Appendix 5: Summary evaluation of reasonably practicable options for urban growth for Kerikeri-Waipapa

NB: the table below provides a summary assessment of three zoning options for urban growth for Kerikeri-Waipapa in accordance with section 32 of the RMA. The section 42A report and supporting technical evidence should be referred to for a more detailed analysis of the benefits, costs and risks associated with these three options.

	Option 1 — PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 — Option 1 and KFO proposal
Benefits anticipa	red from the effects of the proposal		
Environmental benefits	 Promotes a more sustainable and compact urban form compared to Options 2 and 3¹. Retains a large contiguous piece of land with LUC3s2 soils². Has the least impact on indigenous biodiversity, including natural inland wetlands and potential area of significant indigenous vegetation and significant habitats of indigenous fauna. Limited natural environment constraints Lower vehicle kilometres travelled and emissions through reduced travel distances and highest potential active transport mode uptake³ Aligns with PDP strategic direction for land use practices to mitigate climate change by reducing emissions. Avoids development of vulnerable activities on area subject to risks from flood hazards. 	 The floodway has the potential to result in the creation of a green ecological corridor, including improved aquatic ecological values through a net increase in planted riparian habitats, habitat for fauna, buffering and shade to freshwater habitats and connectivity, noting that this outcome is not certain due to lack of information available about floodway design⁴. Potential to mitigate risks from natural hazards. 	 Same environmental benefits as Option 2 but does not have all the environmental benefits as Option 1 as LUC 3s2 soils will be lost, land subject to inherent risks from river flooding will be developed for vulnerable activities and the development will result in greater emissions and kilometres travelled and a less sustainable urban form compared to Option 1 alone. Provides opportunity for more creation of extensive green network across both Options 1 and 2 but unclear how this would be realised.
Economic benefits	 Enabling concentration benefits by supporting the clustering of commercial activities and increasing the opportunities for people to live near town centres⁵. Strengthens Kerikeri's role as a key centre for retail, culture, business, and tourism to attract more visitors⁶. Strengthens Waipapa's role as a commercial hub for large format retail that supports the economic growth of Kerikeri-Waipapa and the wider Far North District⁷. Supports achieving a well-functioning urban environment, housing affordability and a competitive land and development market by providing for plan-enabled capacity of 7,788 dwellings and potential development capacity of 5,003 dwellings, exceeding projected demand⁸. Economies of scale associated with intensification⁹. Enables more efficient use of existing infrastructure as it spreads the cost of infrastructure more effectively across households¹⁰. Has the potential for job creation and improved access to jobs, services and a more diverse service range¹¹. 	 Potential economies of scale though enabling large-scale greenfield growth. Creates opportunity for more large-scale infrastructure delivery which may be funded (all or in part) by the developer, noting that no details of or commitments for infrastructure funding have been provided. Has the potential for job creation and associated economic benefits for Kerikeri-Waipapa and wider Far North District. Has the potential to deliver greenfield detached dwellings at lower price points than detached dwellings within Kerikeri. 	 Same economic benefits as Option 2 but foregoes many of the economic benefits of Option 1, including concentration benefits, achieving a well-functioning urban environment and efficient use of infrastructure. Supports competitive land markets by providing for both intensification and greenfield growth options. Providing an oversupply of residential zoned land may improve housing affordability.

¹ Refer spatial plan evidence of Mr Reuben.

² Refer rural productivity evidence of Dr Hills.

³ Refer spatial plan evidence of Mr Reuben.

⁴ Refer ecology evidence of Ms Andrews.

⁵ Refer spatial plan evidence of Mr Reuben.

⁶ Refer spatial plan evidence of Mr Reuben.

⁷ Refer spatial plan evidence of Mr Reuben.

⁸ Refer economic evidence of Mr McIlrath, planning (NPS-UD) evidence of Mr Lindenberg.

⁹ Refer economic evidence of Mr McIlrath.

¹⁰ Refer infrastructure evidence of Mr Hensley.

¹¹ Refer economic evidence of Mr McIlrath.

