Veros

PROPERTY SERVICES

SOUTH TARANAKI INDUSTRIAL PARK

INITIAL BUSINESS CASE AND FEASIBILITY

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1 EXECUTIVE SUMMARY

South Taranaki benefits from a high degree of wealth and employment with the wider Taranaki Region having one of the highest GDP's per capita in New Zealand. Notwithstanding, South Taranaki District Council (STDC) want to develop better economic resilience as a core focus as there are several characteristics of the economy that present significant risks to the district. These include overreliance on core sectors, overreliance on large employers and its relative isolation.

To support reinvestment, industry growth, and diversification, STDC has sought to examine the feasibility of developing an industrial park as a way to support economic resilience, growth opportunities in South Taranaki by creating the opportunity for a high-tech industrial hub, creating new employment opportunities and attracting new investment to the District.

This initial business case has investigated the strategic case for undertaking and enabling an industrial business park through strong stakeholder and community consultation, market analysis of land supply and industry demand as well as Investment Logic Mapping, a process that ensures there is robust consideration and sound problem definition before solutions and investment decisions are made.

This analysis has been a valuable exercise which has identified several factors that are contributing to the district's issue around having suitable industrial land. This includes aspects such as muted demand, land ownership, unsatisfactory service experiences with Council, and perceived lack of collaboration. Importantly, we have confirmed the strategic need for developing additional suitable land for industrial purposes in the District, adopting an investment title of "***Ensuring we have industrial land available, in the right place, to enable growth and improve South Taranaki***".

Overcoming the barriers to investment identified herein is likely to result in increased demand for industrial land. There are indirect and direct interventions that can be undertaken by STDC to overcome these barriers of which a number of each have been assessed and analysed. Our recommended interventions include:

Indirect Interventions

- Administering the District Plan closely, engaging and working more collaboratively with the business community.
- Creating an economic development and regulatory-solutions focused role dedicated to working with the business community and key stakeholders.
- Development of a Spatial Plan for Hawera to improve collaboration with the community and provide a clear vision of where the district is heading.

Direct Interventions

- Option 8 – Rezoning of land around the Waihi Road Mixed Use Area for industrial uses.
- Option 11 – Rezoning / purchasing the Hawera Racecourse to facilitate industrial development.

In this instance, these two options are preferred because they are located next to each other, have the best characteristics for industrial land, and considered to deliver the best outcomes for South Taranaki. These options also provide for various delivery models, allowing STDC the option to participate directly in a development, have partial involvement through a JV / PPP or let the market deliver an industrial development.

Whilst the above recommendations are considered to be the best way forward in facilitating an industrial business park within the South Taranaki Region, the level of demand in the region is unlikely to support a viable development when analysed on a traditional commercial basis. Notwithstanding, enabling existing businesses to grow and attracting new businesses to the region will have wider benefits to the economy and community which are not reflected in a traditional commercial feasibility. Further understanding the wider benefits to the regional economy and assessing viability on a more holistic basis will be essential to success of an industrial park for STDC.

In addition to the above, further investigation into reducing capital cost to STDC through avenues such as PGF funding, development contributions for cost recovery from the private market and providing incentives to occupiers increase demand and therefore reducing holding costs will also be key to achieving a successful outcome whilst reducing risk and cost to STDC.

The next steps in delivering the recommended direct interventions is to undertake a Detailed Business Case to further investigate the viability and suitability of these options for redevelopment.

2 SOUTH TARANAKI – AN OVERVIEW

South Taranaki District forms part of the Taranaki region on the west coast of the North Island. With a total area of around 362,000 hectares the district is relatively large in comparison to others in New Zealand, but has experienced the sixth lowest indexed population growth by district since 1996 with approximately 28,300 people now living in the district. The population is largely rural-based in nature and is primarily spread over seven urban settlements including Hawera (12,150), Eltham (2,070), Opunake (1,360), Patea (1,160), Manaia (927), and Waverley (861).

In the last decade, South Taranaki's population has experienced little growth and has only grown by around 1,400 people in that time. Despite this overall increase, the smaller townships of the district have experienced population decline as urbanisation draws people and jobs out of these historically rural serviced-based towns. These smaller settlements are now characterised by an older, or transient population, with aging housing stock, and little reinvestment into these towns.

This relatively stable population across the district has meant that housing has in the past remained affordable. However, housing prices have increased significantly in recent years, albeit off a low base, largely off the back of increasing housing prices in metropolitan and high growth regions in New Zealand. The mean house value in South Taranaki in 2008 was $204,000 whereas in 2018 it is $240,000. The largest increases coming in the previous two years where prices rose by 6.4% and 8.9% respectively per annum. This trend shows no sign of changing in the short term and we expect to see growth in this value.

