructure Capacity Overlay (pink hatching/black line).

38. This new Infrastructure Capacity Overlay includes requirements for Three Waters Infrastructure Capacity Assessments under Rule 25.13.4.6; albeit it is noted that forms of these assessments apply whether a site is subject to the Infrastructure Capacity Overlay or not.

39. The proposed information requirements for Three Waters Infrastructure Capacity Assessments are described in Volume 2, Appendix 1.2.2.5a, which includes *'ii. Council confirmation of available Three Waters infrastructure capacity to appropriately service the proposal'.* In relation to this particular information requirement, it is unclear how Council can provide such confirmation on infrastructure capacity in a timely and effective manner based on existing systems and resources available.

40. Three Waters Infrastructure Capacity Assessments under Rule 25.13.4.6 are also proposed to be required by Council for activities as limited in scale as creating four or more additional residential units or allotments; which is not a significant development in its own right.

41. Given the potential complexities around the Three Waters Infrastructure Capacity Assessments, and the uncertainty created with respect to the time and cost implications for new developments, CPL's oppose the proposed changes to Chapter 25.13 (and the associated provisions for Three Waters Infrastructure Capacity Assessments).

Relief Sought

42. It is sought that Council remove the requirement for financial contributions for any greenfield Development.

43. It is sought that Council undertakes a full review of the efficiency and effectiveness of spending existing revenue before seeking new revenue streams, as there is room for improvement here.

44. It is sought that financial contributions are not applied to CPL given the existing PDA with Council around the provision of infrastructure and contributions payable.

45. CPL wish to be heard on this submission.

46. CPL would also be prepared to consider presenting a joint case with others making a similar submission.

Yours Faithfully

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