	Option 1 – PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 – Option 1 and KFO proposal
Social benefits	 Reduces reliance on private vehicle usage, which can reduce some demand on the transport network and enhance community sustainability and well-being. Enables growth within walkable catchments with people being closer to services and amenities. Preserves the individual characteristics and identity of Kerikeri and Waipapa as separate townships, which is valued by their respective communities. Largely aligns with community aspirations as identified as part of the Spatial Plan process¹². 	 Supported by some community groups. Potential to deliver more affordable detached housing compared to Option 1. Provides new areas of open space, which will benefit residents of both Kerikeri and Waipapa. 	• Same benefits as Option 2, but foregoes all of the benefits
Cultural benefits	 Broadly accepted by the Hapū Rōpū Governance Group compared to Option 2 (except) Ngāti Rēhia and Ngāti Hineira. Directs growth areas away from rivers and key streams and/or other culturally sensitive areas. 	 Has support from Ngāti Rēhia and Ngāti Hineira. Includes new areas of open space (which may be a positive outcome for hapū). 	Could potentially receive broad support from all mana whenua groups.
	from the effects of the proposal	Langue of 100kg of LUC 2-2 land in duding 00 7kg within the City	For the government of the section of
Environmental costs	 More intensive use of transport network within Kerikeri/Waipapa, with associated concentration of transport emissions and congestion (although still expected to be significantly less than an increase in new emissions from greenfield growth). Otherwise, limited environmental costs are anticipated from this option. 	 Loss of 163ha of LUC 3s2 land, including 89.7ha within the Site. Development on land subject to natural hazards as 45% of the site lies within River Flood Hazard Areas in the PDP and there is high uncertainty in relation to the proposed flood mitigation design, including potential adverse effects of the proposed floodway on wetlands and aquatic habitats. Greater emissions through increased vehicle kilometres travelled due to lack of connectivity with Kerikeri township. Likely ecological effects associated with increased noise, lighting, human activity, pets, and pests resulting from urban development, noting that these effects have not been assessed¹³. Potential to result in adverse effects on ecology, including loss and modification of freshwater habitats, noting that this outcome is not certain due to lack of information available about floodway design¹⁴. Significant new infrastructure required before any new development capacity could be realised. 	 Greater emissions from increased sprawl combined with more intensively developed urban centres in Kerikeri and Waipapa. Significant increase in impervious area from the combined development of both Options 1 and 2, creating pressure on existing stormwater infrastructure and potential for increased flood flows and associated adverse effects.
Economic costs	 Increased land values may create pressure on horticulture businesses located on the edge of Kerikeri and Waipapa. Retrofitting infrastructure can be complex and upgrades to existing three waters infrastructure will be required, which will incur costs for Council (and ratepayers) as well as developers. However, these costs are expected to be substantially less than the likely costs to deliver Option 2 when the true costs of delivering greenfield infrastructure are compared to the cost of utilising and upgrading existing infrastructure to service brownfield development, particularly 	 Risk of fragmented growth pattern with reduced economic efficiency and poor market feasibility. The isolation of the Site limits the ability to leverage existing centres, and it lacks the scale and integration required to support efficient, coordinated economic development¹⁶. Loss of potential economic benefits from that loss of LUC 3s2 land that would be suitable for a range of crops, including potential future use for horticulture with appropriate management practices¹⁷. 	 Very high infrastructure costs, which increases burden on ratepayers and is likely to lead to significant inefficiencies in infrastructure delivery. Costs associated with 'over-zoning' capacity, including opportunity costs associated with foregoing agricultural production, losing the economic benefits of concentrated development by diluting growth away from centres, undermining intensification efforts and the efficiency of the spatial economy, and failing to achieve a well-functioning urban environment²³.

 $^{^{\}rm 12}$ Refer spatial plan evidence of Mr Reuben.

¹³ Refer ecology evidence of Ms Andrews.

¹⁴ Refer ecology evidence of Ms Andrews.

¹⁶ Refer spatial plan evidence of Mr Reuben.

Refer rural productivity evidence of Dr Hill.
 Refer economic evidence of Mr McIlrath and urban design evidence of Ms Rennie.

