

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER OF

Queenstown Lakes Proposed District Plan –
Stage 3 – Hearing Stream 17 – General
Industrial Zone

**STATEMENT OF EVIDENCE OF IAN GREAVES
ON BEHALF THE HENLEY PROPERTY TRUST (SUBMITTER 3269)**

(PLANNING)

CHAPTER 18A GENERAL INDUSTRIAL ZONE

29th May 2020

Qualifications and Experience

- 1 My name is Ian Christopher Greaves. I hold the qualification of Bachelor of Applied Science (Environmental Management (Hons)) from the University of Otago. I am a full member of the New Zealand Planning Institute.
- 2 I have practiced in planning and land development since 2006. I am currently employed by Southern Ventures as their Development Manager. In this role I manage and deliver land and property development projects. Part of my role includes managing and implementing all resource management and planning aspects of the projects I am involved with.
- 3 Throughout my professional career, I have been involved in a range of resource management and planning policy matters in roles with Southern Ventures, Southern Planning Group, Queenstown Lakes District Council, the Environment Agency (UK) and Opus International Consultants (NZ). This experience includes over 10 years based in the planning field in Wanaka. I have made numerous appearances in front of hearing panels and I have also given evidence in the Environment Court.
- 4 I reside in Wanaka and I am familiar with the areas of Wanaka that I discuss within this evidence.
- 5 I have read the Code of Conduct for Expert Witnesses outlined in the Environment Court's Consolidated Practice Note and have complied with it in preparing this evidence. I have read the Section 32 reports and the Section 42A reports prepared by the Council officers with respect to this submission. I have considered the facts, opinions and analysis in this documentation when forming my opinions which are expressed in this evidence.

Executive Summary

- 6 My conclusions are as follows:

(a) I do not support the proposed 50m² threshold for ancillary office space stipulated in Rule 18A.5.1 of the General Industrial Zone. I consider the size

of ancillary office space should reflect the overall size of the associated industrial building rather than an arbitrary number set at 50m². I consider a rule framework that sets a 30% GFA percentage for ancillary office space to be more appropriate.

- (b) I consider that trade supply businesses should be a permitted activity in the General Industrial Zone. I am of the opinion that the amended policy framework for trade supply businesses set out in Council's S42a report does not offer a suitable solution to the issue. A permitted status reflects that trade supply businesses tend to have a genuine link the industrial and service sectors and will result in positive economic benefits for the wider District.
- (c) The proposed amendments outlined in this evidence will give effect to the relevant provisions of the Regional Policy Statement and the higher order provisions of the Proposed District Plan.

Scope of Evidence

- 7 I have been engaged by Henley Property Trust (Submission # 3269) to present planning evidence in relation to the proposed General Industrial Zone notified under Stage 3 of the PDP.
- 8 The submission seeks that the objectives, policies and rules of the General Industrial Zone are modified to:
 - (a) remove the restriction on the size of ancillary office space allowed in the zone;
 - (b) permit trade supply businesses;
 - (c) replace the prohibited activity status for large format retail with a discretionary status;
 - (d) confirm the proposed 10m height limit.
- 9 This evidence focuses on submission points (a) and (b) above and is set out as follows:
 - (a) Statutory Framework

- (b) Office Space within the General Industrial Zone – Rule 18A.5.1
- (c) Trade Suppliers within the General Industrial Zone – Rule 18A.4.x
- (d) Part 2 Assessment
- (e) Summary

Statutory Framework

The Resource Management Act (RMA)

10 The RMA and in particular the purpose and principles in Part 2, require Councils to promote the use, development and protection of the natural and physical resources for current and future generations in order to provide for their social, economic and cultural wellbeing. While this submission does not relate to any matters of national importance (section 6) the following section 7 matters are relevant:

- a. The efficient use and development of natural and physical resources;*
- b. the maintenance and enhancement of amenity values;*
- c. maintenance and enhancement of the quality of the environment;*

11 Section 79 provides for a review of the district plans in the manner set out in Part 1 of Schedule 1 of the RMA.

12 In changing the district plan, the Council is required to:

- a) “give effect to” any national policy statement
- b) “give effect to” any regional policy statement
- c) “must not be inconsistent with” a regional plan
- d) “have regard to” any proposed regional policy statement.

Office Space

13 Most industrial and service activities require some level of office space for their operational requirements. In addition to office space, some industrial activities may require ancillary retail space that allows them to display their goods for direct sales to some customers. The amount of office space required depends on the size of the business and the number staff employed by the business and the

proportion of those that undertake office-based roles (either solely office-based or a mix of office-based and warehouse / workshop activities). There is no simple ratio that can be applied to determine an appropriate level of permitted office space. I do not agree that the 50m² threshold proposed by QLDC is appropriate or reflective of the scale of industrial and service activities that QLDC should be encouraging in the Industrial Zone.

14 Plans of three Industrial premises that have recently been consented on Enterprise Drive, Wanaka are attached as **Appendix A** to this evidence. Enterprise Drive forms part of the Operative Industrial B Zone and while the premises are consented (RM200369) but not yet built or tenanted they are examples of buildings that will be located within the proposed General Industrial Zone. These consented buildings have the following floor areas:

Table 1: Floor Areas

	Warehouse Floor Area	Office Floor Area*	Total Gross Floor Area	% of Office vs the buildings overall floor area
Building 1	972m ²	569m ²	1541m ²	37%
Building 2	555m ²	224m ²	779m ²	28%
Building 3	555m ²	224m ²	779m ²	28%

*The office area provided in the table above includes toilet and bathroom spaces and communal lunchrooms. There is an argument that these areas could be removed from the office floor area total which would reduce the percentage calculation.

15 Whilst these buildings are yet to be tenanted what they highlight is that the size of office space should be a reflection of the overall size of the building and industrial / service activity housed within it rather than an arbitrary number set at 50m².

16 I accept the position that offices with the General Industrial Zone should have a genuine link to an industrial or service activity occurring onsite. I also accept that the office activity should not be the primary or leading activity occurring onsite and should be ancillary to an industrial or service use however, in terms of managing potential effects of office activities within the General Industrial Zone, I consider a rule framework that sets a GFA percentage for ancillary office space is

the most appropriate outcome. I consider this will provide a more practical approach, providing flexibility for the varying scale of businesses that will locate within the Zone while ensuring that the office activities do not become the primary activity on site. In terms of a percentage, I consider that an appropriate threshold would be set at 30% of the Gross Floor Area (GFA) of all buildings on the same site. I also consider that there should be a separate threshold for yard-based activities where their industrial and service use is undertaken outdoors and therefore a GFA ratio is less relevant. For this scenario I consider a maximum floor area of 250m² or 30% of the total site area whichever is less would be suitable. I have selected these thresholds with the above-mentioned examples in mind. I have also compared this approach with rule frameworks for other Industrial Zones in New Zealand as shown in table 2 below.

