

Industrial Land Study Supplementary Report



May 2023



Phizacklea Consulting



Executive Summary

This supplementary report complements the Aurecon technical study, to meet the requirements of the SmartGrowth Industrial Land Study brief (**Appendix 1**).

The Market Economics HBA business capacity assessment has identified the industrial land demand for the subregion over the next 30 years requiring additional greenfield land to be found for industrial business uses. The Aurecon Industrial Land Technical Study has identified seven potential areas across the subregion for future industrial land requiring further investigation.

A number of the areas currently zoned for industrial use within Tauranga City and the Western Bay of Plenty District are at or near capacity (except for Rangioru Business Park which is about to commence development of its 145ha), with new areas expected to be zoned in the short term (2023-2025) at Ōmokoroa (10.3ha¹) and Tauriko (110ha) and in the medium term (2026-2053) at Te Tumu (Papamoa East). Rather than identify one large industrial area in the subregion that may be suitable to accommodate the additional industrial land capacity requirements, it is recommended that a corridor approach is applied to align industrial land supply with demand within each of the four SmartGrowth Strategy corridors for the subregion. This also enables existing supply within each corridor to be considered. Planned industrial land in areas outside sub-region such as Rotorua, Kawerau, and in the Waikato region may also have an impact on industrial land demand.

As a result, it is recommended that the Eastern Corridor is well placed with sufficient industrial land due to the Rangioru Business Park, Te Puke and Wairakei/Te Tumu employment areas. Employment land in the Eastern Corridor will also be further considered through the Te Puke Spatial Plan and Te Kāinga urban development. In addition, Bluehaven Holdings are currently investigating potential employment land in the vicinity of Bell Road near the Papamoa East interchange.

There is existing industrial zoned land within Te Puke that has not been developed that could potentially be 'down zoned' through the Te Puke Spatial Plan process and future district plan change, in favour of more suitable areas to provide for local economic needs.

Industrial land has a regional and Upper North Island dynamic, with access to the port and upper North Island markets important. This has seen the Tauriko Business Estate as a popular location due to connectivity to Waikato/Auckland (and subject to infrastructure improvements to State Highway 29 and 29A connectivity), alongside limited supply elsewhere of greenfield employment land. The other corridors are not able to match this in quite the same way as they are further from these markets presenting issues such as traffic congestion, connectivity to key transport routes and labour force availability.

The Aurecon technical study has recommended within the 'central' corridor a focus on land within the Tauranga City local authority boundary around Domain Road and Tara Road to provide capacity for the future demand within Tauranga City. While these areas have some positive attributes such as proximity to the Tauranga Eastern Link (TEL), relatively central location and proximity to a large

¹ dependent on Proposed Plan Change 92 decisions and the future alignment for the Tauranga Northern Link.

labour force they are highly constrained in other ways (peat soils, high groundwater table, hazards, flooding etc). It is preferred to recognise that the employment needs of Tauranga City may not be able to be addressed through the rezoning of land within its local authority area, requiring a subregional approach to be taken to identify the most suitable land within the wider subregion.

Subject to further investigations, the preferred areas identified for potential industrial land in this supplementary report are identified as:

- Ōmokoroa/Apata (Northern Corridor) 150ha
- Belk Road and/or lower Omanawa (Western Corridor) 300-400ha
- Pukemapu (Western Corridor) 140-180ha

These three areas could yield around 590-730 ha of greenfield employment land for industrial uses (including roads and reserves). This would meet the additional 300-400ha of greenfield land for industrial land uses required from the HBA business capacity assessment over the next 30 years (2023-2053).

It is proposed that the three preferred areas be further investigated as to expected yield, development costs, infrastructure capacity and servicing, environmental and cultural considerations. In order to undertake the necessary investigations, a small project team is recommended utilising existing staff resources across the SmartGrowth partnership, supplemented by external resource to assist with project management, delivery and feasibility assessments.

There are also other potential opportunities to utilise existing infrastructure adjoining currently zoned industrial land areas, which could provide further capacity. For example, an area of land immediately adjoining the zoned Rangiora Business Park and Tauranga Eastern Link that could be rezoned to provide an extension of the business park of around 60ha.

The purpose of both the HBA business capacity assessment and industrial land technical study is to inform decisions on the future settlement pattern and enable the SmartGrowth partnership to plan for the business land needs of the subregion over the next 30+ years. For the Draft SmartGrowth Strategy 2023 it is recommended that the shortlisted areas identified in the Aurecon technical report be included in the draft strategy for consultation and engagement with tangata whenua, stakeholders and the community. Feedback through the submissions process will inform final decisions on the future locations of business land, and would be considered alongside the further investigation work of the three preferred areas and any further proposals made through submissions to the draft SmartGrowth Strategy 2023 (eg. for the Bell Road/Otawa area). This would not foreclose options for additional business land in other parts of the eastern corridor that may be considered through future Te Puke and Te Kāinga planning processes.

The location of future heavy industry and the opportunity to relocate existing businesses from the Mount Industrial, Greerton (Maleme Street) and Judea industrial areas also requires further consideration. With climate change and increased natural hazard risk from sea level rise and more intense rainfall events, areas that are currently at risk from climate change should be enabled to relocate.

New businesses that require regional consents for discharges to air, land or water could be established with suitable safeguards in place, such as substantial buffering

areas. The Aurecon technical study has identified the short-listed sites at Ōmokoroa/Apata and Belk Road/Omanawa as potentially suitable for heavy industry but this requires significant further assessment.

In order to progress the further investigations, it is recommended that targeted engagement is undertaken during June-August 2023 to obtain input and feedback on the short-listed potential industrial sites identified in the Aurecon technical study from the following:

- a. identified hapū/iwi and/or landowners and adjoining residents.
- b. utility providers - Transpower, Powerco, Chorus, Tuatahi First Fibre, First Gas (and any others)
- c. the SmartGrowth Development Sector Group.

Engagement with hapū and iwi should be kanohi ki te kanohi (in person) using hui and other forums already in place and through the draft SmartGrowth Strategy 2023 engagement process. Engagement with landowners and adjoining residents should at least ensure they are informed of those areas being considered for future business/industrial land should they wish to make a submission to the draft SmartGrowth Strategy 2023.

Messaging is important as to what industrial areas and uses are thought of. For this reason, it is recommended that the term 'business employment land' is used, and that future industrial areas will be developed in a manner which aims to minimise impacts on the environment and papatuanuku and maintains people's health and wellbeing. It is also noted in this regard that future differentiation of industrial land zones is required under the National Planning Standards 2019 broadly into 'light industry', 'general industry' and 'heavy industry'.

Ultimately, any future greenfield business employment land for industrial uses will require a plan change rezoning process and structure planning. From past experience this can take 7-10 years before land is enabled and infrastructure ready for development, including subdivision and building consent stages.

1. Introduction

The SmartGrowth Industrial Land study sought to identify land that may be suitable for industrial activities to meet future demand in the subregion over the next 30+ years.

The study objectives are:

- a. Identify areas suitable for industrial development for the sub-region, taking into account the role of neighbouring regions. This will include identifying land that would be suitable for new, or relocating existing, heavy industry.
- b. Ensure there is sufficient industrial land supply over the long-term
- c. Reconcile demand and supply over the short, medium and long-term
- d. Meet wider SmartGrowth / UFTI principles / outcomes and national policy
- e. Take into account strategic level influences on industrial land in the western Bay of Plenty
- f. Take into account commercial factors that affect development decisions
- g. Ensure adequate engagement with key stakeholders to help inform the work.

The contract for the technical study was awarded to Aurecon in November 2022 and the final report was received in April 2023. A SmartGrowth appointed project team has provided direction to the study through regular project meetings and gateway workshops in line with the SmartGrowth Industrial Land Study brief (August 2022).

This supplementary report builds on the findings from the Aurecon technical study and the business capacity assessment undertaken by Market Economics and completed in December 2022.

1.1 Background

The proximity of the Western Bay of Plenty subregion to upper North Island markets and to the Port of Tauranga for importing and exporting goods makes it attractive to national companies, evidenced by the Winstone Wallboards manufacturing plant recently being established at Tauriko.

Critically, where business land is located is important for the subregion. The SmartGrowth Industrial Land Study is primarily concerned with identifying greenfield land that serves a subregional business employment purpose (ie. areas 40+ hectares in size). Business employment land needed to support the local economy is considered complementary to the wider subregional economic needs.

Industrial land for subregional purposes needs to be either within, or close to the Tauranga urban area, as the subregional hub, rather than new business land areas further afield in the wider Western Bay of Plenty subregion. The focus has therefore been on land along key transport routes, below 250m elevation from Ōmokoroa/Apata in the north to Paengaroa in the east.

The Rangiuru Business Park and Tauriko Business Estate serve both local and subregional needs, however demand is dependent on location, with coolstores an example of needing to locate in close proximity to horticultural areas and businesses

servicing the Auckland and Waikato markets needing to locate in proximity to the key transport corridors to those regions.

The business capacity assessment identifies the following MCA criteria for industrial land.

1. Access to major road/transport routes; good transport access, especially road/motorway,
2. Flat land, large land parcel, or contiguous site (for industrial land),
3. Service infrastructure in place or proposed,
4. Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities, access to complementary/supporting business services,
5. Proximity to labour,
6. Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses, and
7. Low level of traffic congestion in vicinity.

These criteria were applied by Market Economics to the existing industrial zoned area in Tauranga City and the Western Bay of Plenty District. While scores were similar, the highest scoring existing industrial area was Tauriko which scored well across all seven criteria but higher than other areas in access to major roads/transport routes, proximity to labour and co-location of activities.