	Option 1 - PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 – Option 1 and KFO proposal
	when long term maintenance and operating costs are considered ¹⁵ . Less likely to deliver affordable detached housing compared to Option 2 (potentially offset by a market shift to affordable attached dwellings). Costs associated with delivering necessary transport network upgrades, as outlined in the Spatial Plan (although this is expected to be required under all options).	constraints of the Site and its lack of integration with existing urban areas will make infrastructure delivery to the Site difficult to stage and significantly more costly compared to Option 1 ¹⁸ . Substantial upfront investment in water supply, wastewater systems, stormwater infrastructure, and community facilities is required (with no information provided on how this would be staged or funded by KFO). The high-level costings prepared during the development of the Spatial Plan estimated the cost of Scenario F (the Site) being between \$134m to \$234m for infrastructure servicing, but this excluded key infrastructure necessary to develop the Site ¹⁹ . Substantial investment in new road network, including two new bridges, an upgrade to the existing Golf View Road bridge and a major new intersection with SH10 ²⁰ would be required in additional to wider (but unknown) improvements to the wider transport network. Expected to exacerbate urban sprawl (and the associated costs of servicing a sprawling urban area compared to a compact urban area) resulting from the erosion of clear and defensible urban boundaries ²¹ . Dilutes commercial demand from town centres of Kerikeri and Waipapa. May not deliver a mix of housing typologies as General Residential Zone is the only residential zone being proposed. One landowner can control prices, with the risk that prices will be kept high through slow release of land. Ratepayers will likely have to pay for ongoing operation and maintenance of flood infrastructure for the Site with no clear broader catchment benefits beyond the Site. Poor integration of the Site with Kerikeri from an access perspective would place additional pressure on SH10, Waipapa Road, Kerikeri Road and the Heritage Bypass, resulting in	Option 3 — Option 1 and KFO proposal
Social costs	 Potential resistance to intensification and density from community, particularly concerns that a more compact and dense urban form could undermine Kerikeri's village character and the unique character of Waipapa. Not supported by some community groups. 	 adverse traffic effects²², including congestion and inefficiencies. Risk of disconnected suburb with limited local services and car dependency – limited walking and cycling accessibility to Kerikeri even if all access points proposed in the Precinct Plan are secured²⁴. Risks altering the rural and townscape qualities of Kerikeri and Waipapa and eroding the unique character of each town, which 	Same social costs as identified for Options 1 and 2
		 is valued by their communities²⁵. Likely to undermine Kerikeri and Waipapa as the focus point for commercial, community and civic activities. 	

¹⁵ Refer infrastructure evidence of Mr Hensley.

¹⁸ Refer infrastructure evidence of Mr Hensley.

¹⁹ Refer infrastructure evidence of Mr Hensley.

²⁰ Refer transport evidence of Mr Collins.

²¹ Refer urban design evidence of Ms Rennie.

²² Refer evidence of Mr Collins, transport expert

²⁴ Refer transport evidence of Mr Collins and urban design evidence of Ms Rennie.

²⁵ Refer urban design evidence of Ms Rennie.