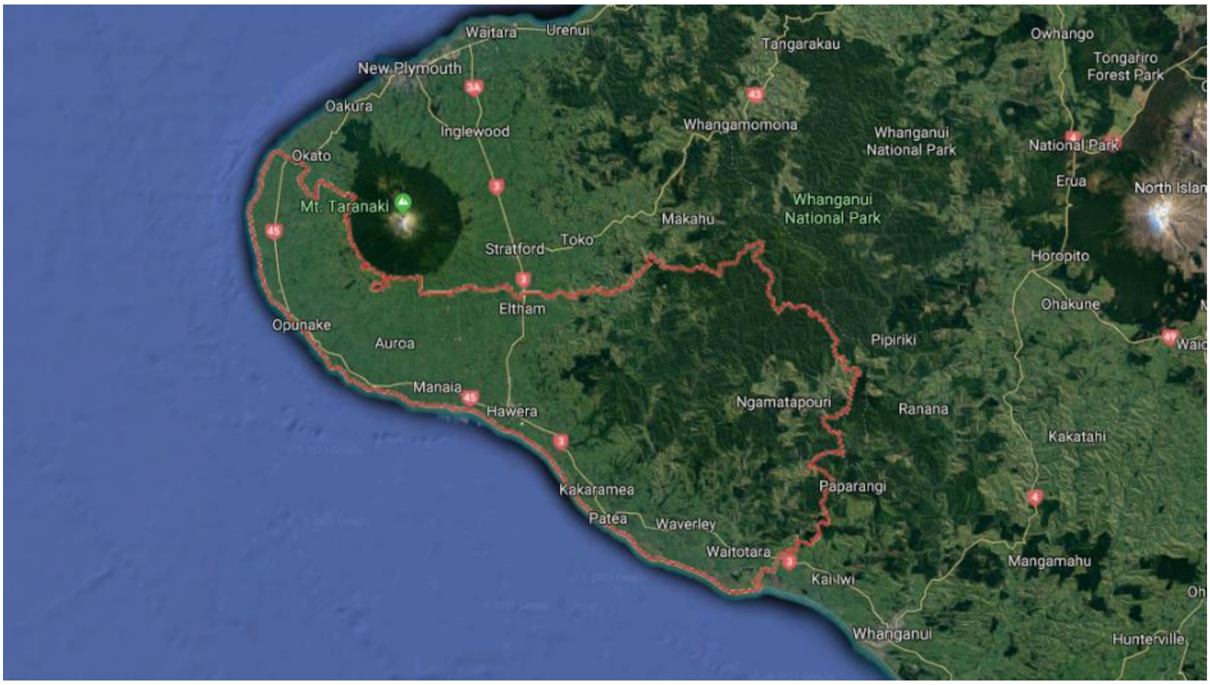

Figure 1: South Taranaki District

The district benefits from a high degree of wealth and employment and the wider Taranaki Region has one of the highest GDP's per capita in New Zealand. This healthy economy is due to the historically strong performance of the dairy industry which thrives in the district's climate and soils. Further boosting the economy is the oil and gas industry which is unique in New Zealand to Taranaki. This sector has been one of the highest performing globally, and as such, been a significant employer in the area paying good wages and bringing skilled people into the region.

As a result of servicing the agriculture and oil and gas industries, the district has developed a strong manufacturing sector which has become a significant contributor to the district and employs approximately 4,400 people. Of these manufacturing workers, 75% are involved in processing dairy or meat products, but structural steel fabrication and engineering are also growth industries.

Despite there being strong GDP per capita and low unemployment, developing better economic resilience is a core focus as there are several characteristics of the South Taranaki economy that present significant risks for the district. These include

- Overreliance on core sectors which are facing imminent change
- Overreliance on large employers
- Relative isolation

OVERRELIANCE ON CORE SECTORS WHICH ARE FACING IMMINENT CHANGE

The agriculture and oil and gas sectors have long been the core industries of South Taranaki, but these strengths of the district are also key risks. A fundamental part of this risk relates to the local economy's overreliance on the number of staff and business they directly and indirectly support. Loss of jobs in these sectors is a problem as other employment opportunities are not readily available. These events are relatively common within South Taranaki in its smaller townships where over several decades large employers have left or closed, which has significantly altered those communities. Unfortunately, although there may not be complete closures, reductions in jobs at these major employers looks to be relatively likely to happen in the medium-long term.

The numbers of people employed in the agriculture industry is expected to reduce as both technology and agriculture practices become more efficient, and as businesses shift to higher value processing. In addition, the future of medium to long term growth and employment in the oil and gas industry is uncertain as globally there is a political and social shift to more renewable and 'green' sources of energy. The current government has reinforced this move and banned further off-shore exploration for oil with the intention to speed the nations transition to a zero-carbon economy.

OVERRELIANCE ON LARGE EMPLOYERS

Another characteristic of the South Taranaki economy which is a weakness and risk is the high proportion of local people that are employed by a small number of key businesses. Examples of these operations include Fonterra's Whareroa factory just outside of Hawera which employs over one thousand staff. Smaller but important employers include Silver Fern Farms, Riverlands, and Yarrows Bakery.

These major employers are significant contributors to the economy not only in relation to their direct employment, but also indirect employment as countless businesses are either heavily reliant on servicing the businesses themselves, or their staff who live and travel to the district. In total, around 40% of the South Taranaki workforce are employed by companies with over one hundred staff. Despite the smaller size of the population and economy of the district, this is a much higher percentage than the rest of New Zealand (approx. 30%) and highlights a significant risk to the local economy in the event of the relocation or closure of any large industry.

RELATIVE ISOLATION

In a changing economy, easy access to a large and diverse customer-base is often vital in supporting economic resilience and prosperity. Unlike other areas in the North Island, South Taranaki does not have this advantage and is isolated from the largest cities in New Zealand which generate the country's most economic activity. In terms of access, State Highway 3 is the main arterial connecting South Taranaki to its larger neighbouring cities of New Plymouth (approx. 75,000 people) to the north and Whanganui (approx. 41,000 people) to the south. Hawera, the district's largest settlement sits between these two cities, and its central location on two State Highways is strategically valuable as it supports its status as the urban centre for South Taranaki.