The Market Economics MCA highlighted the importance of location – industrial and business locations that are centrally located relative to the wider economy scored relatively higher than those that are more distant. This reflects factors associated with proximity to clients and suppliers as well as employees.

Proximity to labour links in with transport and connectivity – industrial traffic will likely utilise road and / or rail connections, but employees need transport options to get to and from their place of work, which should include public transport, walking and cycling alternatives to private vehicle use.

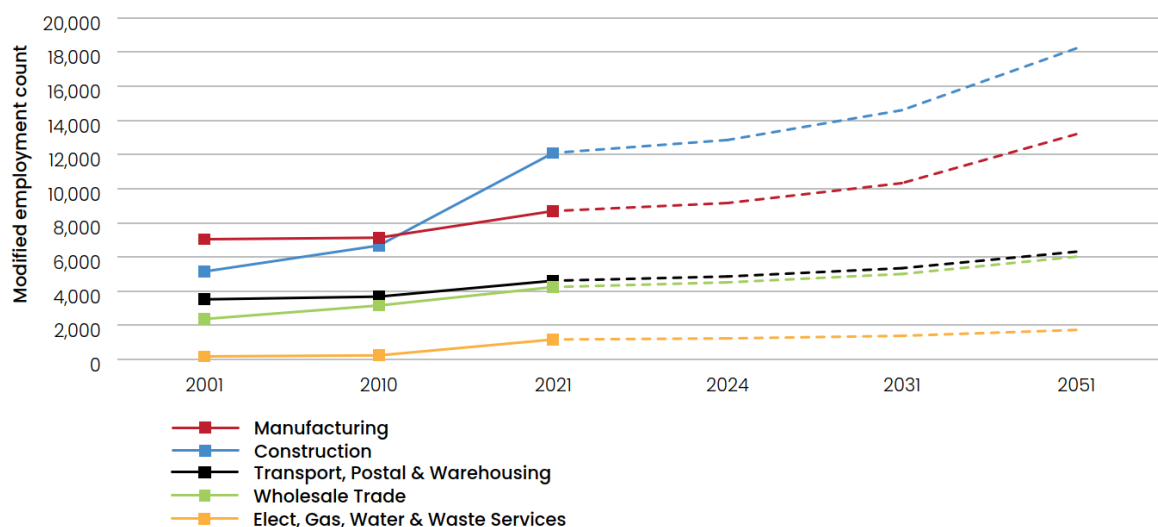


Figure 1 – Actual and forecast employment across industrial business types for the western Bay of Plenty subregion.

Using the actual and forecasted employee numbers for Tauranga City and the Western Bay of Plenty District combined from the business capacity assessment, the expected growth by business type was identified. The graph in Figure 1 shows the businesses that typically make up industrial areas across the subregion. This highlights the expected ongoing growth in industrial business activity and the need to accommodate that growth through use of available zoned land (plan enabled and realisable capacity) and the development of new greenfield industrial zoned areas.

As noted in the HBA Summary (March 2023) document, the subregion has a latent demand for industrial land. There are no currently available industrial zoned sites in Tauranga. Tauriko Business Estate Stage 3 was sold out in 2020. A lead-in time of 7-10 years is needed to rezone suitable industrial land, provide the necessary infrastructure and make the land available to build and use.

1.2 Business Land Capacity

The subregional demand for business land over the next 30 years (2021-2051) based on current employment densities and assuming business as usual is set out in Table 1.

Table 1 – Business land demand for the western Bay of Plenty subregion (from Market Economics 2022).

Business Land Demand	Tauranga City	Western Bay of Plenty District	WBOP subregion
Retail and Commercial	140 ha	30 ha	170 ha
Industrial	390 ha	130 ha	520 ha
Total	530 ha	160 ha	690 ha

These demand requirements are nett developable areas. An additional 20% needs to be added to reflect the land needed for roads, reserves and infrastructure corridors, in addition to the lot areas to be built upon. This suggests the need to find between 300-400ha of additional greenfield land for future industrial business needs over the next 30 years beyond areas already identified for development or under development.

The HBA business capacity assessment found that there is sufficient planned business land in the Western Bay of Plenty District to meet demand. This includes land at Rangioru, Waihi Beach (including Athenree and Bowentown), Te Puke, Te Puna and Katikati and Ōmokoroa. Market Economics noted however that if the envisaged greenfield developments do not manifest within a reasonable timeframe then sufficiency will be under pressure.

For Tauranga City however, the industrial business land demand requirements are not able to be met within the Tauranga City local authority area, which does not have suitable greenfield or brownfield land available. The intent is that sites are identified within the wider subregion and confirmed through the SmartGrowth Strategy Update 2023 to meet the demand from 2032 onwards for the wider subregion.

The business land demand requirements are driven by the economic model prepared by Market Economics for SmartGrowth based on employment. The SmartGrowth partnership recognises the need to scale-up these demand

requirements to provide sufficient land over the 30 year period and recognise current industrial land availability constraints.

The business land requirements assume no existing industrial land resource is lost as a result of important matters such as reverse sensitivity, climate change or urban regeneration etc. However new business land may be required for existing areas that may possibly need to relocate due to sea level rise etc. over the next 50-100 years – this is outside the 30 year window of the HBA and has a high level of uncertainty.

There is sufficient business land capacity to exceed the requirements at the territorial authority-wide level over the short and medium-terms across the subregion. However, there are pressures in the industrial land market with the market readiness of some options being limited by transport investment that are yet to occur. For Tauranga City, the long-term is likely to see further pressures and constraints emerge for the industrial market. In the Western Bay of Plenty District, the capacity assessment suggests that there is sufficient vacant capacity to accommodate growth. Market Economics found that the role of Rangioru in accommodating growth is important, but highlighted the locational considerations. The distance of this area from the port and Auckland/Waikato markets could undermine its relative competitiveness compared to other sub-regional locations especially for businesses servicing the Upper North Island region. However, Rangioru does present transport links to the Eastern Bay of Plenty, central North Island and Port of Tauranga and adjoins the Eastern Main Trunk railway line. This has the benefit of utilising existing infrastructure already in place.

There is also consideration of business employment land that may be required for the future population of Te Kāinga (the Eastern Centre) as a priority development area. At present this is outside of the 30-year horizon and the current insufficiency identified through the HBA business capacity assessment.

The role of supporting infrastructure (especially transport) in facilitating the timely release of industrial land to the market is critical. Stakeholder engagement identified this as a key binding constraint that is slowing down the market at present with available greenfield industrial land being either very limited or non-existent.

For Tauranga City business land capacity is reliant on the planned extension to the Tauriko Business Estate (Stage 4), which needs to be rezoned and requires significant infrastructure investment, primarily transport investment by Waka Kotahi. While the HBA has assumed this capacity will come on-stream in the medium-term there are significant risks around the timing and delivery of the required transport infrastructure.

The sufficiency analysis highlights future capacity issues for Tauranga City, but sufficient capacity in the Western Bay of Plenty District. While the two economies are related and linked, they have unique drivers and components. It is unrealistic to expect the deficit identified in Tauranga to be accommodated in existing zoned Western Bay of Plenty District industrial areas (specifically Rangioru). The Rangioru Business Park is being set-up and established to accommodate agri-tech and associated logistics businesses that focus on servicing the local rural sector and regional businesses. This focus may limit the type of businesses that can be accommodated and precludes large parts of the industrial growth requirements for

Tauranga City, such as manufacturing and high water use businesses. Industrial land provided in the other parts of the Western Bay of Plenty District is even more unlikely to meet the wider economic needs of the sub-region.

Location is important because it reflects the relative overall costs of doing business. Costs include all inputs, the cost of transporting inputs to the business, the cost of accessing labour and the cost of transporting final goods to clients and customers. In addition to these direct costs, locations have other costs (and benefits) such as agglomeration effects (e.g. congestion and productivity gains from proximity).

A recent report by the New Zealand Infrastructure Commission (April 2023) on land prices² looked at land prices in urban areas compared with surrounding rural areas over the past ten years (2010-2021) on New Zealand major cities, including Tauranga.

The Infrastructure Commission also looked at the industrial/non-industrial differential in land prices. While in general industrial land is worth less than adjacent land zoned for other uses, there were three notable exceptions noted – Christchurch, Queenstown and Tauranga. The report noted one industrial area in Tauranga that is significantly more valuable than the adjacent rural land. The report suggests that in these places, there could be an under-provision (capacity) of industrial land.

1.3 Strategic considerations

Alignment of preferred future industrial land locations with key strategic documents is critical including:

- Urban Form and Transport Initiative (UFTI) Final report July 2020
- Western Bay Economic Strategy *Te pai me te whai rawa o Tauranga Moana ki te ao* 2021.

The SmartGrowth Draft Joint Spatial Plan (2021) identified the following two key moves under Economic Wellbeing in planning for the growth and future needs of the subregion:

- **Key Move 1: Shift the sub-region's industry sector mix to be more knowledge intensive to create higher value jobs.**

This is achieved through targeted growth and attraction of knowledge intensive industries, development of the innovation ecosystem via agglomeration and related specialities, growth/attraction of talent and growth of capital networks.

- **Key Move 2: Ensure economic growth is well planned and managed to support industry scale and agglomeration of related industry specialities underpinning long-term economic sustainability.**

This will be achieved through understanding the integration between key sectors, economic corridors and labour markets; leading to fit for purpose spatial planning supporting provision of appropriately zoned land,

² New Zealand Infrastructure Commission (2023). Urban land prices – a progress report. Wellington: New Zealand Infrastructure Commission / Te Waihangā. <https://www.tewaihangā.govt.nz/assets/Uploads/Urban-land-prices.pdf>

infrastructure, talent, environmental considerations, and the investment necessary for sustainable economic growth.