	Option 1 — PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 — Option 1 and KFO proposal
Cultural costs	 Not supported in full by Ngāti Rēhia and Ngāti Hineira. 	 Topography between the bridge over the Puketotara Stream and the Kerikeri town centre creates an impediment to a well-connected residential development²⁶. Not supported by the Kerikeri/Bay of Islands Golf Course, with this support being critical to securing two key access routes through the Site. Has low levels of public support, ranking second to last in the public engagement results during the development of the Spatial Plan²⁷. Potential impacts on the mauri of rivers and key streams 	Potential impacts on the mauri of rivers and key streams
		 impacted by the KFO proposal. No specific consideration of cultural values within the proposed Precinct Chapter. 	 impacted by the KFO proposal. No specific consideration of cultural values within the proposed Precinct Chapter.
Risks of acting or	not acting when there is uncertain or insufficient informatio	· ·	proposed Fredirec Chapter:
Certainty and	 N/A – it is considered that there certain and sufficient information to act through Option 1 as: The information underpinning Option 1 is informed by the extensive information and community engagement that was provided as part of developing the Spatial Plan. The option is supported in the technical evidence, particularly from an economic, infrastructure and urban design perspective. Elements of this option (the MDRZ and TCZ plus amendments to activity status for minor residential units) were also considered as part of Hearing 14 on the PDP and relied on a range of expert evidence, including economic, urban design and planning evidence. The economic evidence has demonstrated that this option will provide plan-enabled capacity of 7,788 dwellings and potential development capacity of 5,003 dwellings, exceeding projected demand for housing over the long-term²⁸. The infrastructure evidence has demonstrated that this option is "infrastructure ready" over the short-term and how future planning and funding processes will ensure that the development capacity enabled by this option is "infrastructure ready" in the medium and long-term. 	There are a wide range of concerns identified by multiple experts regarding the certainty and sufficiency of information provided by KFO as summarised below. Ecology ²⁹ • Ecological assessment is too high level to support scale of rezoning proposed and there is an absence of any ecological mitigation measures within the KFO proposal. • Missing or inadequate assessment on the impacts on remnant forests, the effects of the proposed floodway on aquatic habitats and natural inland wetlands and the offsetting that would be required to mitigate the loss of natural wetland values and extent. • Lack of certainty as to whether any part of the site is a "Significant Natural Area", in accordance with the criteria in Appendix 5 of the RPS, and how the KFO proposal would impact on the values of that area. Economic ³⁰ • Numerous issues have been identified with the data, methodology and assumptions used in the economic assessment provided in support of the KFO proposal. These issues include (but are not limited to) incorrect use of regional Northland data, overly aggressive growth projections, reliance on potentially irrelevant or not comparable case studies and under-estimating infrastructure, environmental and transport costs. These issues undermine the reliability of the economic assessment. Landscape ³¹ • No certainty that the Precinct provisions will achieve the type of landscape and development outcomes asserted by KFO experts	Sufficiently certain information is available to support PDP-R component of this option. However, there is uncertain and insufficient information available to support the KFO component of this option, as set out for Option 2 in this evaluation.

²⁶ Refer technical landscape memo from Ms Absolum.

²⁷ Refer spatial plan evidence of Mr Reuben.

²⁸ Refer economic evidence of Mr McIlrath, planning (NPS-UD) evidence of Mr Lindenberg.

²⁹Refer ecology evidence of Ms Andrews.

³⁰ Refer economic evidence of Mr McIlrath.

 $^{^{\}rm 31}$ Refer technical landscape memo from Ms Absolum.

Option 1 — PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 — Option 1 and KFO proposal
Option 1 PDF-K as it applies to Kerikeri-Walipapa	 of the Structure Plan in the KFO submission and the proposed provisions in the Precinct Chapter. Transport³² Concerns about the traffic modelling provided by KFO regarding its assumptions and reliability, particularly relating to trip generation rates and internal capture rates that are not industry standard. Uncertain as to whether key access points A and B will be able to be secured through the golf course land, which are critical to the Site being integrated with Kerikeri township and being able to mitigate adverse traffic effects. No certainty that the Precinct provisions will ensure pace of development aligns with necessary transport upgrades as they do not address staging, the delivery of transport connectivity or timing of transport infrastructure upgrades. Uncertainty as to the scale of the transport network upgrades required due to the lack of robustness in the traffic modelling provided. 	
	 Urban design³³ No certainty on how the urban design outcomes for Site will be delivered achieved due to lack of information on staging, no consideration of urban design outcome in the proposed Precinct rules or assessment matters and failure to incorporate good practice urban design principles and considerations into both the Precinct Plan and chapter. Risk of acting when there are unresolved layout issues, which are likely to lead to adverse urban design outcomes. Infrastructure/funding (other than transport) Lack of information on the long-term costs, ownership, operation and maintenance of the flood mitigation infrastructure, including whether the assets are intended to be vested in Council or NRC. No binding commitments or evidence confirming responsibility for KFO to fully fund the infrastructure required, which presents a significant financial risk to Council³⁴. 	
Risks of acting N/A – not required as it is considered that there certain and sufficient information to act through Option 1.	Some of the most significant risks of acting relate to the lack of certain and sufficient information, as outlined above. There are both gaps in information (e.g. lack of staging information and infrastructure funding information), as well as questions raised about the robustness of the information that has been provided (e.g. traffic modelling). Multiple experts have also raised concerns with the disconnect between the outcomes anticipated for the KFO site and the Precinct Chapter and Precinct Plan that are tasked with achieving those outcomes. Overall, there is not sufficient certainty that the information that has been provided is reliable enough to support sound decision-making. Overall, it is considered that it is a	Risks of acting are the same as for Option 2, as the information gaps will remain for the KFO elements of this option. However, the potential risks associated with oversupply of land are greater in this option compared to Option 2 alone. More specifically, there is a substantial risk that this option could undermine the economic benefits associated with concentrating growth in and around centres outlined for Option 1, as it will dilute, weaken and underline intensification efforts.