SUMMARY

In summary, South Taranaki is currently heavily reliant on agriculture and oil and gas. Both of which are facing uncertainty in the medium to long term which will subsequently adversely affect the district's manufacturing sector. In addition, an unusually high proportion of the population are employed by big businesses which creates high degrees of risk if these were to relocate or shutdown. As such, the district has identified that it needs to act to diversify its local economy in order to be more resilient to political, social, economic, and environmental changes and pressures both from within New Zealand and globally.

3 THE PROPOSED INDUSTRIAL PARK

To support reinvestment, industry growth, and diversification, South Taranaki District Council has sought to examine the feasibility of developing an industrial park. A new industrial area is considered one way to support economic resilience, and growth opportunities in South Taranaki by:

- Creating the opportunity for a high-tech industrial hub

- Creating new employment opportunities
- Attracting new investment to the District

In the right circumstances, industrial parks have proven to be a solution to help overcome low growth and can assist in reforming a local economy. In support of growth, industrial parks are advantageous as they can:

- Unlock 'economies of scale' for the local market and make buying and selling more cost effective.
- Deliver opportunities for 'economies of agglomeration' whereby the concentration of complementary industries increases the availability of skilled labour, supporting services, and institutions.
- Create a stronger local focus on business and foster a more collaborative business community.
- Diversify employment opportunities, with both large, medium and smaller businesses, providing some mitigation in the event larger existing industries relocate, downscale staffing of shutdown.

In terms of the types of businesses considered beneficial to the District, the industrial park is aiming to attract all types and scale of new businesses which complement the existing economy. This includes businesses that require large amounts of land and typically employ substantial numbers of people. Additionally, the proposed industrial park would ideally also be attractive for Small to Medium Sized Enterprises (SMEs) which provide diversity of employment and contribute to the economy in different, but equally important ways.

3.1.1 TYPES OF INDUSTRIAL PARKS

The term 'industrial park' typically assumes a comprehensively well-planned and designed land development project. However, at their core, they are simply areas of land whereby industrial type activities can locate in close proximity and operate with limited restrictions. Therefore, industrial parks can be a variety of different sizes and types depending on the context in which they are located.

In the pure sense of the concept, industrial parks are single projects that are constructed and designed to deliver seamless urban environments and outcomes. In these scenarios, the developer can often attract suitable tenants by being able to design the industrial area to their requirements and obtain market feedback to ensure the development is as successful as possible. In most cases, approaching industrial parks in this manner provides the best opportunity to secure large businesses which require significant areas of land to operate from. A weakness of this approach is that generally the costs of the development is greater increasing the risk of the project in areas of lower demand and growth.

Alternatively, similar outcomes of comprehensively planned industrial parks can be achieved through the rezoning and appropriate servicing of land which are held under different ownership. In these situations, the development is often less cohesive, but in some instances through District Plan design standards, they can still result in positive urban environments. In this situation, the development of the industrial area may not be undertaken by one development entity, but many owners. This can be an advantage as it means risk is spread and staging can be undertaken easily. A drawback of this situation is that depending on ownership and size of the properties, it could be difficult to attract large businesses that require lots of land and the result can be disjointed and ad-hoc.

The type of industry is another factor contributing to the nature of industrial parks. Traditionally Industrial activities were 'dirty' and loud activities that had negative impacts on the environment and surrounding amenity. However, the nature of industry is continually changing as technology improves processing and manufacturing and more automated and less labour intense businesses establish. The term industrial park is regularly being substituted for 'business park' to reflect these changes.

4 CONFIRMING THE STRATEGIC CASE FOR AN INDUSTRIAL PARK

To fully understand the strategic objective of an industrial park, and to determine the most appropriate type and scale of Industrial development in South Taranaki, we sought to test and confirm the strategic case by undertaking Investment Logic Mapping (ILM). The ILM process is a common technique undertaken in business cases to ensure that there is robust consideration and sound problem definition before solutions and investment decisions are made.

In this instance, the ILM process began by engaging with key stakeholders to identify and clearly understand the issues and opportunities that underpin the idea of an industrial park. Key stakeholders consulted included key landowners, local real estate agents, local valuers, and local industrial-type businesses. Council officers from the community, town planning, and infrastructure departments, as well as elected members were also included in the discussions. Once this initial engagement is completed, the issues relating to industrial land were recorded. Table 1 below lists the issues:

ILM Problem	Item	Issues
2	1.	Infrastructure servicing: Servicing greenfield industrial land is not well understood and it's a barrier to development.
1,3	2.	Local businesses often need to move locations if they want to grow.
4	3.	STDC don't currently have a strong economic development focus.
3	4.	Many industrial/commercial developments are occurring in a distributed manner.
3	5.	STDC have a permissive District Plan allowing for development that may not be in suitable locations.
1	6.	Oil & gas industry departure, wind farm and hydrogen are opportunities, but carry uncertainty. Dairy industry issue, but food and fibre are opportunities.
3	7.	STDC are tightening up some rules.
3	8.	Glover Road – commercial activity moved into old industrial land.
2	9.	Infrastructure servicing and the level crossing access at Normanby sites
1	10.	Low demand, delivers incremental development which impacts on commercial viability.
2	11.	It isn't viable for land owners to develop the Normanby sites – risk, returns and existing timeframes.
2	12.	Current owners of Normanby Industrial don't want to develop.
4	13.	STDC are being difficult and taking a long time to evaluation and deliver consents.
2	14.	Land owners aren't prepared to take the risk to develop their land due to impediments such as their commercial risk, cost and uncertainty of demand.
3	15.	Difficult for companies to expand and transition due to land availability.
3	16.	Messy urban development / urban form. Mixed uses - there is a desire to transform.
1	17.	Wages at Fonterra and oil/gas industry are high, making it difficult for some businesses to compete.
1	18.	People / businesses are in low cost leases and more expensive new ones might not be as attractive limiting demand for new land.
3	19.	Fragmented land uses (Glover Rd) are causing reverse sensitivity and constraints for industrial activities.
3	20.	Constraints include vehicles and noise.

4	21.	Residential housing for employment is starting to be constrained (need evidence). Rental property.
1	22.	Low unemployment rate makes it difficult to find workers and skills.
3	23.	People are traveling to Hawera for work – approximately 30% are commuters.
3	24.	Restaurants / schools / amenities are lacking encouraging workers to commute.
1	25.	Local businesses want to grow but it's difficult to find appropriate spaces/places

At this point in the ILM process and with a good understanding of the issues, an 'Investment Title' is produced which accurately represents the outcome that is being sought. The Title is intentionally designed so that it does not pre-empt the choice of solution but clearly articulates the investment objective. In this instance, the Investment Title determined is:

'Ensuring we have industrial land available, in the right place, to enable growth and improve South Taranaki.'

Rationale and Veros then analysed the issues and opportunities and developed four targeted problem statements to represent them. Following this, four benefit statements were formulated to articulate what the investment aims to achieve regarding industrial-based businesses and land. Each benefit statements are supported by two Key Performance Indicators (KPIs) that are measurable and attributable to the investment.

Finally, strategic responses were developed which are high-level interventions that describe a potential response to the identified problems. The purpose of these strategic responses is to address at least part of the investment need and deliver some of the identified KPI's. The strategic responses are intentionally high level in order to not determine specific investment options for industrial land without proper assessment.

The outcome of this process is a well-considered 'Investment Logic Map' (see Figure 2, below) which is a single-page flowchart that tells the story of an investment and outlines its underpinning logic.

The ILM process has been a valuable exercise which has identified that there are several factors that are contributing to the districts issue around having suitable industrial land. This includes aspects such as demand, land ownership, unsatisfactory service experiences with council, and perceived lack of collaboration. Importantly, the ILM has confirmed the strategic need for developing additional suitable land for industrial purposes in the District.