Figure 2 below from the SmartGrowth Draft Joint Spatial Plan (2021) shows the areas of Māori land, marae locations and natural hazard risk in the western Bay of Plenty subregion. It highlights:

- o possible industrial sites in the Northern and Western Corridor are relatively free from significant natural hazard and environment constraints, noting topography and infrastructure servicing issues would need to be overcome.
- o the areas of Māori land and marae correlate with potential sites in the Eastern Corridor around Te Puke and Paengaroa on land that is highly productive land.

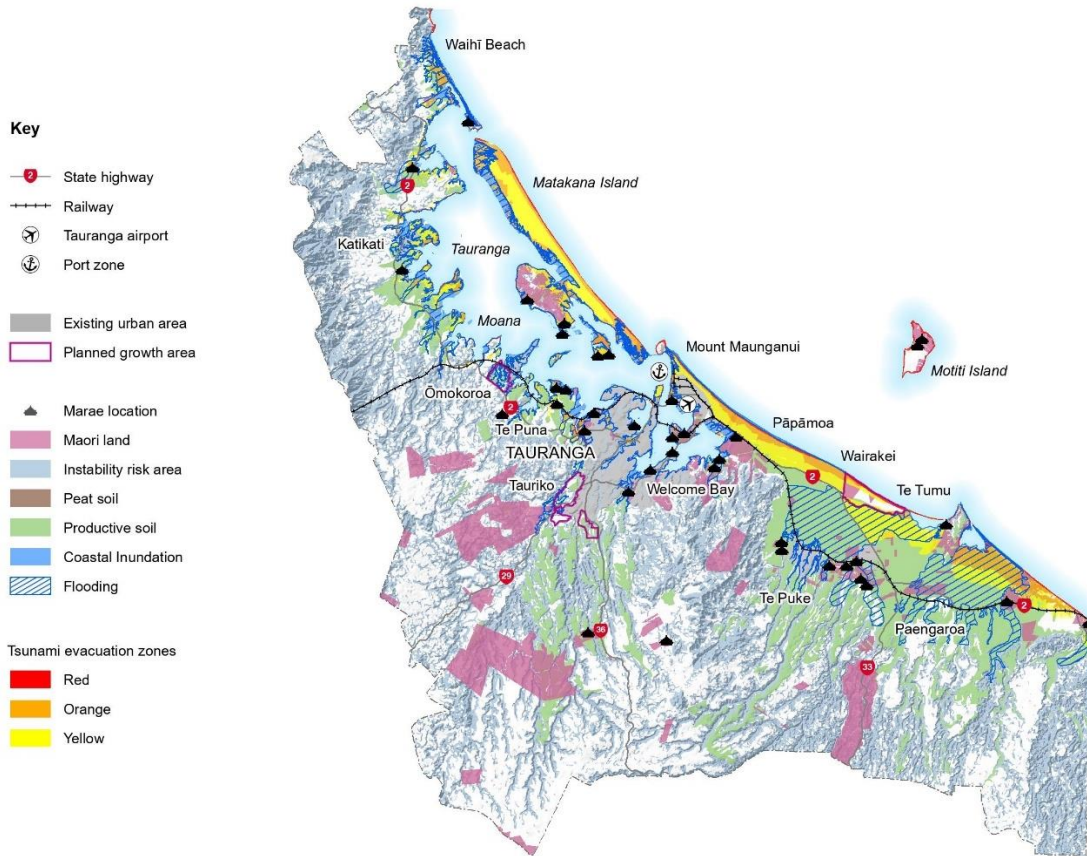


Figure 2 – Map showing areas of Māori land, marae locations and natural hazard risk (from SmartGrowth Draft Joint Spatial Plan, 2021).

A corridor approach to the provision of industrial land development aligns with the UFTI Connected Centres principles to support a live, work, play and learn approach with employment opportunities close to where people live, reducing vehicle travel and carbon emissions. Large, strategically located centres for industrial business development will present better ability to invest in public transport and alternative transport mode choices for workers, as well as presenting opportunity for circular economies to evolve.

The areas of highly versatile land subject to the NPS-HPL are shown in the map in **Appendix 2**.

Under section 3.6 of the NPS-HPL rezoning of highly productive land is restricted to specific circumstances:

- (1) Tier 1 and 2 territorial authorities may allow urban rezoning of highly productive land only if:
 - (a) the urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020; and
 - (a) there are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; and
 - (b) the environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

In effect a case needs to be made for those areas identified as potential sites for industrial land which are on highly productive land³. However, under section 3.4(2) of the NPS-HPL, any land that is 'identified for future urban development' at the commencement date, must not be mapped as highly productive land. This means that the existing SmartGrowth Strategy 2013 and settlement pattern have some weight for the short-listed industrial areas such as Lower Belk Road, but not Upper Belk Road/Omanawa and the Ōmokoroa/Apata sites. Section 3.4(2) in referring to land identified for industrial development applies "over the next 10 years" only.

Identified for future urban development means:

- (a) identified in a published Future Development Strategy as land suitable for commencing urban development over the next 10 years; or
- (b) identified:
 - (i) in a strategic planning document as an area suitable for commencing urban development over the next 10 years; and
 - (ii) at a level of detail that makes the boundaries of the area identifiable in practice.

Identification of any high productive land 'no go' areas could affect the developable areas of the sites under investigation. Most sites contain existing kiwifruit, avocado or other orchards.

1.4 What is currently being done

The provision of industrial zoned land is being planned for as part of urban growth planning and rezoning at Ōmokoroa (Stage 3), Te Tumu and the Tauriko Business Estate (Stage 4).

Plan Change 92 seeks to implement the Medium Density Residential Standards as required by the National Policy Statement on Urban Development 2020. Part of Plan

³ Highly productive land is defined in the NPS-HPL and refers to land that is predominantly LUC 1, 2, or 3 land.

Change 92 is to zone 10.3ha of industrial land at Ōmokoroa and was notified for submissions in August last year, a hearing will take place later in 2023.

The Tauriko Business Estate extension (Stage 4) of 110 ha is going through a private plan change process but is yet to be notified. The timeline for Te Tumu is uncertain with 2024 or 2025 being the earliest a plan change may be notified. The SmartGrowth HBA 2022 has this area commencing development from 2030.

1.5 What about outside the subregion?

The neighbouring Councils' business capacity assessments were reviewed by Market Economics to ascertain the degree to which industrial capacity is available over the long-term.

- In Rotorua, there is sufficient industrial capacity to accommodate growth but some constraints around specific locations are expected over the long-term⁴.
- Matamata-Piako has sufficiency constraints long-term with a deficit of industrial capacity (infrastructure serviced) over the long-term. This is the situation using the low and high employment densities in that assessment.
- Hamilton City, another key economy in the upper North Island, is expected to see strong growth over the long-term. The available capacity is expected to see a degree of constraint over the long-term. At a total (city-wide) level, there is sufficient capacity, but local areas will experience constraints. Ruakura offers considerable capacity and will accommodate the growth. Te Rapa has some capacity but if the competitiveness margin is included, then this location does not have enough capacity from an NPS-UD perspective.
- Waipa District has sufficient industrial capacity over the entire district. Cambridge is seen as a potential alternative compared to Tauranga based on its location relative to the existing markets and transport routes. The location currently has 57ha of available capacity, but it is expected to be developed and occupied over the long-term, translating into a deficit (with the competitiveness margin included).

In relation to Hamilton and the Waikato region, Martin Udale is currently doing further work for FutureProof and their industrial land constraints may be considerably larger than previously understood.

Those councils with insufficient development capacity will need to also meet the requirements of the NPS-UD by identifying further land for business employment. A more integrated approach across the Upper North Island to providing for business land, especially long-term, would be helpful.

In summary, it appears unlikely that areas neighbouring the western Bay of Plenty subregion would fill some or all of our business land requirements if these could not be met locally.

⁴ <https://www.rotorualakescouncil.nz/our-city/creating-homes-and-thriving-communities/future-development-strategy>

2. Preferred locations for future industrial land

The Aurecon technical study assessed around 100 sites, from which a long list of 35 sites were assessed using their MCA criteria (refer Appendix 2 of the Aurecon report 2023). A short list of sites was subsequently identified with the SmartGrowth project team, shown as the 'emerging sites for investigation' in Figure 3 below.



Figure 3 – Short listed sites for further investigation for industrial land (map from Aurecon industrial land study 2023).

Aurecon have recommended further detailed investigations of the focus areas listed below, in order to explore development options for the recommended industrial site locations in the subregion, and identify the prioritisation of actions for key sites. This will inform the forecasting of associated timeframes for additional technical investigation, planning and environment considerations, as well as enabling infrastructure servicing and funding, to ensure industrial land supply can meet expected long-term demand.

- Central: the western extent of the combined Domain Road/Tara Road Site
- Eastern Corridor: Rangioru site, west of the Paengaroa township
- Northern Corridor: centred around the proposed Ōmokoroa state highway intersection upgrade
- Western Corridor: Belk Road which presents higher land quality, accessibility and capability. In addition the adjoining Omanawa plateau areas should also be investigated.

The summary table below provides the additional future supply potential of the short-listed sites alongside the industrial land demand and sufficiency numbers identified in the Market Economics business capacity assessment (December 2022) for the SmartGrowth HBA.

Table 2 – Summary of HBA business capacity and additional future supply potential.