³² Refer transport evidence of Mr Collins.

Refer urban design evidence of Ms Rennie.
 Refer infrastructure evidence of Mr Hensley.

Option 1 — PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 — Option 1 and KFO proposal
Option 1 — PDP-IX as it applies to Kerikeri-Waipapa	fundamental risk to rely on future resource consent processes to	
	resolve these issues when they may be material to the question of	
	whether the Site is suitable for urban rezoning.	
	whether the site is salable for arban rezoning.	
	There are also other risks of acting, including:	
	Risks associated with allowing vulnerable activities (i.e.	
	residential activities) to establish in an area subject to extensive	
	flood hazard risk in terms of resilience, community well-being,	
	economic efficiency, and long-term liability for Council and	
	ratepayers.	
	Risk that the KFO proposal will result in another car reliant	
	suburb, with pedestrian and cycle connectivity to Kerikeri	
	severely hindered by the Puketotara Stream Valley – this is a	
	topographical barrier to integration and connectivity with	
	Kerikeri that is difficult to mitigate ³⁵ .	
	Risks associated with enabling too much (over-zoning)	
	greenfield growth capacity, especially if the spatial extent over	
	which the capacity is enabled is extensive. If the enabled	
	capacity is out of proportion with demand, then a small number	
	of developments could capture a very large share of growth ³⁶ .	
	Risks associated with relying on a development threshold to	
	provide an updated traffic assessment (1,600 dwellings and	
	50% of other activities), including difficulties securing equitable	
	funding for infrastructure upgrades across multiple owners and	
	beneficiaries, "first-mover or last-mover disadvantages",	
	challenges in cost recovery for infrastructure upgrades, and	
	 addressing cumulative effects³⁷. Risks associated with relying on the preparation and approval of 	
	a CDP to address numerous elements that should be resolved	
	prior to urban zoning of the land e.g. confirming the layout,	
	location and type of proposed lots to resolve identified urban	
	design issues ³⁸ , staging and delivery of development and	
	associated infrastructure (particularly with respect to funding).	
	This increases the risk that a high-quality, well-functioning	
	urban environment will be achieved, particularly given the lack	
	of requirement for an urban design assessment as part of the	
	CDP development.	
	Risks associated with relying on provisions in the Precinct	
	Chapter that lack the certainty and precision necessary to	
	ensure that the desired development outcomes are achieved on	
	the ground, particularly in relation to managing flood hazard	
	risk, ecological protection, , requirements for staging and	
	relationship with other PDP provisions (district-wide and	
	underlying zoning).	
	Risks associated with rezoning the land for urban development	
	without a separate community engagement process and without	
	the key conditions identified as part of the Spatial Plan process	
	being met – both of which were signalled as being necessary	

 $^{^{\}rm 35}$ Refer technical landscape memo from Ms Absolum.

³⁶ Refer economic evidence of Mr McIlrath.

³⁷ Refer transport evidence of Mr Collins.

³⁸ Refer urban design evidence of Ms Rennie.