Table 2: Comparison of Ancillary office rules from other Local Authorities

Local Authority	Equivalent Ancillary Office Rules in an Industrial Zone
Christchurch City Council	General Industrial Zone - Any ancillary office shall occupy no more than 500m ² or 30% of the GFA of all buildings on the same site, whichever is the lesser or for yard based activities, shall occupy no more than 250m ² of floor area on the whole site.
Dunedin City Council	Industrial Zones – Not limit on ancillary office space
Invercargill City Council	Industrial Zone – Not limit on ancillary office space
Central Otago District Council	Industrial Resource Area – Not limit on ancillary office space
Auckland Council	Heavy Industry Zone - Offices that are accessory to the primary activity on the site and the office gross floor area does not exceed 30% of all buildings on the site is permitted
Tauranga City Council	Industry Zone - Ancillary retail and offices within the Industry and Tauriko Industry Zones shall be limited to 25% of the gross lease-able floor area of that

	building or activity
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17 Whilst this is not a comprehensive nationwide comparison, I think it provides a helpful baseline for the recommended 30% threshold. On this basis I recommended that Rule 18A.5.1 is amended as follows (deleted text ~~struck through~~ and added text underlined):

	Table 18A.5 - Standards for activities located within the General Industrial Zone	Non-compliance status
18A.5.1	Ancillary Office, Retail and Commercial activities (remaining component of the rule remains unchanged)	(remains unchanged)
<u>18A.5.1A</u>	<u>Any ancillary office shall occupy no more than 30% of the GFA of all buildings on the same site, or for yard-based activities, shall occupy no more than 30% of the total site area or 250m² maximum GFA whichever is less.</u>	<u>Non – Complying</u>

18 I also want to address the recommendation in the Section 42a report at paragraph 5.87 where it suggests that industrial or service businesses that require more office space than provided for in the notified General Industrial Zone should be located within the Business Mixed Use Zone. The Business Mixed Use Zone provides a range of activities including residential and visitor accommodation use. I consider there to be a very real risk of reverse sensitivity effects from industrial and service activities on these types of uses. This is reflected in the non-complying/prohibited activity status of industrial activities within the Business Mixed Use Zone. I therefore consider it would be undesirable for large scale industrial or service activities to locate Business Mixed Use Zone. Further if the Section 42a report is suggesting that it is the ancillary office components of the industrial activities that should locate within the Business Mixed Use Zone (which would be the likely outcome if ancillary office activities

are not able to be located within the General Industrial Zone due to the proposed 50m² maximum floor area) I consider that splitting up industrial activities from their office components would result in an inefficient use of land and resources, could compromise productivity and efficiency and result in increased vehicle movements between multiple premises.

19 I consider that the proposed ancillary office rule amendment outlined above will give effect to the relevant provisions of the Proposed Regional Policy Statement and the higher order provisions of the Proposed District Plan, and in particular:

Proposed Regional Policy Statement (2019)

Policy 5.3.3 - Manage the finite nature of land suitable and available for industrial activities, by all of the following:

- a) Providing specific areas to accommodate the effects of industrial activities;*
- b) Providing a range of land suitable for different industrial activities, including land-extensive activities;*
- c) Restricting the establishment of activities in industrial areas that are likely to result in:
 - i. Reverse sensitivity effects; or*
 - ii. Inefficient use of industrial land or infrastructure**

20 I consider there to be a low risk of reverse sensitivity effects for offices in the General Industrial Zone that are associated with industrial or service uses. There is clearly an expectation and understanding that offices situated within an Industrial Zone may be subject to nuisance and amenity effects that typical occur within the zone, particularly if those office activities must be ancillary to industrial activities to locate within the General Industrial Zone in the first place. I also consider that setting a proposed threshold of 30% of the GFA for office space avoids the inefficient use of industrial land.

Proposed Queenstown Lakes District Plan

Chapter 3 - Strategic Direction

3.2.1 The development of a prosperous, resilient and equitable economy in the District (addresses Issue 1)

3.2.1.5 Local service and employment functions served by commercial centres and industrial areas outside of the Queenstown and Wanaka town centres, Frankton and Three Parks, are sustained.

3.3.8 Avoid non-industrial activities not ancillary to industrial activities occurring within areas zoned for industrial activities. (relevant to S.O. 3.2.1.3 and 3.2.1.5)

- 21 I consider that the proposed threshold of 30% of the GFA ensures that any office space within the zone meets the requirement to be 'ancillary', giving effect to Objective 3.3.8. Overall, it is my opinion that the recommended change to the office size rule will better achieve Objective 3.2.1 in the development of a prosperous, resilient and equitable economy in the District.

Trade Supply Businesses

- 22 I consider that trade supply businesses should be a permitted activity in the General Industrial Zone. Whilst the Council's S42a report provides a recommendation to remove the notified prohibited activity status for trade supply businesses and replace this with a discretionary activity regime with an additional policy framework I do not believe this offers a workable solution to the issue.

- 23 The key concern I have with the S42a policy framework for trade supply businesses is the intent of providing for wholesaling trade supply businesses but avoiding retail trade supply businesses (recommended policy 18A.2.1.x and 18A.2.2.x) . Ms Hampson's economic evidence for Council in paragraphs 10.8 – 10.15 provides a helpful description of the different types of trade supply businesses and the potential ratios between wholesaling (trade supply) and retail (general public supply). Ms Hampson gives a worse case estimate that given this region's strong demand for trade an average trade share of anything less than

30% is unlikely. What is clear from Ms Hampson's trade supply descriptions and examples is almost all trade supply business will rely on both wholesaling and retail activities and the ratio of sales in each category will vary from business to business. With different trade supply businesses having varying ratios of sales in each category which presumably will also vary overtime I consider accurately determining what represents an appropriate trade supply business for the zone (through the resource consent process) based on this criteria will be extremely difficult to assess i.e. what is an acceptable ratio? what happens if this changes overtime? In my opinion there are far too many variables to this criteria that makes this recommended policy framework ineffective and difficult to implement.

24 I also disagree with the need for provision (a) of policy 18A.2.1.x that stipulates for trade supply activities to establish in the General Industrial Zone they need to play a role in supporting the establishment, operation and long-term viability of industrial and service activities. I consider that in almost all cases trade supply business will achieve this outcome. Some trade supply businesses will directly supply goods to the industrial and service sector where others will supply goods to industry sectors that are also vital to the operation and viability of the industrial and service sector. For example, a large portion of trade supply businesses in this District will service the construction industry which is also a vital sector for many industrial and service businesses. I therefore consider that the very nature of trade supply businesses and the type of sectors they serve will almost in all cases have a direct benefit in supporting the operation and long-term viability of industrial and service activities and the industry sectors that they rely upon.