All areas in hectares	Demand (2022-2052)	Sufficiency (2022-2052)	Additional future supply potential
Tauranga City	391	-216 to -267	Central Corridor: ~200
Western Bay of Plenty District	128	239 to 247	Northern Corridor – Ōmokoroa & Apata: 300+ Western Corridor – Belk Road / Ōmanawa: 500+, Pukemapu: 100+ Eastern Corridor – Te Puke: 50, Rangioru: 300+
Subregion (total)	519	23 to -20	1450+

Subject to further investigations, the preferred areas of Ōmokoroa/Apata, Belk Road and Pukemapu could theoretically yield approximately 600 ha of employment land for industrial uses, based on the assessment by Aurecon of the likely high-level yield for these areas. This would meet the greenfield business land required from the HBA business capacity assessment for industrial uses over the next 30 years (to 2052).

Table 3 – Potential yield of each of the preferred areas for further investigations

Preferred area	Potential yield ¹
Ōmokoroa 1 and 2	150ha
Ōmanawa 1 and Belk Road 1	600-700ha ² (Belk Road approx. 300-400ha estimated)
Pukemapu 1	140-180ha
Total	590-730 ha

¹ potential yield is taken from Aurecon technical report section 3.2.4 - Emerging Preferred Sites for Investigation.

² excludes gullies and other attributes recommended for excision, and assumes 80% nett developable yield from the remaining gross site area.

Section 4.3 of the Aurecon technical report sets out their recommendations for further site investigations.

The intent set out in this supplementary report is that the existing SmartGrowth project team, supplemented with officers with technical skills and capability from Tauranga City Council and Western Bay of Plenty District Council, undertake further assessment and investigation.

The key opportunities and constraints of each site are summarised in Table 8 of the Aurecon technical report. The recommended response action by SmartGrowth is shown in the right-hand column in Table 4 below, which includes the Aurecon summary assessment.

Table 4 – Investigation summary of shortlisted sites with recommended SmartGrowth response action

Corridor / Site	Key Opportunities & Constraints identified by Aurecon technical study	Summary Aurecon recommendation	Proposed SmartGrowth response action
Central Corridor	<p>The combined Domain Road 1 and 2, Tara Road 1 and 2, and Ottawa 1 Site fits strategically on priority freight routes, and the UFTI identified Te Puke growth area. There are some landholdings in single or company ownership, leading overall to bigger parcels of developable land when held together.</p> <p>While the site holds development potential of 600ha+, this would carry significant investigation, design and development costs due to its geotechnical complexity. In particular, the portion of the site east of Parton Road on Bell Road would carry significant costs for fill due to flood risk.</p> <p>While the Site is also intersected by the North Island Main Trunk Line railway, the land scale and quality characteristics will limit intermodal potential in this location.</p>	<p>Focus on industrial development on land within TCC boundaries at the western extent of the site, to service centrally located demand and noting the HBA defined future deficit for Tauranga City.</p> <p>The most obvious development focus would be on the land parcels adjacent to Tauranga Eastern Link (SH2) and Papamoa (Domain Road) interchange, providing easy access and connectivity to priority freight route and PT, and better quality land in terms of flooding and geotechnical characteristics.</p>	<p>There are significant flooding and stormwater issues to address with the Tara Road/Domain Road/Ottawa sites which will be exacerbated by climate change.</p> <p>Bluehaven Holdings Ltd are investigating potential urban development, including industrial land near Bell Road (Ottawa 1 site).</p> <p>SmartGrowth to consider the outcomes of Bluehaven Holdings Ltd investigations when available.</p>
Eastern Corridor	<p>The Rangiuru Site is strategically connected to freight routes and can be considered an extension to the existing growth area of Rangiuru Business Park, identified within the UFTI. It is close to the Comvita manufacturing plant and is contiguous with the Lemon Grove industrial area.</p> <p>The Te Puke site forms an extension of the recently consented Washer Road Industrial area, and is across the State Highway from the Te Puke West Industrial area. Due to its geotechnical complexity, development of the site would carry significant investigation, design and development cost. A geotechnical solution to allow future construction is complex, and closely tied to the required stormwater management and flood mitigation measures.</p>	<p>Focus development on the Rangiuru site, west of the Paengaroa township, where the raised terrace is outside of the active floodplain and is likely to be suitable for all industrial building types. With direct access to ECMT ~ 1.6km on both sides of the line, potential for intermodal facility development could be explored with KiwiRail.</p>	<p>Te Kāinga (Eastern Town) is proposed for Rangiuru 4 and 8 sites, and consideration of further industrial land in this vicinity should be undertaken in conjunction with WBOPDC planning for Te Kāinga.</p> <p>There are possible industrial land development options which should be considered as part of wider spatial planning for the Te Puke township to meet local needs.</p> <p>There is a small area of land immediately adjoining the zoned Rangiuru Business Park that could see an extension of the business park of around 60ha.</p>
Northern Corridor	<p>With urban intensification in the corridor, and the wider Ōmokoroa urbanisation project, the designated linked interchange and large population base for employment, industrial development is desirable. The existing zoned Ōmokoroa Industrial area is located to the north of the Ōmokoroa 1 & 2 Site. While it is the</p>	<p>Focus on Ōmokoroa 1 & 2, development centred around the proposed Ōmokoroa intersection upgrade in 2025, as a natural extension of the existing zoned Ōmokoroa Industrial area, adjacent to a major freight corridor</p>	<p>Ōmokoroa 1 & 2 provide better choice – due to less valuable land and immediately adjacent to SH 2 and could be serviced by the future Northern Link (Stage 2) interchange at Ōmokoroa.</p> <p>Wastewater is a significant constraint given the limited</p>

	<p>natural focus for development, the topography of Ōmokoroa 1 & 2 Site is steep and the site would require significant earthworks. It is also constrained by wastewater service capacity and will need on site solutions.</p> <p>Ōmokoroa 3 and Apata sites present longer term strategic potential, centred around the existing uses located at the Apata Rail siding, however the topography is challenging and would likely fragment the development potential.</p>	<p>and a proposed park and ride facility.</p>	<p>capacity of the Ōmokoroa pipeline. Further investigation is required here as to whether further capacity might be available given the current restrictive cap, or whether an on-site wastewater treatments plants could be feasible for a smaller-scale type business park.</p>
<p>Western Corridor</p>	<p>The Belk Road/Ōmanawa site represents large scale development potential aligned with envisioned growth of the western corridor, close to the priority high-volume road-freight route between the western bay and Waikato-Auckland. It is a natural extension of the existing Tauriko industrial/business estate development front from the north, accessed via SH29, Ōmanawa Road and Belk Road. The extension of the Belk Road area is recognised in the Tauriko enabling works and the long-term transport business case which both envisage development of the Belk Road area.</p> <p>Recent strategic servicing studies demonstrate that the more viable development area is the eastern portion around Belk Road, which was also identified within UFTI. While the Ōmanawa Road area does directly connect to SH29, further upgrades would be required to the SH intersection and/or a new bridge connection from TBE Stage 4 to Ōmanawa Road.</p> <p>Pukemapu provides potential for infill development of small scale, local industry. While it offers good serviceability, the high number of owners within a smaller area may present a constraint for any future development.</p>	<p>Focus on the Belk Road area which has higher land quality, accessibility and capability than the areas around Ōmanawa Road, with areas of elevated terrace representing a high degree of development readiness, and lesser constraints in terms of enabling infrastructure.</p>	<p><u>Belk Road/Ōmanawa</u></p> <p>Preference for further investigation should focus on the Belk Road plateau area over Ōmanawa due better transport access and ability to service from the Tauriko Business Estate. There is developer interest in Ōmanawa however which means both sites should be included through the further investigations of the wider area.</p> <p>Consider size and location of potential industrial area in Belk as well as other potential long-term land uses eg residential, schools, commercial centre etc.</p> <p>Ensure Kāinga Ora Specified Development Project (SDP) team aware of Belk as short-listed industrial land area.</p> <p>The SDP area includes Belk Road (see Appendix 3).</p> <p><u>Pukemapu</u></p> <p>Pukemapu to be investigated further given proximity and serviceability. Need to consider Ohauti South private plan change, resolution of access off end of Rowesdale for housing development of properties currently accessed via Pukemapu Road. Potential for new Ohauti to Oropi Road transport connection</p> <p>Develop broad options for area in wider context, including whether residential or industrial land use would be better if Pukemapu urbanised.</p>

The sites that have been assessed have considered the work undertaken through the Draft Joint Spatial Plan (December, 2021) and SmartGrowth Strategy 2023.

SMG have noted concerns with identifying areas that may be multi-owned Māori land or in close proximity to marae. It is also acknowledged that some landowners may wish to explore commercial opportunities with urban development of their land, through lease hold or other arrangements.

From this analysis by WBOPDC, the possible additional site along Te Puke No. 3 Road was not taken forward to the short-list of sites due to proximity to Manoeka (Hei) and Haraki Marae. It also informed the final sites and boundaries for the Rangioru sites (Rangioru 2, 3 and 13).

It is noted that the Rangioru Business Park is in close proximity to Tuhourangi Marae.

The map below (Figure 4) shows areas in the Eastern Corridor that show marae and the longlisted potential sites.