4.1 INVESTMENT LOGIC MAP

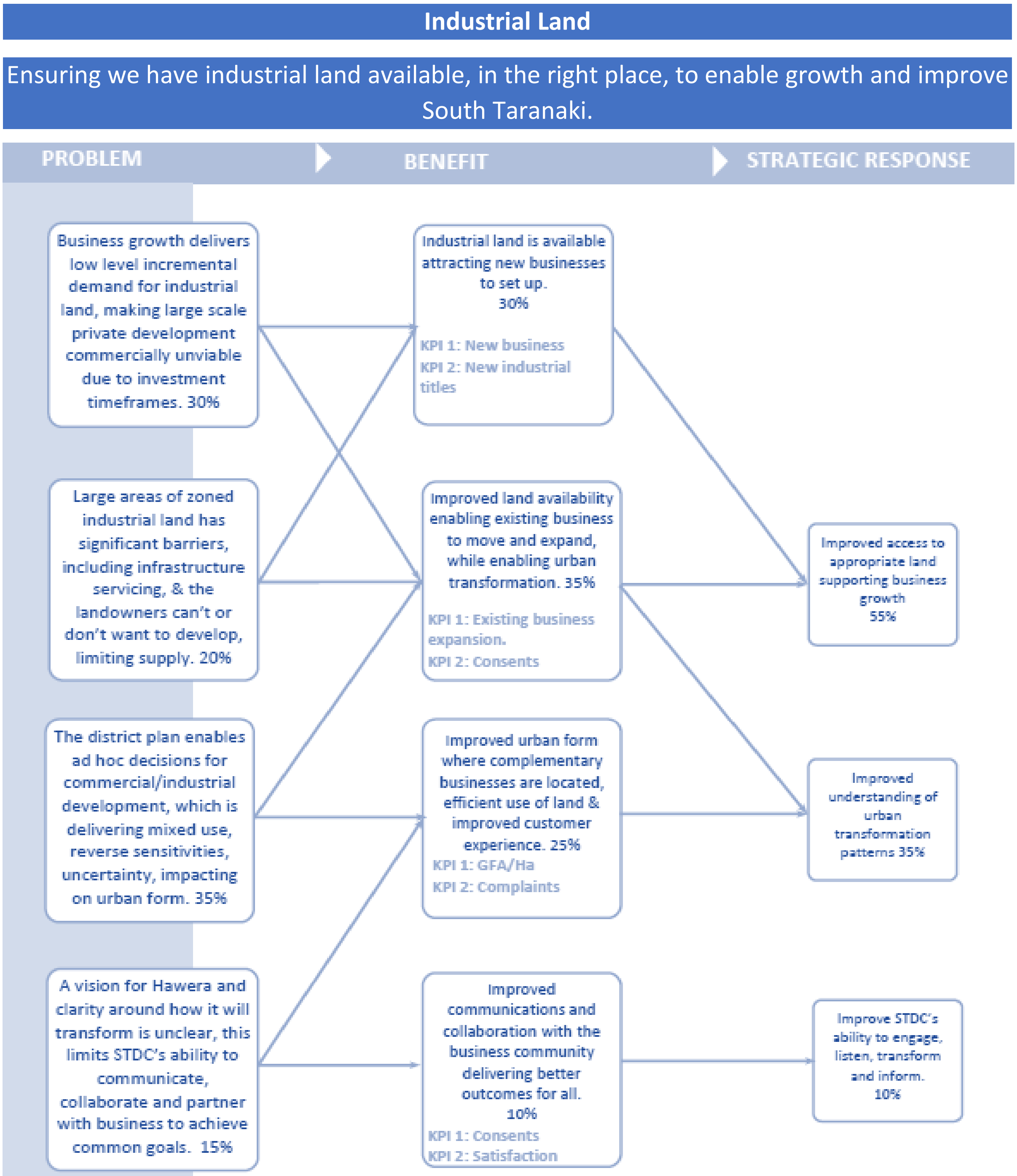

Figure 2: Investment Logic Map

5 CHARACTERISTICS THAT MAKE INDUSTRIAL LAND SUCCESSFUL

It has been determined that South Taranaki want to enable the development of suitable industrial land in the district. However, before the assessment of investment decisions can be made, there needs to be good understanding of what 'suitable' means in the context of South Taranaki to ensure the best outcomes for the district.

As a public sector led Business Case, the term 'suitable' must be viewed beyond the view of a typical developer, and should include other tangible and intangible aspects that are important for Council. Therefore, the definition of suitable in this business case does not solely relate to commercial or financial success of the project but must also be appropriate from a community and environmental point of view and must generally contribute to enhancing South Taranaki and place to live, work, and visit.

5.1 INDUSTRIAL LAND SUITABILITY ASSESSMENT CRITERIA

To ensure the best decision is made, an assessment criterion has been developed to evaluate potential options for an Industrial development. As discussed earlier in this report, the proposed industrial land development will ideally be attractive to both large industrial users, but also SMEs. Despite being generally similar in terms of their land requirements, there are some differences. For example, SMEs prefer to be located closer to their staff's place of residence, and often want profile and exposure. Whereby larger industries may benefit from direct access to rail and are less concerned with profile.

In order to capture the requirements of both types of user, assessment criteria have been developed with ten individual components that can be broken into three distinct characteristics, including;

- Where industrial related businesses want to be located
- Where it doesn't significantly impact the community or environment
- Where the development is commercially feasible

5.1.1 WHERE INDUSTRIAL RELATED BUSINESSES WANT TO BE LOCATED

This section of the assessment relates to characteristics of a particular location that make Industrial land attractive to businesses and tenants. The key factors include:

1. ***Good access***: The land has convenient and efficient access for business-related transport movements. Access generally relates to vehicular access, but can sometimes also include the ability to connect to rail and air. Generally, larger and more successful business parks are located either directly on, or in very close proximity to State Highways as these roads are generally designed for all types of vehicles and are more efficient.
2. ***High profile:*** Profile relates to the industrial areas' visibility from the surrounding environment. Increased visibility translates to increased marketing which improves the likelihood of business for those organisations established within the development. In general, the higher the profile the land has on busy arterials, the more attractive the site is generally considered to be.
3. ***Near complementary and supporting businesses and a skilled workforce****:* Industrial land is more desirable for users when they are located in areas with complementary land uses and businesses. This includes being located in, or near urban areas which provide suitable access to staff and essential services. This leads to improved commercial performance through economies of agglomeration and economies of scale.
4. ***Zoned for industrial use:*** Industrial land is most successful when they are located in areas zoned for their intended and are flexible for new businesses or changes to operations. This gives businesses confidence that if they establish within the area, they can operate largely unrestricted in relation to noise and traffic movement. This also gives industrial-based businesses the ability to grow, adapt, and change with no or limited regulatory requirements.

5.1.2 WHERE IT DOESN'T SIGNIFICANTLY IMPACT THE COMMUNITY OR ENVIRONMENT

This section of the assessment criteria relates to characteristics of a location that makes an Industrial development suitable based on the physical, cultural, social, and ecological values of the immediate and surrounding land.

5. ***Limited reverse sensitivity issues:*** Industrial areas can often accommodate land use activities that produce high levels of noise, odour, and traffic movements. Therefore, from the community perspective, the most suitable industrial areas are in locations where limited people are adversely impacted by the day-to-day operation of the businesses within the industrial area.
6. ***Environmentally suitable:*** Depending on their size and location, Industrial land can significantly alter the environment in which they are directly located. This is due to their need for generally flat land, and built infrastructure such as roads, buildings, yards, and utilities. As such, the most suitable Industrial areas are in locations which are not considered to have significant cultural or ecological value.

5.1.3 WHERE THE DEVELOPMENT IS COMMERCIALLY FEASIBLE

This section relates to the commercial underpinnings of the Industrial development, including existing land uses, tenure, ownership. Commercial feasibility also includes the stage-ability of the development, and ultimately how expensive it is to construct.