25 Ms Hampson outlines, at paragraph 10.28 of her economic evidence, a number of economic benefits for providing trade supply businesses in the General Industrial Zone. This is balanced by the identified costs outline in paragraph 10.29 of Ms Hampson's evidence. My analysis of this evidence from a planning perspective is that the benefits for providing trade supply businesses in the General Industrial Zone is considerable and is not outweighed by the identified costs.

26 Overall, taking into consideration the identified complexities with the policy framework identified in the S42 report and the positive effects outlined in QLDC's economic evidence, I consider a permitted activity status for trade supply businesses is the most appropriate outcome in the General Industrial Zone. I

consider this aligns with the Proposed RPS and high order provisions of the Proposed District Plan, including Objective 3.2.1 providing for a prosperous, resilient and equitable economy in the District.

Part 2 Assessment

27 Section 32(1)(a) of the RMA requires an examination to the extent that a new objective is the most appropriate way to achieve the purpose of the RMA.


28 I consider that the changes discussed in this evidence are consistent with Section 5 which requires the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while safeguarding of the life-supporting capacity of air, water, soil and ecosystems. In terms of other relevant matters inherent in Part 2 of the Act, it is my assessment that there are no relevant section 6 matters and I consider that the changes discussed have appropriate regard for section 7 matters. The proposed changes will maintain amenity values and maintain and enhance the quality of the environment.

29 In terms of assessing the submission against section 8, there are no known Treaty principles that will be affected by this zone change.

30 I consider that the relief sought, as it relates to ancillary offices and trade supplier activities, better achieves the purpose of the RMA when compared to the notified General Industrial Zone provisions and subsequently amendments recommended in the s42A report.

Conclusion

31 Overall I consider that, subject to the amendments set out in this evidence, the proposed changes requested in the submission relating to the threshold for permitted office activities and the provision for permitted trade supply activities within the General Industrial Zone are consistent with meeting the purpose of the RMA, having considered the relevant matters inherent in Section 32.

A handwritten signature in black ink, appearing to read 'Ian Greaves', written in a cursive style.

Ian Greaves

29 May 2020

Appendix A – Enterprise Drive Industrial Building Plans

B a l l a n t y n e R i d g e D e v e l o p m e n t
Enterprise Drive, Wanaka.

sheet no. drawing title

sk1.1 Site Plan

sk1.2 Building 1: Floor Plans

sk1.3 Building 2 & 3: Floor Plans

sk2.1 Exterior Elevations

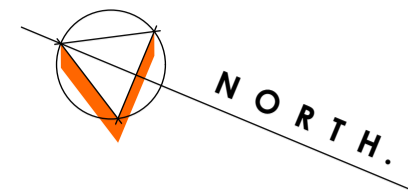
sk2.2 Exterior Elevations

sk3.1 Cross Sections

sk4.1 Image

sk4.2 Image



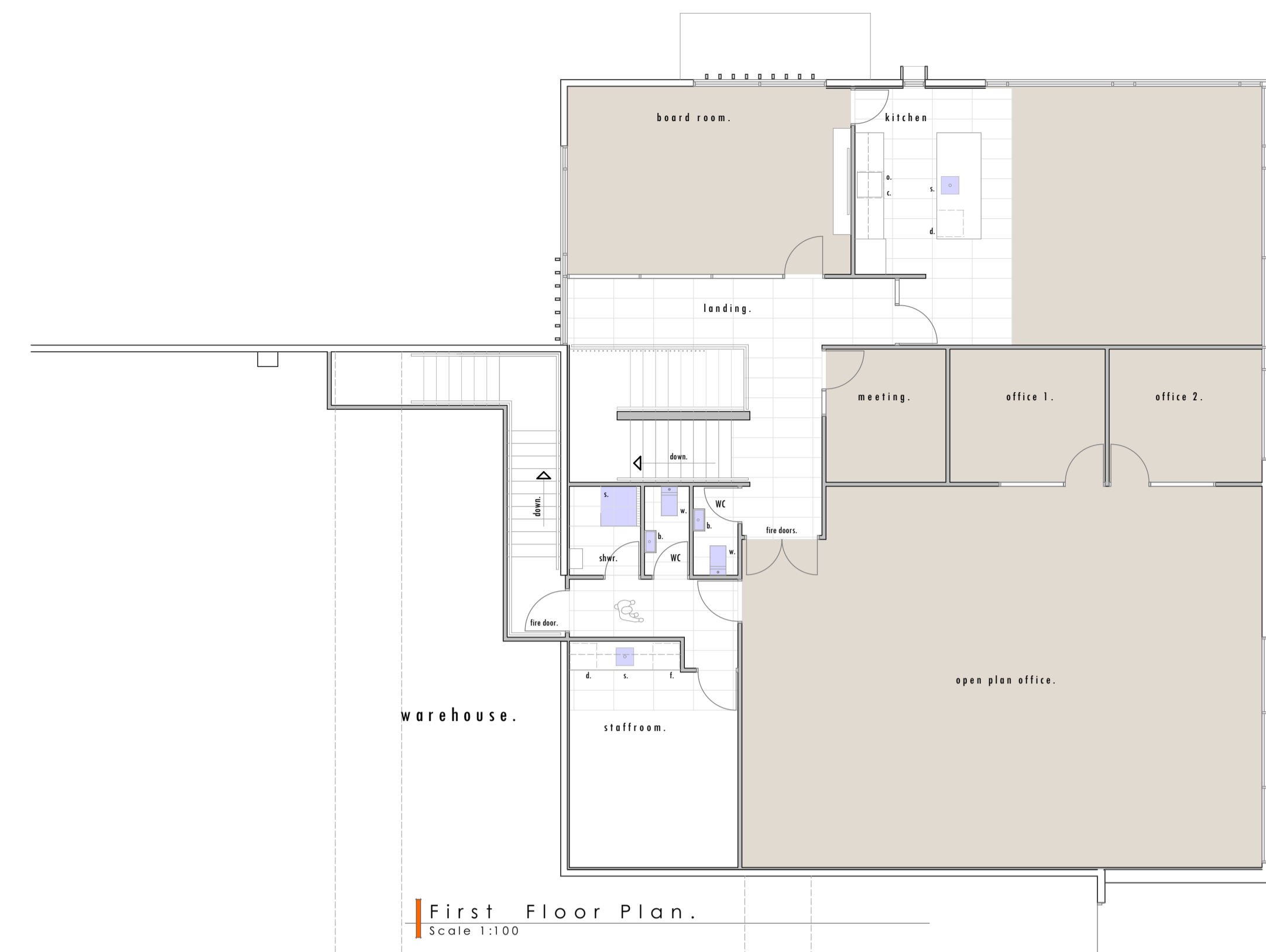


ENDEAVOUR STREET

SITE INFORMATION	
LEGAL DESCRIPTION	
ENTERPRISE DRIVE, WANAKA, LOTS 21, 22, 23 & 24. D.P. 445766	
SITE AREA:	
LOT 21 - 1260m ²	
LOT 22 - 1280m ²	
LOT 23 - 1280m ²	
LOT 24 - 1260m ²	
INDUSTRIAL B ZONE	
WIND ZONE - HIGH	
EXPOSURE ZONE - B	
EARTHQUAKE ZONE - 3	
SNOW ZONE - NS	