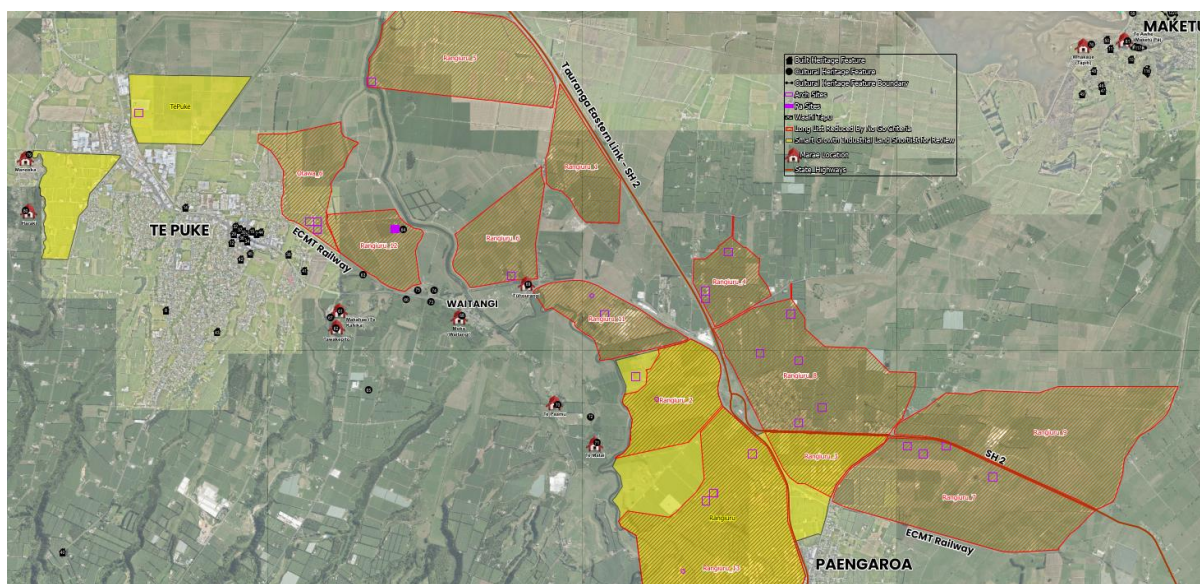


Figure 4 – Potential industrial sites within the Te Puke–Paengaroa area, showing marae locations, cultural sites and long listed areas assessed through MCA criteria.

This informed the short-listing assessment.

The long listing assessed Te Puna as scoring highly against the MCA criteria. Sites in and around Te Puna junction were considered. It was recognised that recent community engagement had voiced concern with potential employment land being located in Te Puna, and that local spatial planning may be more appropriate to consider future employment and business opportunities. This also brings in the local versus sub-regional needs for business land. The SmartGrowth Industrial Land Study has deliberately taken a subregional approach rather than looking at local opportunities which may see resource consent sought for horticultural servicing eg, coolstores, or rezoning around existing urban settlements of 5-10ha, such as the recently approved Washer Road industrial area at Te Puke (made operative in December 2022 under Plan Change 94).

The SmartGrowth Project Team has considered and had input during the technical study to the focus areas. Commentary on each of these areas and proposed next steps are set out in section 4.2 below.

4.2 Further consideration of short-listed industrial land areas

Further consideration of the key constraints, opportunities and preference for taking the shortlisted sites forward into the SmartGrowth Strategy 2023 are set out below. This also identifies what specific further investigations are required.

The short-listed sites are shown in the map in **Appendix 4** from the Aurecon technical study.

1. Ōmokoroa 1 & 2

- Proposed Plan Change 92 seeks to rezone 10.3 ha of industrial zoned land (refer proposed zoning maps⁵, p.377). Some of the proposed industrial land will be required for the Tauranga Northern Link and interchange, which may reduce the land that is rezoned for local business employment needs.
- The proposed changes to the current Waka Kotahi designation are substantial and affect the current Stage 2 Industrial zone and Proposed Stage 3 Industrial zone as well as encroaching into the land identified either side of Youngson Road (Ōmokoroa 1 and 2 sites).
- The section 32 report⁶ for Proposed Plan Change 92 notes (section 5.2.13 Industrial):

“The Stage 3 area currently only has minimal home-based light industrial operations such as plumbing, electrical, kitchen, hire, and flooring operations. As above with previously identified industrial land now being utilised for housing there has been a requirement to provide additional industrial land. Outside the Stage 3 boundary, there is an existing Industrial Zone of 18ha on the south-eastern side of Ōmokoroa Road towards the State Highway. To supplement this and to provide a buffer between State Highway 2 and residential areas, an area of approximately 10.3ha has been identified for potential future industrial use. The provision of industrial land and utilisation for industrial purposes is essential to provide employment opportunities to the area. The final area available for industrial use will be influenced by the final alignment of the future State Highway 2 interchange. It is anticipated that when this occurs there may be land on the other side of the interchange which could be utilised for industrial purposes”.

- There is likely to be significant opposition from Pirirakau (as they opposed the alignment of the Tauranga Northern Link over this location for cultural reasons).
- Wastewater is a potentially significant constraint given the limited capacity of the Ōmokoroa pipeline – this will need to be investigated as to either need an

⁵ <https://protect-au.mimecast.com/s/Rr5RCr81OKU8EEjC7bMFP?domain=westernbay.govt.nz>

⁶ <https://www.westernbay.govt.nz/repository/libraries/id:25p4fe6mo17q9stw0v5w/hierarchy/property-rates-building/district-plan/district-plan-changes/Plan%20Change%2092/Sec%2032%20reduced.pdf>

on-site wastewater treatment package plant, or a larger pipe through to Chapel Street which would be cost prohibitive.

- Given the nature of the topography a high-level development feasibility would assist to understand what might be the realisable industrial land yield for development.

2. Ōmokoroa 3 & Apata

- There is a need to consider whether there is a preference between Ōmokoroa 1 & 2 and Ōmokoroa 3 /Apata site.
- The Ōmokoroa 3 /Apata site has a large amount of highly productive land. Consideration needs to be given to the potential loss of highly productive land in this area, particularly in the context of the loss of kiwifruit / avocado orchards recently within the new Stage 3 area of Omokoroa. Land prices will also be high due to their current value for horticulture.
- The nearby Ōmokoroa 1 and 2 sites may be more viable and given they are not located on highly productive land.
- Tangata whenua engagement needed.
- Wastewater is a significant constraint given the limited capacity of the Ōmokoroa pipeline. Further investigation is required here as to whether further capacity might be available given the cap of 13,000 people which is what the current Ōmokoroa rezoning through Proposed Plan Change 92 will take capacity up to.
- Given the topography of the location, a high level development feasibility would also assist for these sites.

3. Te Puke 1

- Contiguous with the recent approved Washer Road Industrial Park area through Plan Change 94⁷.
- Council staff have reasonably good knowledge of engineering challenges within this vicinity because of the recent plan change work. We know that stormwater is a big challenge for this site, but this doesn't need to preclude the site from being further investigated. The Ohineangaanga catchment and the wider Kaituna catchment control scheme are subject to flooding and Regional Council were of the view through PC94 that flood defences were at capacity. The PC94 sites needs to undergo ground improvements for future development subject to consents to ensure ground suitability. There is a natural gas pipeline that runs parallel to Washer Road, with a 20m setback required. There is also a single lane bridge which is required to be upgraded to a double lane bridge through PC94 and construction of a roundabout or traffic lights at Jellicoe Street and Station Road intersection. It would need to be determined whether these required upgrades would be sufficient for further additional industrial land use.

⁷ <https://protect-au.mimecast.com/s/gAG8Cv11VOU7xxvgfXJimS?domain=westernbay.govt.nz>

- A Te Puke Spatial Plan is being developed to determine where and how we want the area to grow. The Spatial Plan will take a long-term view of growth and development for the coming 30 to 50 years. The project timeframe is 18 months and will be completed in late 2024.

4. Rangiuru (Paengaroa 1, Rangiuru 3 and part Rangiuru 13)

Note these three sites were amalgamated for assessment by Aurecon as they are contiguous.

- Rangiuru 3 adjoins proposed location for Te Kāinga (northern boundary)
- A business case is being prepared for Te Kāinga and the inclusion of industrial land could be considered within the scope of the business case or any future master planning project.
- If Te Kāinga goes ahead there will need to be large scale employment opportunities provided in close proximity. However, if it doesn't proceed then the SmartGrowth partnership should consider whether the population of Te Puke would be large enough to provide an employment base given the available Rangiuru Business Park.
- Paengaroa 1 is contiguous with existing Lemon Road industrial area.
- LUC soils 2 and 3 – NPS HPL consideration, consideration on whether we should be pursuing LUC 2 or 3 class land when there are other options that are not on highly productive land.
- Flood hazard information needs further consideration
- Suitable existing roading in place and close proximity to rail make it attractive.
- Tangata whenua engagement needed to help confirm preference for possible industrial in this area.

5. Pukemapu

- Identify and discuss broader context of this area, including:
 - Ohauiti private plan change in Tauranga City area
 - Upper Ohauiti rural residential to lifestyle potential private plan change proposal in Western Bay of Plenty District
 - Resolution of access off end of Rowsdale for housing development of properties currently access via Pukemapu Rd
 - Potential for new Ohauiti to Oropi Rd road connection
 - Western corridor ring road
 - Stormwater and flooding challenges
 - Possible TCC acquisition of Renner Park site
 - Infrastructure challenges.
- Develop broad options for area in wider context, including whether residential or industrial land use would be better if Pukemapu urbanised.