	Option 1 – PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 — Option 1 and KFO proposal
		before Scenario F (the Site) could be considered for urban zoning during the development of the Spatial Plan ³⁹ .	
acting	N/A – not required as it is considered that there certain and sufficient information to act through Option 1.	There are few risks associated with not acting, particularly as it has been clearly proven that the Site is not required to provide sufficient development capacity over the life of the PDP if Option 1 is adopted ⁴⁰ . As such, there is no immediate pressure or need to rezone the Site for urban development as part of this PDP process. Not acting increases the likelihood that some of the key information gaps and risks associated with Option 2 can be resolved as part of a future process, which is the preferred outcome signalled in the Spatial Plan for Option F (the Site) as opposed to rezoning the land for urban development now.	Risks of not acting are the same as for Options 1 and it also risks undermining the range of benefits associated with Option 1 2, as both outcomes are relevant for this combination option.
Overall evaluation			
Efficiency	 Option 1 is the most efficient option as: It delivers targeted, cost-effective, and well-integrated growth when compared to greenfield growth options outside of the Spatial Plan (such as Option 2) or over-zoning of planenabled residential land (such as Option 3). It utilises existing infrastructure through planned upgrades, which is more efficient than further extending infrastructure networks into greenfield areas where the ability to fund that infrastructure is unconfirmed. Investment in infrastructure, including three-waters, transport and flood mitigation infrastructure will be more efficiently used under Option 1 compared to Option 2 as it will benefit a wider range of landowners across Kerikeri and Waipapa as opposed to investment being targeted towards a single site with a single developer. It utilises the extensive public engagement process undertaken to develop the Spatial Plan and gives effect to elements of the Spatial Plan through the PDP where this is within the scope of submissions. 	 Option 2 is the least efficient option as: It will result in a fragmented growth pattern that is disconnected from both the existing Kerikeri and Waipapa townships due to unresolved connectivity issues. It will not result in a compact urban form, meaning there are no efficiency benefits associated with creating a well-functioning urban environment such as efficiently using existing infrastructure, creating a walkable urban environment, agglomeration of services and amenities etc. There are higher costs associated with developing, servicing and maintaining a sprawling urban environment, particularly in a scenario where developer funded infrastructure is assumed but not confirmed through any formal or binding agreements. Investment in infrastructure is not used efficiently when most benefits are solely for the KFO site, as opposed to the wider Kerikeri-Waipapa community. 	Option 3 is considered to be less efficient than Option 1 but more efficient than Option 2. Combining both options allows for most of the efficiency benefits of Option 2 to be realised. However, over-zoning greenfield capacity inherently negates some of the efficiency benefits of Option 1, particularly with respect to the creation of a compact urban form and the associated efficiencies of that growth model.
Effectiveness	Option 1 is the most effective option as:	 Option 2 is the least effective option as: It does not align with the outcomes sought by the Spatial Plan and does not align with provisions in the NPS-UD and other higher documents, including not meeting the statutory tests in the NPS-HPL for urban zoning on highly productive land. Housing options are solely focused on greenfield development resulting in detached dwellings under a single General Residential Zone – does not deliver a range of housing choices and/or typologies with no guarantee that there will be a range of price points available. There are acknowledged effectiveness benefits in terms of providing for planned, staged development driven by a single developer to give the community more certainty as to when and how additional growth will be provided for, noting that Option 2 does not currently contain information about staging or timing of development. However, this benefit can also be a potential cost if there are delays/funding issues/practical constraints uncovered 	Option 3 is less effective than Option 1 but marginally more effective than Option 2. Combining both options allows for most of the efficiency benefits of Option 2 to be realised. However, over-zoning greenfield capacity inherently negates some of the effectiveness benefits of Option 1, particularly with respect to the creation of a compact urban form and associated economic and environmental benefits.

 $^{^{\}rm 39}$ Refer spatial plan evidence of Mr Reuben.

⁴⁰ Refer economic evidence of Mr McIlrath.

	Option 1 – PDP-R as it applies to Kerikeri-Waipapa	Option 2 – KFO proposal	Option 3 – Option 1 and KFO proposal
		during the consent process that were not addressed at the time the site was rezoned for urban development – if Option 2 is the main source of upzoned land for growth around Kerikeri/Waipapa, there is a risk associated with that capacity being in the hands of a single developer.	
Recommendation and reasons	Recommended - the preferred option for urban growth within Kerikeri-Waipapa for the reasons set out in this table and the section 42A report.	Not recommended – least preferred option for the reasons set out in this table and the section 42A report.	Not recommended – marginally preferable to Option 2 alone as some of the efficiency and effectiveness benefits of Option 1 may be achieved. However, over-zoning greenfield development capacity is expected to undermine the benefits of Option 1 and lead to a range of adverse outcomes.