Site Plan
Scale 1:200



First Floor Plan.
Scale 1:100



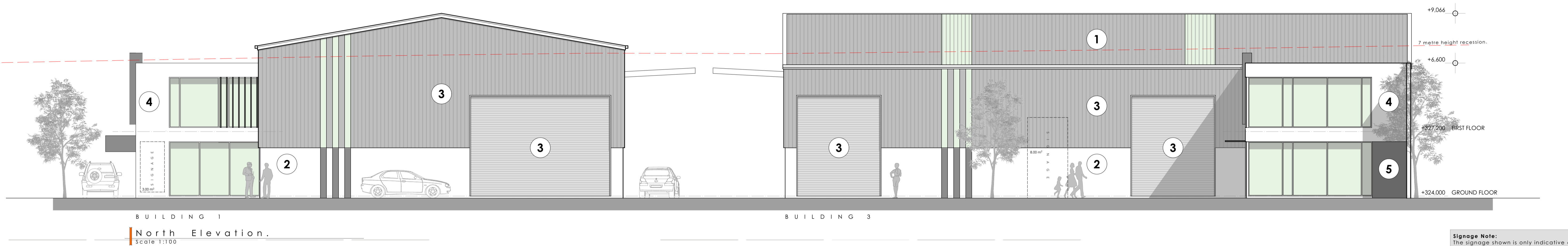
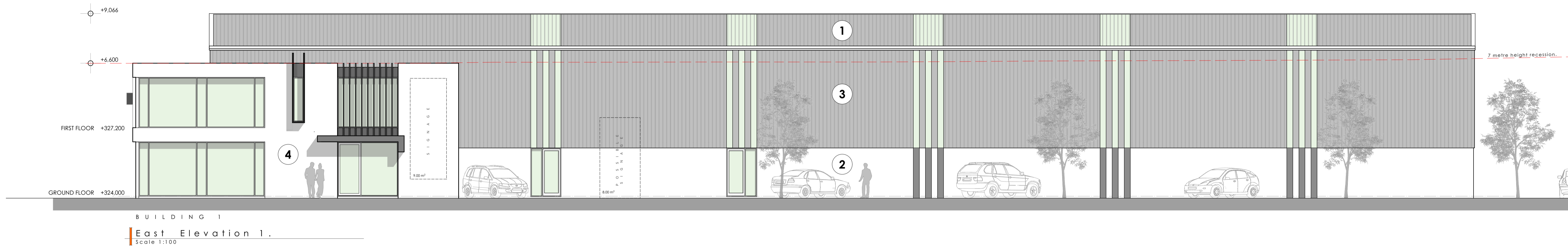
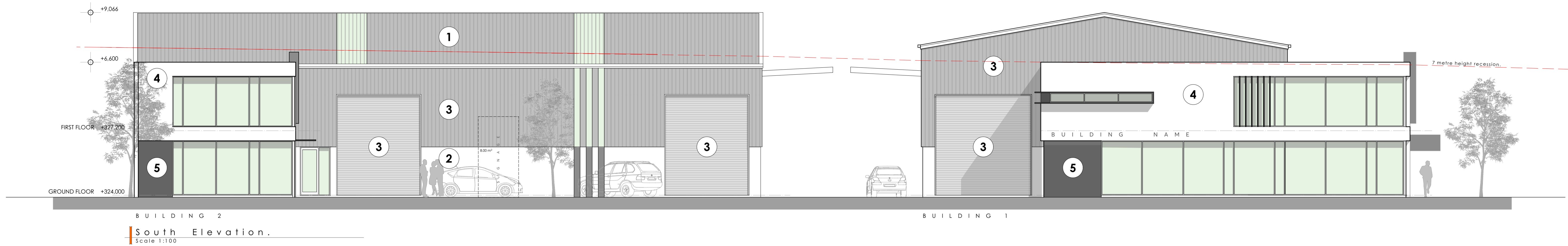
Building 1 - Ground Floor Plan.
Scale 1:100



Building 2 & 3 - First Floor Plan.
Scale 1:100



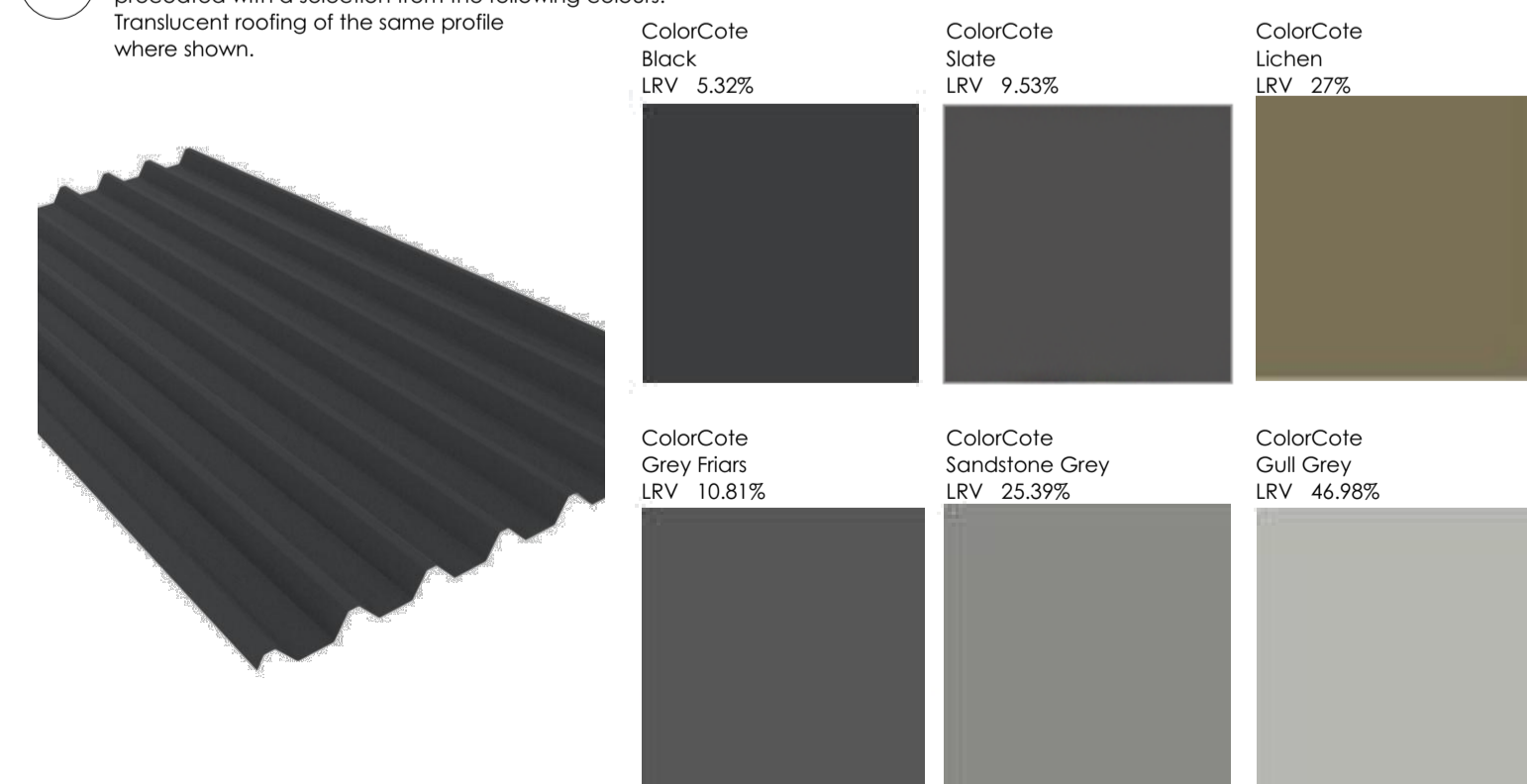
Building 2 & 3 - Ground Floor Plan.
Scale 1:100