- Consider whether further Tangata Whenua or community input required.
- Agree preferred outcome to incorporate into final SmartGrowth Strategy 2023/Future Development Strategy as appropriate

6. Omanawa/ Belk Road

- Confirm preference of Belk over Omanawa (or otherwise) due to matters such as better transport access.
- Consider size and location of potential industrial area in Belk as well as other potential long-term land uses eg. residential, schools, commercial centre etc.
- The Tauranga Western Corridor has been selected for assessment as a potential Specified Development Project (SDP) under s 29(a) of the Urban Development Act 2020⁸. This comprises the three planned and interlinked urban growth areas within the corridor:
 - Tauriko West
 - Tauriko Business Estate Belk Road Extension, and
 - Keenan Road area.
- Conversations with the major landowners within the area indicate they are open to exploring the merits of an SDP.
- Ensure Kāinga Ora SDP team aware of Belk as short-listed industrial land area.
- Consider whether further Tangata Whenua or community input required.
- Agree preferred outcome to incorporate into final SmartGrowth Strategy 2023/Future Development Strategy as appropriate.

7. Domain / Tara / Bell

- Recommend that no specific additional investigations of this area occur and rather rely on Bluehaven to present a compelling case here given extent of constraints associated with ground conditions, flooding and other hazards.
- Bluehaven have flood modelling work underway.
- Suggest the SmartGrowth partnership meet with Bluehaven and set out the type of information sought to enable this area to be considered through the Future Development Strategy.

In addition to the above short-listed areas, further investigations should also consider the land adjoining the railway north of Apata, which was discussed during UFTI as a future inland port area by the Port of Tauranga.

4.3 Future heavy industry

The SmartGrowth study brief (August 2022) included the requirement to:

⁸ [Tauranga-Western-Corridor-Selection-Decision-Report.pdf \(kaingaora.govt.nz\)](https://kaingaora.govt.nz/assets/Working-with-us/Tauranga-Western-Corridor-Selection-Decision-Report.pdf)
<https://kaingaora.govt.nz/assets/Working-with-us/Tauranga-Western-Corridor-Selection-Decision-Report.pdf>

“Identify areas suitable for industrial development for the sub-region, taking into account the role of neighbouring regions. This will include identifying land that would be suitable for new, or relocating existing, heavy industry.”¹

The footnote states: *“Heavy industry refers to those business activities that may have significant effects such as relatively high levels of noise, odour, emissions, heavy traffic movements and the presence of significant amounts of hazardous substances, necessitating separation from more sensitive activities.”*

A description of ‘heavy industry’ is included in the Aurecon technical study as follows:

“Areas used predominantly for industrial activities that generate potentially significant adverse effects. Includes associated activities that are compatible with the potentially significant adverse effects generated from industrial activities. Provides for industrial activities that may produce objectionable odour, dust and noise emissions. A low level of air quality amenity applies. Contains sites large enough to accommodate large-scale industrial activities. Activities sensitive to air discharges and activities sensitive to noise are not appropriate in the zone and buildings are expected to have a mainly functional standard of amenity. Typically located close to key freight routes.”

The short answer is that there is unlikely to be any areas within the subregion that would be rezoned to enable objectionable odour, dust and noise emissions to be generated. The intent with creating the Rangioru Business Park was to provide for large footprint industry and those activities that generate regional employment. The reality is that no-one wants industrial activities that may effect other land uses, or the health and safety of people and communities. Existing industrial activities have existing use rights, whereas the threshold for establishing high emitting industries is likely to be achieved through individual consenting for activities that require regional consent under the Regional Natural Resources Plan to discharge contaminants to air, water or land.

New businesses that do require regional consents could be established with suitable safeguards in place, such as substantial buffering areas.

The Aurecon technical study has identified Ōmokoroa/Apata, Belk Road/Omanawa, Te Puke and Rangioru sites as potentially suitable for heavy industry with a brief commentary in section 4.3.2 of their report:

“The analysis of sites undertaken by the study identified that two sites (Pukemapu and Domain, Tara 1 and 2, and Ottawa 1) are considered unsuitable for Heavy industry due to proximity to established suburban residential populations. Additionally, the ground conditions of the Domain, Tara 1 and 2 and Ottawa 1 sites are unlikely to be capable of supporting Heavy industry.

Ōmokoroa 1 and 2, Ōmokoroa 3 and Apata, the Western Corridor (Omanawa and Belk), and Rangioru have all been assessed as being capable of incorporating some Heavy industry within the site boundaries – subject to appropriate buffer areas being applied in each instance as part of any potential future plan change.

Te Puke 1 is considered appropriate for Heavy Industry; however, consideration of ground conditions in this area will be required.”

Engagement with the CTWF sub-group identified that industrial land is considered to be polluting type businesses, and concern was expressed that future industrial land locations would impact on the whenua and papatuanuku. The CTWF subgroup considered that SmartGrowth should be encouraging clean green industry only which comprises higher value add businesses.

There is an important distinction between 'heavy industry' versus 'high load bearing land' for industrial purposes. This depends on the intended activity on the site. Generally, LUC soils 1-3 will be suitable for high loading bearing buildings with minimal engineering works.

Given the direction of the Western Bay Economic Strategy 2021 and community and tangata whenua views expressed to date, serious consideration should be given to restricting the types of industrial businesses that locate in the western Bay of Plenty subregion, and for the local authorities to apply the regulatory tools available to them under the RMA and its replacement legislation the Natural and Built Environments Act (when enacted later in 2023) to ensure polluting businesses are not established in future industrial areas. The move towards higher value add businesses and the attraction that the subregion has for employment and lifestyle, should mean the mantra of "any business is good business" need not apply in future.

Future differentiation of industrial land zones is required under the National Planning Standards 2019 when the Tauranga City Plan and Western Bay of Plenty District Plan are reviewed. This set out three industrial zones - light industry, general industry and heavy industry. A subregional business land hierarchy would assist to identify where certain business employment land uses are likely or enabled to occur.

4. Conclusion

It is proposed that a corridor approach to the provision of industrial land is undertaken. This is to ensure there is sufficient business land in proximity to labour force, meet market and strategic requirements and contribute to sustainability by reducing vehicle travel and emissions. This approach aligns to the UFTI Connected Centre principles.

The need for industrial land in the medium to longer-term (2026-2052) is in the Northern and Western corridors, where the proposed rezoning of 10.3ha at Ōmokoroa Stage 3 (part of Plan Change 92) and 110ha at Tauriko (Tauiko Business Estate extension) will meet short to medium term needs in these corridors.

Larger, strategically located centres for industrial business development present better opportunities for investment in public transport and alternative transport mode choices for workers, as well as enabling circular economies to evolve.

Subject to further investigations, the preferred areas identified for potential industrial land in this supplementary report are identified as:

- Ōmokoroa/Apata (Northern Corridor) 150ha
- Belk Road and/or Omanawa (Western Corridor) 300-400ha
- Pukemapu (Western Corridor) 140-180ha

These three areas could yield around 590-730 ha of greenfield employment land for industrial uses (including roads and reserves). This would more than meet the additional greenfield business land required from the HBA business capacity assessment for industrial uses over the next 30 years (2022-2052). Further investigation will allow for informed decisions to be made on the preferred locations for subregional business employment (ie. industrial) land. This may identify among these areas those parts that are more or less suitable, any refinement of these areas, or may identify more suitable areas through the submissions and engagement process on the draft SmartGrowth Strategy 2023.

It is proposed that the three preferred areas be further investigated as to expected yield, development costs, infrastructure capacity and servicing, environmental and cultural considerations. In order to undertake the necessary investigations, a small project team is recommended utilising existing staff resources across the SmartGrowth partnership, supplemented by external resource to assist with project management, delivery and feasibility assessments.

Regarding the Eastern Corridor:

- a. Te Kāinga (Eastern Town) is proposed for Rangiuuru 4 and 8 sites, and consideration of further industrial land in this vicinity needs to be undertaken in conjunction with WBOPDC planning for Te Kāinga.
- b. There is a small area of land immediately adjoining the zoned Rangiuuru Business Park that could see an extension of the business park of around 60ha.
- c. There are significant flooding and stormwater issues to address with the Tara Road/Domain Road/Otawa sites which will be exacerbated by climate change.
- d. Bluehaven Holdings Ltd are investigating potential urban development, including industrial land near Bell Road (Otawa 1 site)
- e. There are possible industrial land development options which should be considered as part of wider spatial planning for the Te Puke township to meet local needs.

5. Recommendations and Next Steps

5.1 Key recommendations

The key recommendations are:

- a. Undertake tangata whenua and landowner engagement (information sharing) on the short-listed/focus area sites.
- b. Messaging is important – industrial land infers heavy industry or polluting industry, which is not the case. Most existing industrial businesses do not have these characteristics. SmartGrowth needs to be seen to be promoting employment or business land to meet the live, work, play needs of our future population and communities and attracting 'clean and green' businesses.

- c. Progress more detailed investigations of the Ōmokoroa, Belk Road and Pukemapu short-listed sites using existing Council resources within TCC and WBOPDC that integrates planned and proposed infrastructure and other potential land use projects.
- d. Consider the Te Puke site as part of the Te Puke Spatial Plan project being progressed by WBOPDC looking at future growth and community needs.
- e. Take no further investigative work on the other Eastern Corridor sites on the basis that there are other investigations occurring connected with Te Kāinga and there is sufficient capacity (supply) of industrial land in the Eastern Corridor in the short, medium and long term under the NPS-UD, with the Rangiuru Business Park and other existing and planned business areas.
- f. Such direction does not preclude the possibility of smaller sites being identified through by independent concerns that seek to create opportunities
- g. The SmartGrowth partnership is required to provide at least sufficient development capacity but are able to exceed the required development capacity for business employment land.