7. ***Tenure, use and ownership****:* The land is able to be acquired for development/or the land owner is motivated/able to develop it.
8. ***Cost of earthworks and infrastructure****:* The cost of earthworks, ground improvements, and servicing the land with three waters and utilities does not outweigh the financial return of the development.
9. ***Cost and certainty of regulatory approval:*** The pathway to planning approval is not too uncertain or costly in relation to the financial return of the development.
10. ***Ability to stage:*** The ability to undertake the development in stages over time is another financial consideration as to whether the development will be commercially feasible.

6 INDUSTRIAL LAND IN SOUTH TARANAKI

In determining the most suitable location for a new industrial area, the South Taranaki Proposed District Plan zones land for industrial purposes in various parts of the district. There are currently two main industrial zones within the South Taranaki District Plan, the 'Industrial zone', and the 'Rural Industrial Zone'.

In examining industrial land within district, this business case will exclude the assessment of areas of land zoned 'Rural Industrial'. These areas of the land are essentially 'spot zonings' for select landowners who have large industrial operations including Fonterra, Graeme Low Protein, and Silver Fern Farms. Rural Industrial zoned land is controlled by the companies located on it, and is therefore not generally considered available for industrial use by others. Furthermore, there are major industries where their location is based on efficient access to a natural or refined source which is being processed. This includes the various oil and gas activities located within South Taranaki.

Despite this, there are many other areas within the South Taranaki district zoned for general industrial purposes with each settlement having varying quantities and qualities of industrial land.

6.1.1 OPUNAKE

Opunake is located to the west of the district and has around 1,360 residents. The town is renowned for its lifestyle being located on the beach and it is a popular holiday spot. There is evidence of a history of larger industrial activities such as the Opunake Sawmill which have since closed down. In total, Opunake has approximately 7.15ha of land zoned for industrial purposes which is spread across four main areas. All of the land is currently occupied to some degree and two of the bigger parcels which could support larger scale industrial users are located adjacent to the rivers. Although historically considered acceptable, this close proximity to water bodies is not preferred for industrial users given the potential environmental concerns and physical construction constraints. From an access and profile perspective, Opunake is rather isolated being located on State Highway 45 which has significantly less traffic volumes than other settlements located on State Highway 3.

Figure 3: Industrial land in Opunake

6.1.2 MANAIA

The township of Manaia is located within a 15-minute drive of Hawera and has around 900 residents. Yarrows Bakery is the significant industrially employer in town and occupies most of the towns total 1.9ha of industrial land. Yarrows economic contribution to Manaia substantial supports the town in several ways. Other industrial areas include a small unoccupied section of land on the corner of Terou St and Tauranga A Ika St which has poor profile and is located on the local road. In general, Manaia currently does not have suitable land for a comprehensive industrial development in terms or access, profile, or quantity.

Figure 4: Industrial land in Manaia

6.1.3 PATEA

Patea located on the south eastern side of the district and has around 1,100 residents. The town was historically much larger in population, but once the Patea Freezing works shut down in 1982, Patea has never recovered its population since. The settlement has approximately 6.7ha of industrially zoned land which is now all largely unoccupied. Although some of the land has direct access onto State Highway 3, it is also adjacent to the Patea River making the land more difficult to develop from an industrial point of view. The other pieces of industrial land are undeveloped and are also relatively close to the river with have poor profile and access.

Figure 5: Industrial Land in Patea

6.1.4 WAVERLEY

The settlement of Waverley has is the most eastern town within South Taranaki. The town around 7ha of industrial land which the largest portion is currently occupied by the Waverley sawmill which has recently been shut down and purchased by Spectrum Group. The closure resulted in the loss of around 65 jobs and it is unclear how many positions will be available in the new business. Another portion of industrial land is unoccupied, but has poor access and profile being located behind residential activity.

Figure 6: Industrial land in Waverley

6.1.5 ELTHAM

For its size, Eltham has a large quantity of industrial land which totals around 31.1ha. A substantial proportion of this land is located on the western side of the town and is currently occupied and under the ownership of Riverlands which is a subsidiary business unit of ANZCO. All other industrial land in Eltham is occupied to some degree, and none of it has direct access to the State Highway. From an economic development perspective, Eltham has some advantages given its location on the busier State Highway 3 between Hawera and Stratford, but its population or around 2,000 is a weakness in being able to support a diverse range of businesses and growth.

Figure 7: Industrial land in Eltham

6.1.6 NORMANBY

Normandy has two types of industrially zoned land. There is a small 2.8ha portion of conventional industrial land located on the northern point of the settlement which is fully occupied by existing businesses. Notably, there are also substantial areas of land zoned Industrial which have a special 'Structure Plan' provision in the Proposed District Plan (shown in Figure 7 below with a yellow boundary). The land can be developed as industrial but the Structure Plan details special requirements that need to be considered at time of subdivision. This industrially zoned land equates to over 170ha, and with the exception of several smaller lots on Bowen St, it is completely vacant of any industrial activity.

Figure 8: Industrial land in Normanby

These large unoccupied areas of industrial land are held under the ownership of three separate entities and are currently used for agriculture. It is understood from discussions with Council Officers that the land was rezoned to open up more industrial land within the district. From a development point of view, one of the largest advantages of the land is its close proximity to Hawera, which as the district's largest settlement is advantageous to support the success of any new Industrial area in the district. The land is also flat, adjacent to the state highway, has potential access to rail, and has relatively good profile.