Signage Note:
The signage shown is only indicative and the final location of signage will be at the discretion of the tenants.
20m² per building maximum.

ROOFING

1 DIMOND L17 or similar longrun roofing, flashings, gutters, and downpipes pre-coated with a selection from the following colours:
Translucent roofing of the same profile where shown.

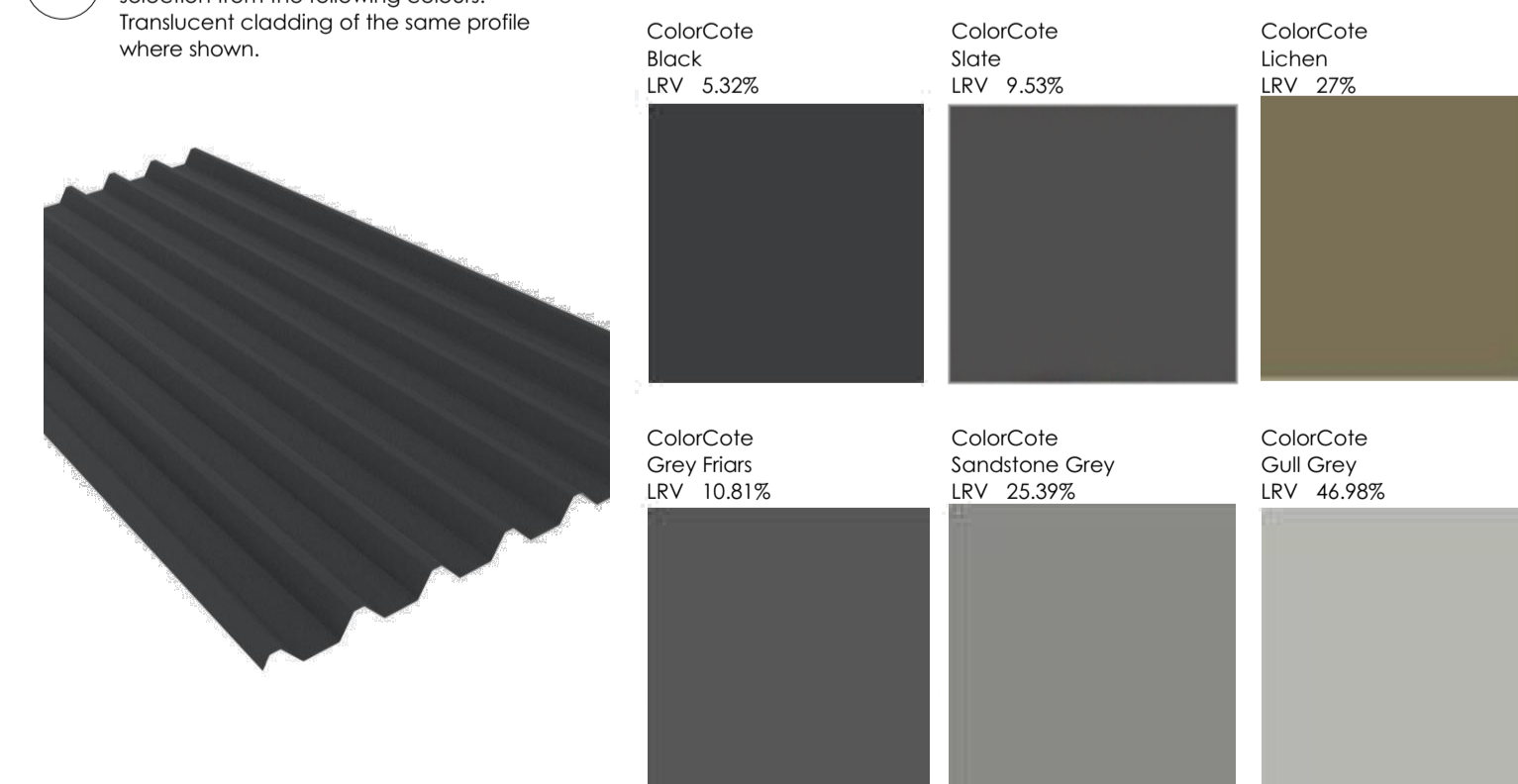


WALL CLADDING

2 Precast and Insitu Concrete with boardform or shutter formed faces

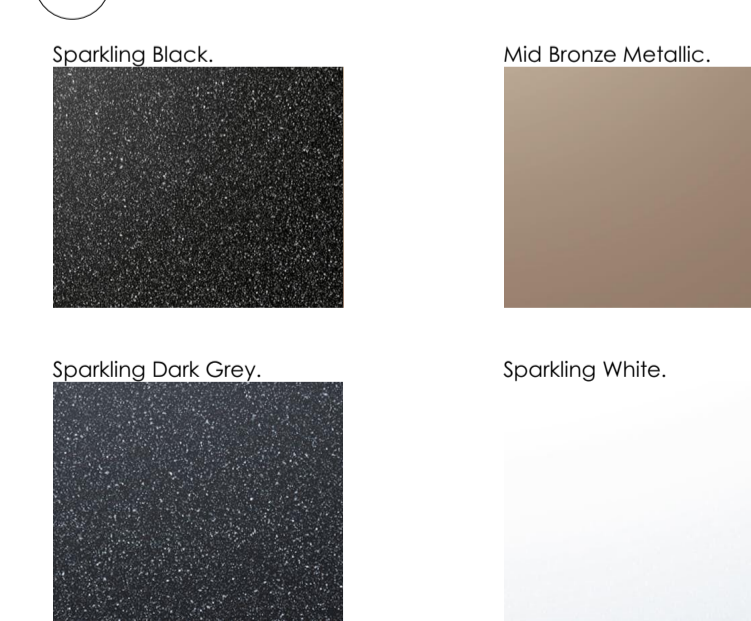


3 DIMOND L17 or similar longrun cladding and flashings pre-coated with a selection from the following colours:
Translucent cladding of the same profile where shown.