It is intended that the investigations of Ōmokoroa, Belk Road/Omanawa and Pukemapu sites would consider yield, land costs, development costs, infrastructure servicing and capacity and market response. The investigations would be completed over the next four to five months in time to inform decisions on the SmartGrowth Strategy 2023 in December.

Further analysis will be required under the NPS-HPL for sites which are identified as LUC 1, 2 or 3 land use classes. Bay of Plenty Regional Council has until September 2026 (being three years from the commencement date of the NPS-HPL) to map the areas of highly productive land in the region. As noted earlier, section 3.6 of the NPS-HPL sets out the criteria which Tier 1 authorities (ie. the SmartGrowth partnership) must work through to provide for urban rezoning of highly productive land. This affects most of the short-listed and preferred sites for future industrial land, at least in parts. The further investigation work will identify the extent to which areas are subject to the NPS-HPL. Justifying the use of high productive land for business employment purposes would not be required until the future plan change process.

5.2 SmartGrowth Strategy 2023

The consideration of industrial land in the SmartGrowth Strategy 2023/Future Development Strategy will identify the most suitable locations for industrial land to enable these areas to be rezoned in future having considered feedback received through the special consultative procedure and the further investigations work.

Rezoning through either the Tauranga City Plan or Western Bay of Plenty District Plan will need to occur and satisfy the requirements of Schedule 1 to the Resource Management Act 1991, including consultation with affected parties as decided by Council (Clause 3) and seeking advice from iwi authorities on the draft plan change and having particular regard to any advice received (Clause 4A).

It is proposed that possible sites for business employment land be shown in the draft SmartGrowth Strategy as general shaded areas on the relevant maps to the strategy. These would not identify land parcels but rather the short-listed sites from

the technical study. The technical study would be made available as part of the information base (through the SmartGrowth website), in the same way as the Market Economics business capacity assessment has identified the demand and capacity requirements for the subregion over the next 30 years for commercial/retail and industrial land.

5.3 Further investigations of selected areas

A small project team of staff from the SmartGrowth partnership should be established to undertake the further investigations of the preferred areas. The existing SmartGrowth project team should be retained with additional resourcing to assist with the investigations and assessment.

It is envisaged that the project will take approximately four to five months to complete and would inform decisions on the SmartGrowth Strategy by October 2023.

The further investigations will identify any additional resourcing required, such as technical work eg. feasibility assessment and ensure alignment with other relevant work currently underway across the SmartGrowth partnership.

The output from the further investigation assessment would be a report which identifies timing, sequencing and feasibility of preferred future industrial land locations. This will also revisit earlier SmartGrowth investigations through the 2011 Residential land Capacity and Suitability Study work.

5.4 Engagement on selected areas

The Aurecon technical report sets out recommendations on engagement requirements in section 4.3 in two distinct groups – partners and stakeholders.

Partners - Mana Whenua, Waka Kotahi and Local Government

Aurecon has recommended establishing a working group with all partners for involvement early and regularly with a view to understanding the opportunities, desires, impacts and misalignments. They have suggested representation from affected hapū to provide specific advice around Te Ao Māori, tikanga and cultural guidance for detailed design and into construction. They note the project will need to be resourced to support tangata whenua engagement for the four corridors (ie. specific representation relevant to the consideration of opportunities for industrial land development in each of the northern, eastern, central and western corridors) and site specific engagement where there is proximity to marae, Māori land and cultural heritage sites. This is recommended by CTWF to include iwi authorities, relevant hapū, marae committees and trustees/beneficiaries of Māori Land blocks as well as any relevant co-governance entities.

In response, such an approach with tangata whenua is part of the development of both the Tāngata Whenua Spatial Plan and the SmartGrowth Strategy 2023 for the subregion. However, specific engagement with iwi authorities and hapū as well as trustees of any Māori land should occur as part of the further investigations of the short-listed and preferred sites. Existing mechanisms should be used to facilitate this engagement where these already exist such as the Combined Tangata Whenua Forum and Te Kauae o Roopu.

Stakeholders

These are identified as Economic Development Agencies, major affected industries and businesses, landowners, developers and community at large.

Aurecon recommends largely informing these groups via newsletters and website, except for landowners who will require a more personal kanohi-ki-te-kanohi approach.

Appendix 1 – SmartGrowth Industrial Land Study Brief



Industrial Land Study: Project Brief

Introduction – Background and Context

The SmartGrowth partners are currently developing a sub-regional Joint Spatial Plan that will incorporate the National Policy Statement on Urban Development (NPS-UD) requirements for a Future Development Strategy. A key part of this work is understanding our industrial land needs over the next 30 years.

SmartGrowth has a Housing and Business Development Capacity Assessment (HBA) as required by the NPS-UD underway. The results of the business component of that work are expected by around September 2022.

The partners have also been working collaboratively on several other projects that relate to industrial land, particularly work relating to the Mount Maunganui/Port industrial area. These projects collectively seek to respond to a range of significant issues, including natural hazard risk, traffic congestion, port growth, cultural and social impacts, air quality and health concerns.

Several of these issues have been identified as putting pressure on existing land uses. This includes pressure on existing industrial land across Tauranga from natural hazards, including flooding and inundation, which may result in the need for retreat or relocation of current activities overtime. The potential for a reduction in existing land combined with strong demand for industrial land to support growth brings into question the sustainability and suitability of existing industrial land to continue to meet current demand.

Based on evidence thus far, it is expected that the HBA will confirm the problem outlined above. That is, the current situation is not sustainable and there is not enough industrial land capacity to cater for expected future growth.

In light of these issues, it is clear that there is a need for a long-term subregional view in respect of industrial development. The purpose of the Industrial Land Study is to examine the extent of the industrial land issue, identify potential locations for future industrial development, consider the wider context (including geotechnical issues, reverse sensitivity, cultural matters) and then make recommendations on locations based on these considerations. The study purpose and objectives are discussed in further detail below.

Study Purpose and Objectives

The purpose of the Industrial Land Study is to identify industrial land locations for the sub-region over the next 30 years to ensure that there is sufficient supply to meet demand.

The outputs of this study will be used to support future decision-making on industrial land and will feed into the Joint Spatial Plan / Future Development Strategy.

The project objectives are to:

- Identify areas suitable for industrial development for the sub-region, taking into account the role of neighbouring regions (e.g. Rotorua, Whakatane, Matamata-Piako). This will include identifying land that would be suitable for new, or relocating existing, heavy industry.⁹
- Ensure there is sufficient industrial land supply over the long-term
- Reconcile demand and supply over the short, medium and long-term
- Meet wider SmartGrowth / UFTI principles / outcomes and national policy (eg emissions reduction)
- Take into account, at a strategic level, national, Upper North Island and other inter-regional influences on industrial land in the western Bay of Plenty
- Take into account commercial factors that affect development decisions eg development costs, locational drivers
- Ensure adequate engagement with key stakeholders to help inform the work

Project Scope

Geographic area

The western Bay of Plenty sub-region which encompasses the land within the jurisdiction of the Tauranga City Council and the Western Bay of Plenty District Council.

Land uses within/outside project scope

Land uses within project scope:

- All businesses that would typically locate within an industrial zone (ie light, general or heavy as well as special purpose zones such as the Airport and the Port). It is considered that these would primarily be manufacturing, warehousing, storage, distribution, logistics, wholesaling and workshops (e.g. mechanics, tyre shops).
- Land required for the operation of the Port of Tauranga, including potential inland port type storage/logistics operations
- Some of these land uses will require high load bearing land.

Land uses outside project scope:

- Businesses that would typically locate in commercial zones or elsewhere such as retail businesses, commercial offices, restaurants, cafes, medical facilities and educational facilities are outside the scope of this project.

Land uses within and outside the project scope will need to be fully explored as part of the project methodology.

Phases of Work and Outputs and Timeframes

It is envisaged that this study would have five key phases of work:

1. Development of a framework to identify land suitable for industrial development.
2. Apply this framework to identify locations for industrial development in the sub-region, and rank and score each of the options.

⁹ Heavy industry refers to those business activities that may have significant effects such as relatively high levels of noise, odour, emissions, heavy traffic movements and the presence of significant amounts of hazardous substances, necessitating separation from more sensitive activities.

3. Demand and supply reconciliation following the results of the HBA.
4. Test the outputs with key stakeholders (Priority One can assist in convening this)
5. Finalise and make recommendations on preferred areas and timing.

The business component of the HBA is expected to be completed by September 2022. Prior to this, work can begin on the framework for identifying land and assessing locations.

The following outputs are expected from the project:

- A final report. This report should contain the framework to assess the suitability of industrial land locations.
- A presentation of the draft and/or final report to relevant SmartGrowth groups (eg Senior Managers Group, Chief Executives Advisory Group, SmartGrowth Leadership Group).

It is expected that this will be a collaborative project where the outcomes from each of the five phases outlined above would be tested with the project team. This will allow each phase to be worked through and agreed in an iterative way before moving to the next phase.

The report should contain the following:

1. Framework for assessing potential locations of additional industrial land
 - (a) Land Suitability
 - The Study should provide recommendations on generally where the best place to locate additional industrial land in the sub-region would be. These recommendations should:
 - Identify general locations only, and the reasons for selecting these locations (eg. proximity to Tauranga City, proximity to transport corridors, land attributes)
 - Consider fundamentals such as land suitability and infrastructure servicing.
 - Identifying land that would be suitable for new, or relocating existing, heavy industry
 - (b) Principles / MCA Framework (note that this could rely in part on the MCA framework used for UFTI)
 - The MCA should consider the wider planning/strategic context and in particular SmartGrowth/UFTI principles as well as national objectives and policy (for example the Emissions Reduction Plan)
 - It should contain criteria that have been developed with reference to other studies/projects that relate to industrial land, eg geotechnical hazards and transportation¹⁰
 - The MCA should be able to be applied to any other future industrial land locations
2. Application of Framework
 - Apply the framework developed in 1 above and score/rank each option.
3. Analysis of the HBA industrial land demand and supply projections
 - Interpretation and discussion of the HBA results for industrial land supply and demand in the short, medium and long term, and what this means for the sub-region. This would be undertaken in conjunction with the project team.