There are however several barriers to the area's development. Its close proximity to the State Highway is both an advantage and a weakness as the existing access to the land is not considered safe and suitable for extensive industrially development. As seen in the figure below, Ohangai and Ngarongo Road converged at the railway line which is very close to the State Highway intersection at the southern entry to Normanby. This situation already creates safety concerns which would be exacerbated with increased development in the area.

Figure 9: The intersection to the undeveloped industrially zoned land in Normanby

6.1.7 HAWERA

As the largest settlement in South Taranaki by a large margin, Hawera lends itself to be the most suitable location to develop a commercially viable industrial area. In terms of available industrially zoned land, the city has a total of approximately 26.9ha which is all located in the northern area of the city.

Figure 10: Industrial land in Hawera

The land can be broken down and examined in two key portions. The first portion has been established for several decades and runs to the north of Glover Road and adjacent to the railway line. This area of land equates to around 9.9ha and is and held under multiple ownerships. Most of the land is currently being utilised for the industrial purposes except for one piece owned by the Council that is used for a water reservoir and a waste transfer station.

The second portion of industrial land in Hawera is a 17ha piece of land under single ownership located at 74 Turuturu Road. The land is currently undeveloped and used for agricultural purposes. The land is relatively suitable for industrial purposes as it is largely flat, located in reasonable proximity to Glover Road which is the key mixed-use commercial area in the District. The landowner has had intentions to develop the land for industrial purposes, but has not carried through with the investment due to uncertainty in the local market and limited demand.

6.2 AN UNDERSUPPLY AND THE MARKET'S RESPONSE

This review of industrial land has identified that there is not a significant amount of suitable land zoned available in South Taranaki for industrial purposes.

The towns of Eltham, Opunake, Manaia, Patea, and Waverley are too small and isolated, and are therefore not suitable to support a new industrial area which has the objective of accommodating a variety of different sizes and types of business.

Although this is not a positive position in relation to these towns, it is unfortunately indicative of what has already occurred in the market as several of these settlements have experienced the closure of vital employers which have severely impacted the local economy. It is acknowledged that these smaller towns have great community spirit, and have benefited from increased recent investment off the back of housing unaffordability across the country's major centres, but ultimately, they are simply not large enough and some are too isolated to attract sufficient businesses.

The reason for this is twofold. The first is that businesses themselves require access to the services and benefits that larger urban areas provide. This includes faster logistics and more efficient supply chain management. Easy access to subtrades, business support providers such as accountants and lawyers is also necessary. The second factor that is critical to business is access to diverse and skilled labour pool. Staff of industrial-related businesses often want and need to be in larger urban settlements. This is because their partners/spouses also require job choice and access to employment, and their children need education. Staff also want choice of housing as well as convenient access to healthcare and supermarkets etc. On top of all these fundamentals, staff also want to live somewhere with an enjoyable lifestyle which for some people, includes activities only larger urban areas can provide, like variety of shopping, cafes, bars, and other forms of social activities like cinemas and sports teams.

This scenario is not uncommon, and South Taranaki like the rest of New Zealand is experiencing the pressures of urbanisation which is a phenomenon that presents on several levels. It exists at the district-level whereby, Hawera in particular, is attracting people out of South Taranaki's smaller settlements as well as nearby settlements like Stratford. At the same time, there are inter-regional urbanisation pressures whereby larger cities such as New Plymouth and Whanganui are pulling people out of both Hawera as well as the smaller townships within South Taranaki (illustrated in Figure 11, below). This regional-level urbanisation is a unique issue for South Taranaki given it has such a small population and it is expected that without significant change, this gradual move out of South Taranaki will be an ongoing issue as neighbouring larger centres become more attractive to do business.