WALL CLADDING

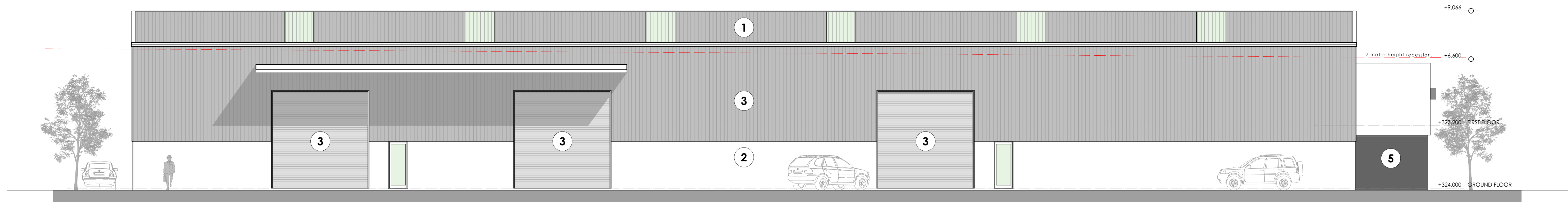
4 ALUCOBOND prefinished composite aluminium cladding:



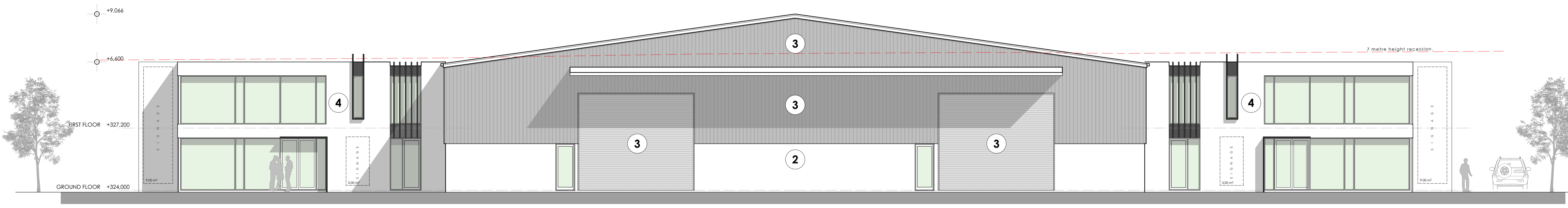
WALL CLADDING

5 RESENE CONSTRUCTION SYSTEMS Integra cladding:

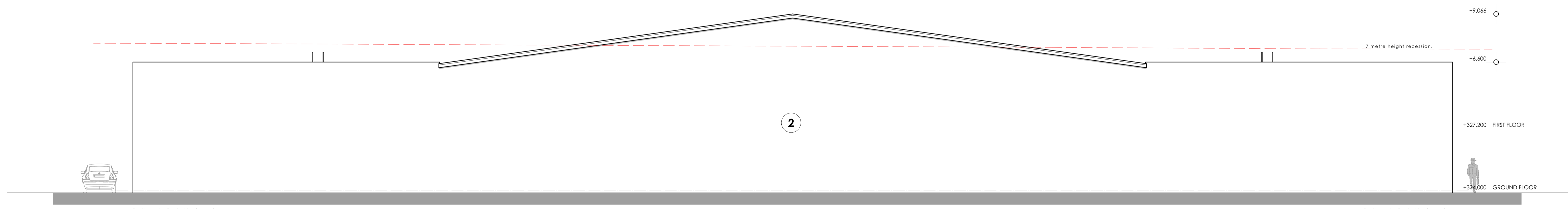




BUILDING 1
West Elevation 1.
Scale 1:100



BUILDING 2
East Elevation 2.
Scale 1:100

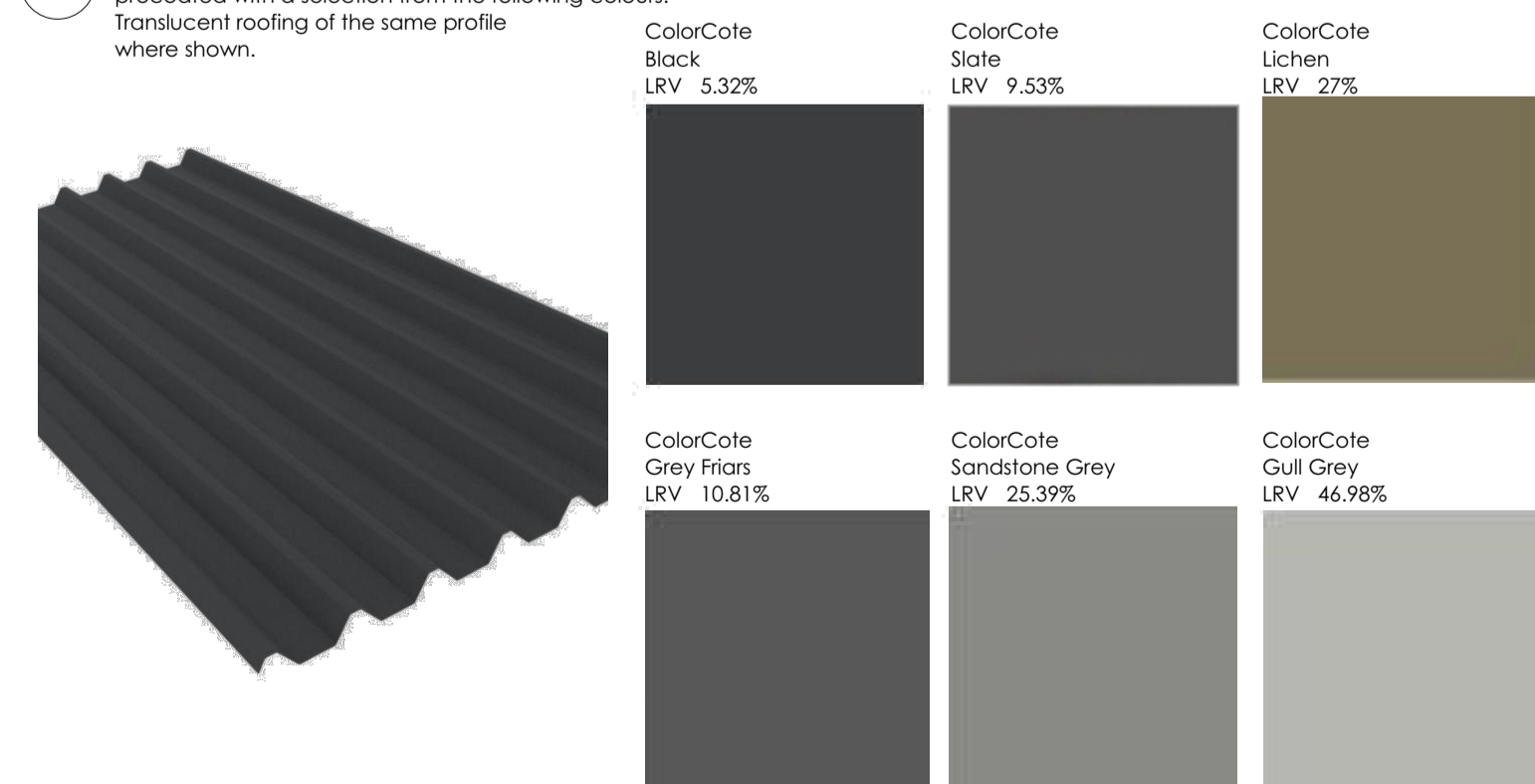


BUILDING 3
West Elevation 2.
Scale 1:100

Signage Note:
The signage shown is only indicative and the final location of signage will be at the discretion of the tenants.