¹⁰ Refer Study Input table below

- Strategic analysis of industrial land trends in terms of any other factors that might influence demand and supply. This will include Upper North Island, inter-regional and regional considerations.
 - Consideration of locational factors (ie where the market prefers to go)
 - In light of the HBA results, a commentary on the likely types of industrial land uses that the sub-region should expect to have to cater for and whether any of these land uses have any specific requirements, eg. high load bearing land / high water use / large footprint tracts of land for a single activity/ proximity to port/railway
 - Identification of the proportion of industrial land demand that is likely to accommodate businesses that require high load bearing land (land capable of handling floor loads up to 100kPa)
4. Test the Outputs with Stakeholders
- The outputs from step 4 above should be tested with key stakeholders in the sub-region. Priority One can assist with convening this group.
5. Analysis of options using MCA, and overall recommendation(s)
- The MCA should be applied to the options identified in point 3 above, and the report authors should be able to make recommendations based on these results
 - The options should be ranked and scored
 - Recommendations can be for one or more locations, and the report should set out whether these locations are for the short, medium or long term.
 - The report should set out the next steps for SmartGrowth on pursuing the areas identified.

Project Oversight

SmartGrowth will assign a project manager for this work and a small project team will be set up which will include the SmartGrowth partners who wish to be involved in this project.

The project team will keep the Joint Spatial Plan Working Group informed of progress. This will be reported up, as appropriate, to the Senior Managers Group, Chief Executives Advisory Group and the SmartGrowth Leadership Group.

Engagement Requirements

- SmartGrowth Property Developers Forum (PDF)
- Any other large developers in the sub-region that may be part of the PDF, in particular the Tauriko Business Estate and the Rangioru Business Park
- Port of Tauranga
- Kiwifruit industry
- Quayside Holdings (owner of undeveloped industrial zoned land in Rangioru)
- Local real estate agents specialising in selling and leasing industrial land and buildings
- Bay of Connections (regional economic development strategy)
- Any iwi land trusts that have an interest in industrial land
- Priority One (local economic development agency) – noting that Priority One can assist with the engagement requirements
- Neighbouring councils

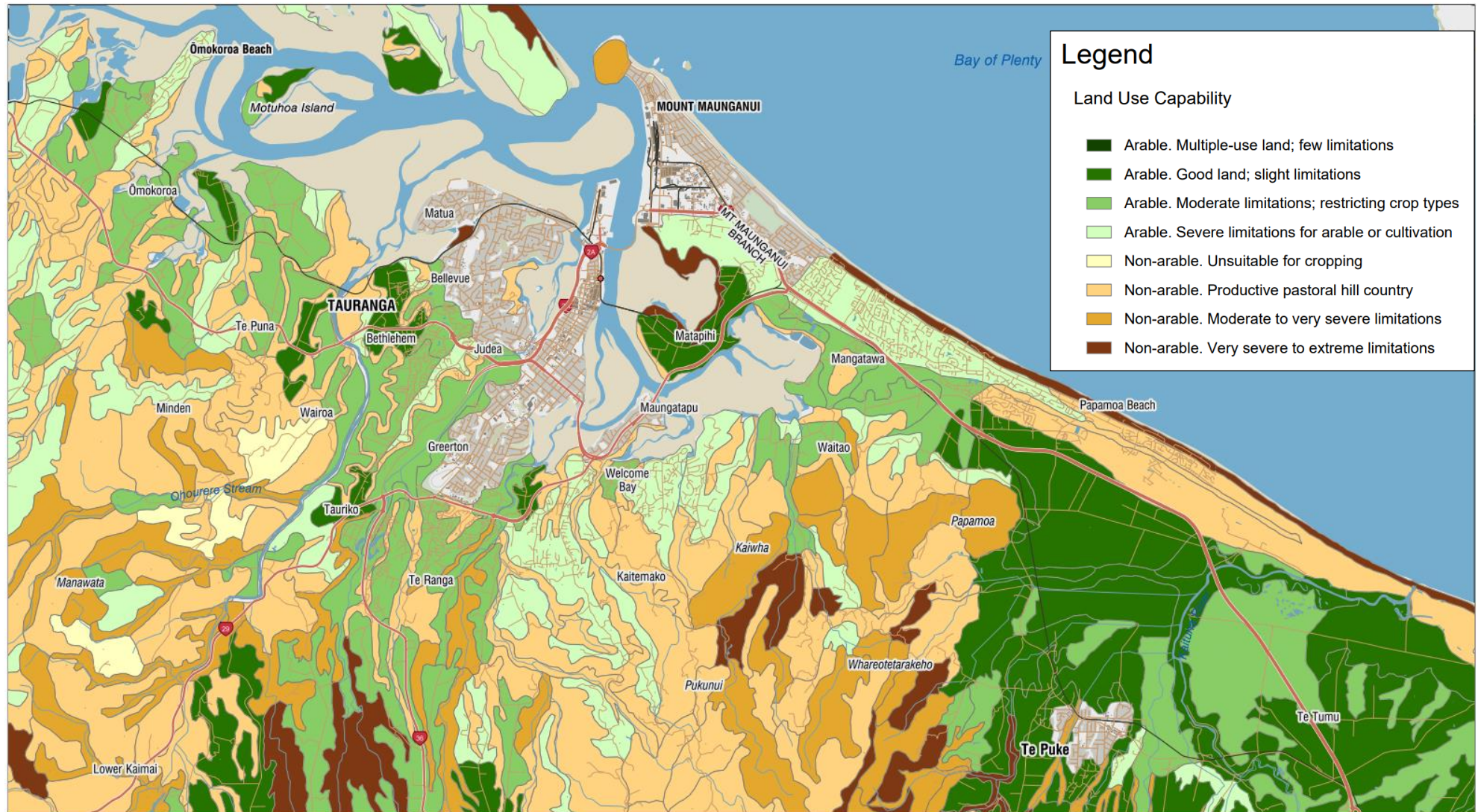
Existing Information (Study Inputs)

Document title	Reference
National documents	
National Policy Statement on Urban Development (updated May 2022)	https://environment.govt.nz/assets/publications/National-Policy-Statement-Urban-Development-2020-11May2022-v2.pdf
National Land Transport Plan	https://www.nzta.govt.nz/assets/planning-and-investment/nltp/2021/NLTP-2021-24.pdf
GPS on Transport	https://www.transport.govt.nz/assets/Uploads/Paper/GPS2021.pdf
Emissions Reduction Plan	https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan/
Any relevant National Policy Statements (NPS-UD, NPS-HPL, NPS-IB, NPS-FM)	
Regional documents	
Bay of Plenty Regional Land Transport Plan	https://atlas.boprc.govt.nz/api/v1/edms/document/A3884906/content
Bay of Connections	https://www.bayofconnections.com/
Waikato Bay of Plenty Freight Study and Action Plan	https://tewakapublicwebsite.blob.core.windows.net/sitefinity-storage-production/docs/default-source/resources/freight-action-plan-launch-digital-final.pdf?sfvrsn=5bd2a0ba_6
Sub-regional documents	
SmartGrowth, Housing and Business Development Capacity Assessment, 2022	Underway
SmartGrowth, Housing and Business Development Capacity Assessment, 2017	https://www.smartgrowthbop.org.nz/media/2094/smartgrowth-nps-udc-housing-and-business-capacity-assessment-2017_final-for-sg-website.pdf
Transport System Plan	https://www.tauranga.govt.nz/council/council-documents/strategies-plans-and-reports/strategies/transport-plan
SmartGrowth Stocktake Report, 2021	https://smartgrowthbop.org.nz/media/2290/stocktake-report_updated-final_20210726.pdf
SmartGrowth 2013 Strategy	http://www.smartgrowthbop.org.nz/strategy/2013-strategy/
Urban Form and Transport Initiative	https://ufti.org.nz/reports/
SmartGrowth Draft Joint Spatial Plan	http://www.smartgrowthbop.org.nz/strategy/smartgrowth-joint-spatial-plan/
Tauranga City Plan	https://cityplan.tauranga.govt.nz/
Western Bay of Plenty District Plan	https://eplan.westernbay.govt.nz/eplan/
Proposed Smart Growth Future Development Strategy	http://www.smartgrowthbop.org.nz/media/2079/fds-26-9-2018-notification-final-for-print-9mb.pdf
Research and Technical Reports	

Current Development Trends and annual monitoring	http://www.smartgrowthbop.org.nz/media/2378/final-2021-smartgrowth-development-trends-report-pdf-version.pdf
Employment Projections (Market Economics), 2017	http://www.smartgrowthbop.org.nz/media/1811/22052017-methodology-and-key-findings-report.pdf
Any work relating to existing industrial land-uses in Mount Maunganui if and when available	

Appendix 2 – Land Use Capability map of the western Bay of Plenty subregion

Map prepared from Our Environment Manaaki Whenua Land Research https://ourevironment.scinfo.org.nz/maps-and-tools/app/Land%20Capability/lri_luc_main



Appendix 3 - Suggested Western Corridor Area for SDP assessment

(annotated extract from UFTI Final Report 2020)