20m² per building maximum.

ROOFING

1 DIMOND L17 or similar longrun roofing, flashings, gutters, and downpipes pre-coated with a selection from the following colours:
Translucent roofing of the same profile where shown.

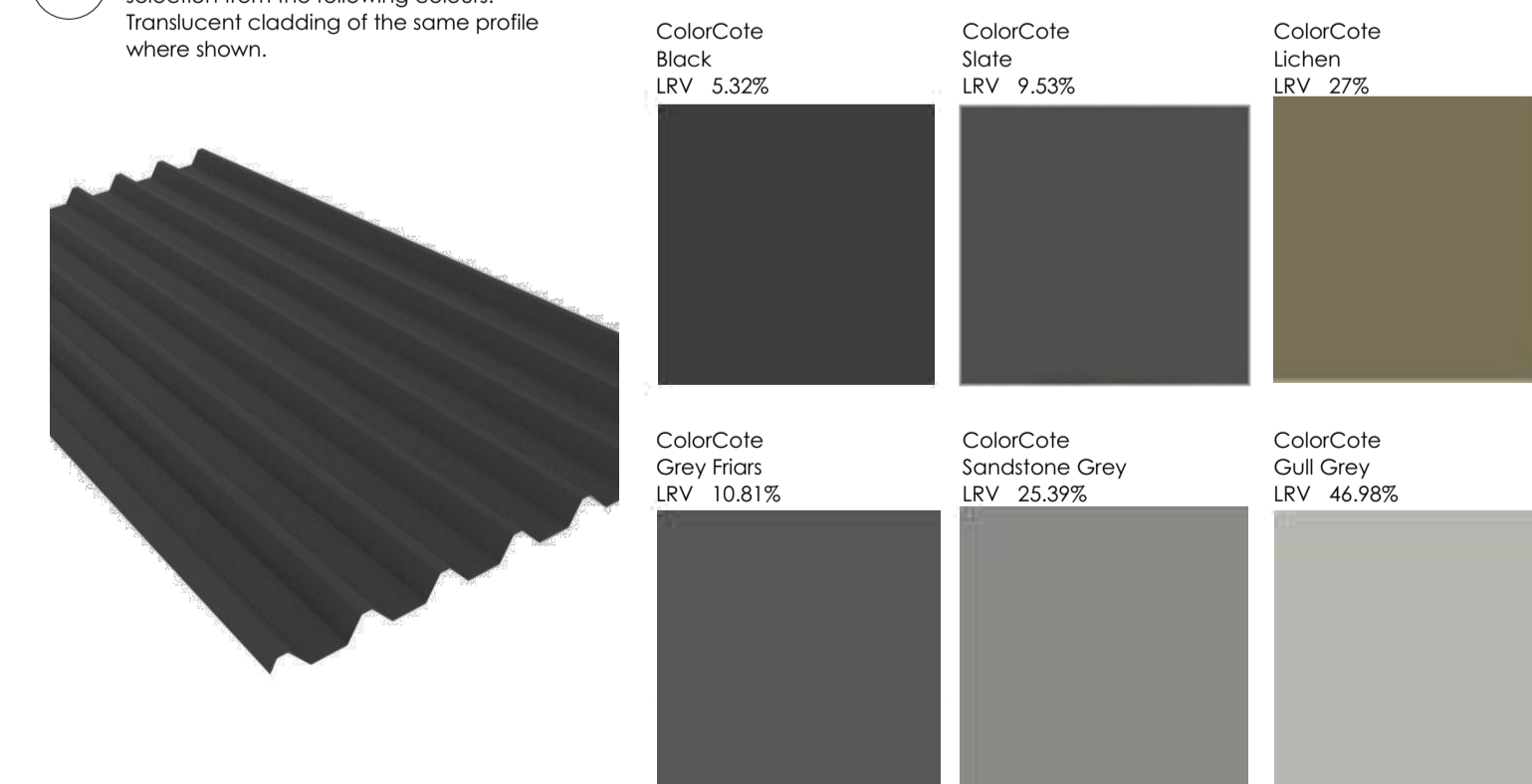


WALL CLADDING

2 Precast and Insitu Concrete with boardform or shutter formed faces

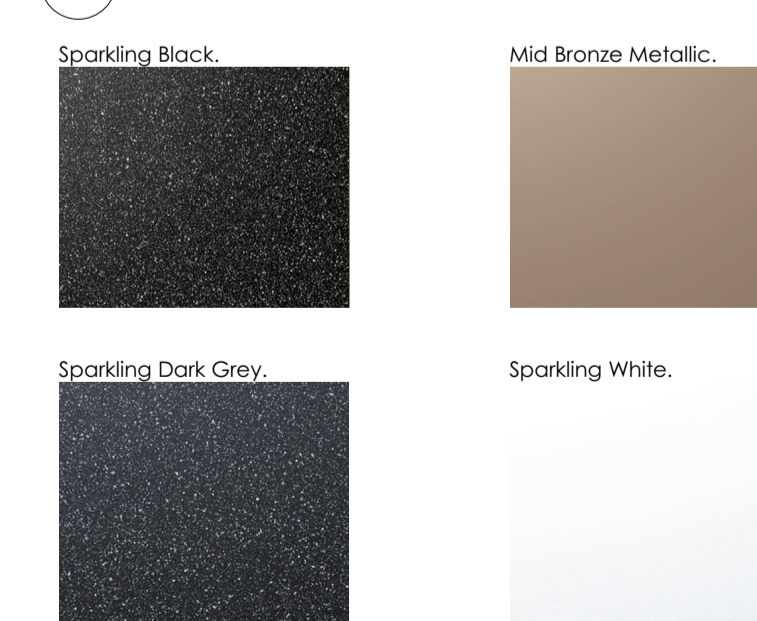


3 DIMOND L17 or similar longrun cladding and flashings pre-coated with a selection from the following colours:
Translucent cladding of the same profile where shown.



WALL CLADDING

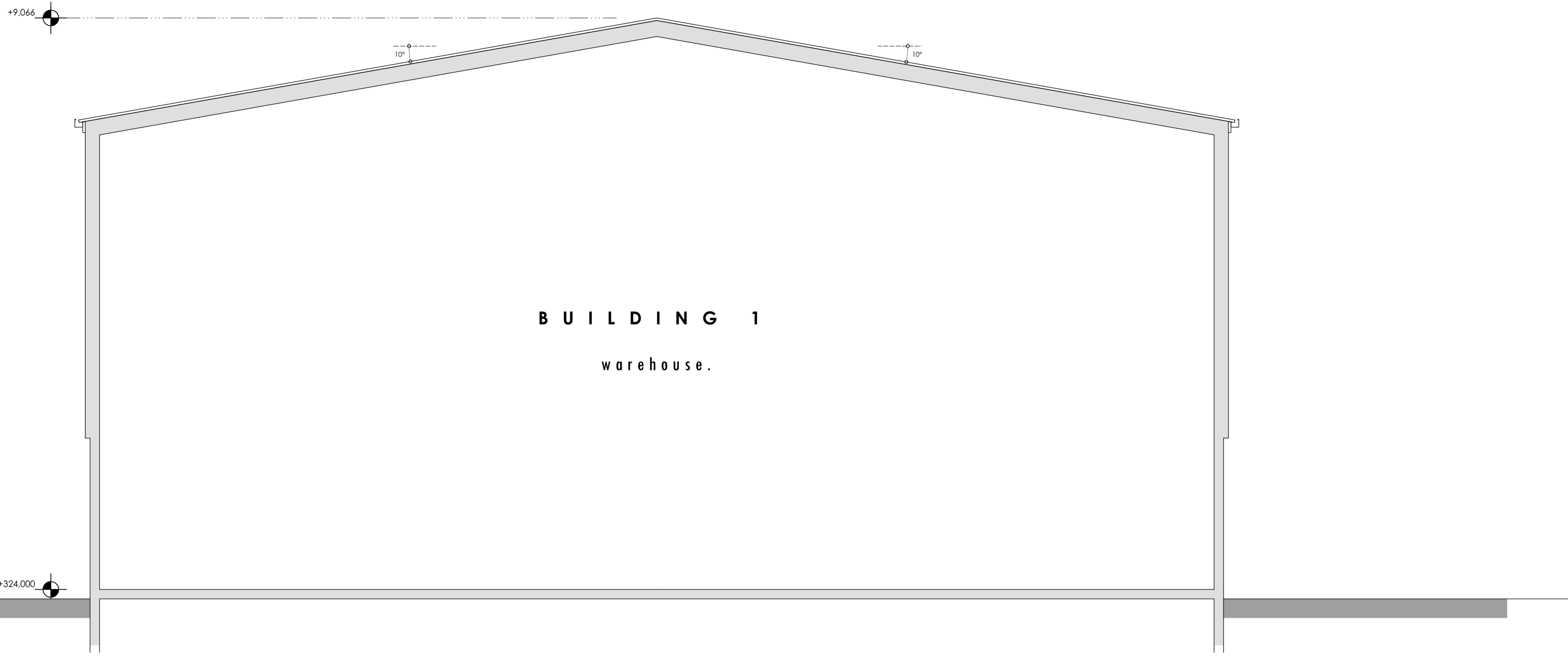
4 ALUCOBOND prefinished composite aluminium cladding:



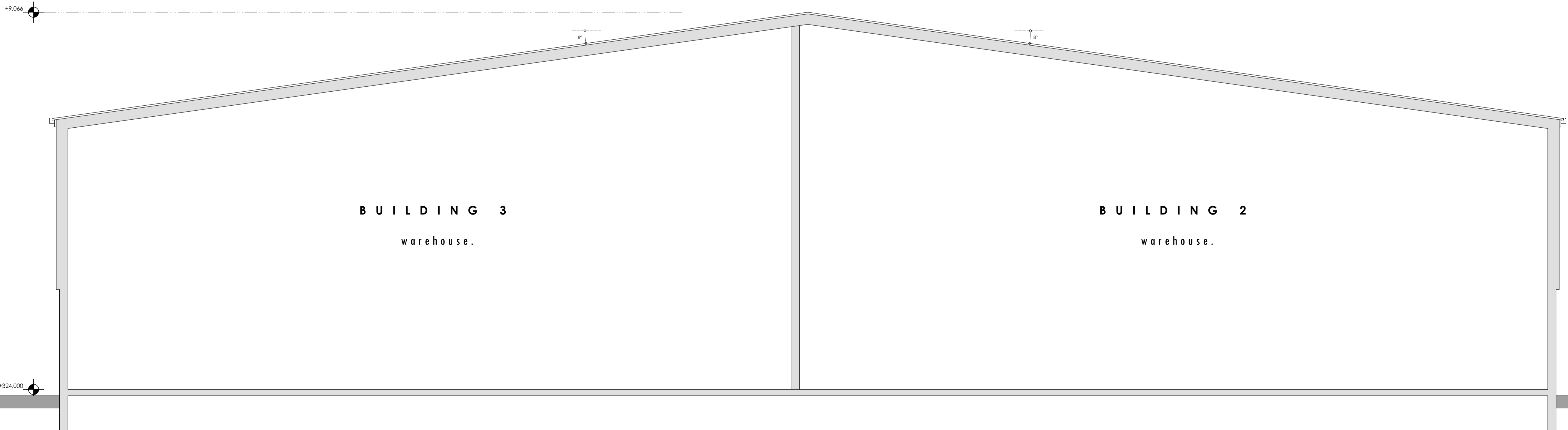
WALL CLADDING

5 RESENE CONSTRUCTION SYSTEMS Integra cladding:





Cross Section A.
Scale 1:50



Cross Section B.
Scale 1:50