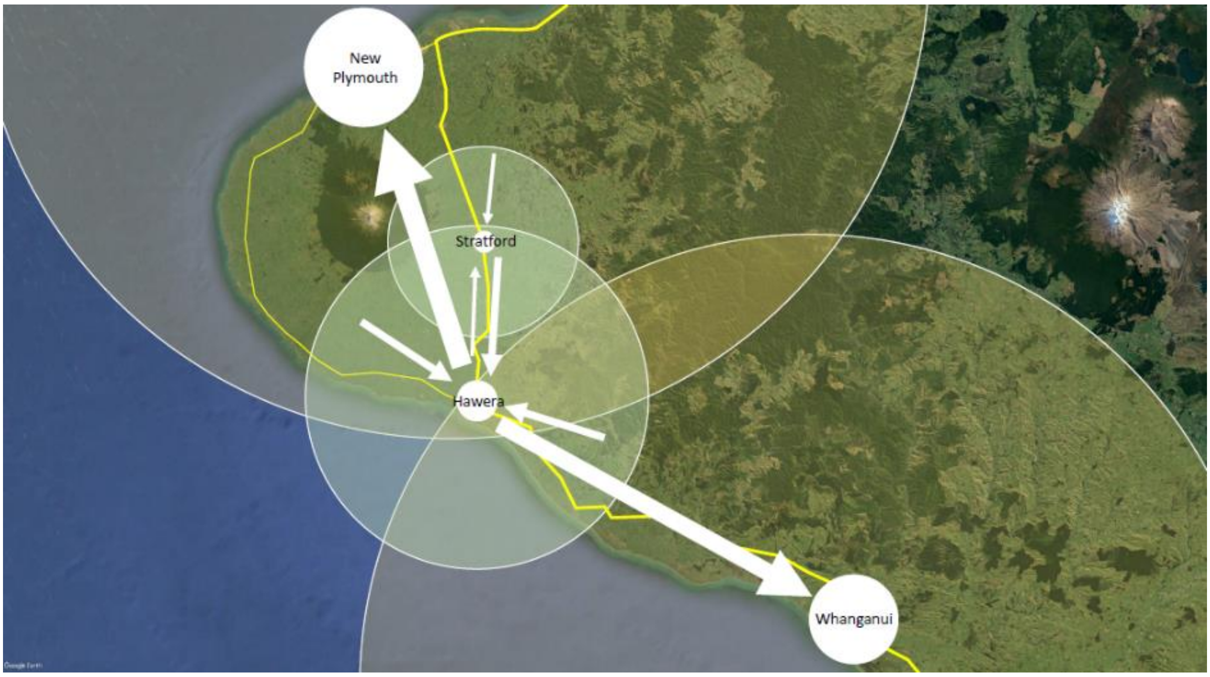

Figure 11: Urbanisation forces and pressures in South Taranaki

Therefore, in terms of suitability to support a variety of industrial businesses, Hawera as the largest and most connected urban area is the most suitable location to support a speculative industrial land development project. Given the Normanby's proximity to Hawera, these two urban settlements can reasonably be considered as one single area.

In terms of suitable industrial land in Hawera and Normanby, the review has found that there are substantial areas of industrially zoned land, but it remains undeveloped, is controlled by a select few landowners, and currently not an option for industrial businesses to locate. The assessment of developed industrial land in Hawera and Normanby has also found that it is essentially fully occupied and therefore is also unavailable. Interestingly, this finding reinforces the findings of two separate documents and reports which were produced in 2007.

South Taranaki's Economic Development Strategy released 2007 outlined that there was a shortage of suitable land for industrial development in the District. The Strategy discusses that several engineering companies identified a shortage of industrial land and highlighted an issue of not being able to find locations where they could generate large amounts of noise and be able to operate 24 hours a day. In addition, Opus International Consultants undertook an industrial land supply study focused in Hawera and Normanby and released their findings in 2007. The report found that many commercial activities were establishing in industrial zone, which at the time stretched along the southern side of Glover Road. The study found that at the time, industrial activities occupied only 5% of the land zoned for industrial purposes in Hawera and Normanby. As there is limited industrial land readily available within Hawera, the market has had to respond to find suitable land which has created a clear and ongoing land-use transformation story.

As Hawera has grown and changed over the previous decades, the industrial-based activities which were once mainly located on the fringe of the Central Business District slowly relocated along Glover Road which was zoned industrial to accommodate this move. However, as this area became increasingly full of more commercial type activities, Glover Road evolved into more of a bulky goods / large format / trade retail area. Glover Road is now characterised with a mix of commercial businesses that rely on profile, on-site carparking, and being located in close proximity to complementary businesses. The area includes businesses like Super Cheap Auto, Farmlands, Bunnings, Repco, as well as other trade retail type businesses. To reflect the more commercial nature of Glover Road, it was rezoned from industrial to commercial.

Glover Road is now fully occupied and largely unsuitable for industrial activities. Without any suitably zoned and developed alternatives, the market is slowly responding by transforming another part of the city which is zoned commercial and located on the State Highway between Normanby and Hawera. This area is considered attractive to industrial and commercial business as there is plenty of flat land, with excellent profile and access.

Figure 12: Industrial land use transformation in Hawera

6.2.1 CURRENT BARRIERS TO INVESTMENT IN INDUSTRIAL LAND

The issues identified in the ILM process, the review of the district's industrial land zoning, and the market's response, combine to illustrate four key issues facing the district in regard to the investment in and delivery of suitable industrial land. These include:

- Demand for industrial land is slow.
- There is low confidence in council process.
- Unclear long-term vision for land use in the district.
- Undersupply of suitable industrial land.

Collectively, these four factors contribute to create a reasonable degree of market failure creating barriers to private investment in industrial land development.

Figure 13: Factors contributing to market failure in the provision of industrial land

DEMAND FOR INDUSTRIAL LAND IS LOW

In South Taranaki, the growth of new and expanding businesses is modest. This low growth makes development riskier and discourages significant investment in land development for industrial purposes. This weak demand for industrial land is evidenced by the low number of commercial real estate transactions and high capitalisation rates yield of commercial property in the district.

When determining the land value and rates of commercial property with the support of recent sales and local agents, it was difficult to land on an accurate figure because there simply is not the number of regular transactions. The land value range for greenfield and brownfield industrial-type land is:

- Greenfield/bare industrial-type land is valued at between \$80 – \$100/m² – Potentially more for well situated and new developed land.
- Brownfield vacant but developed industrial-type land is highly variable. In general, it is selling for between \$190 - \$250/m² but can be significantly more depending on the quality of tenants and lease terms.

In addition, the capitalisation rates for commercial and industrial property are a good indicator of demand. These rates are generally high in South Taranaki which means lower confidence and investment. In Hawera, the district's strongest market, capitalisation rates for good quality industrial properties range between 7.5% - 8.5% and with secondary quality property as high as 11%. Compare this to New Plymouth where yields for good industrial property are as low as 6.5%, and areas of higher demand in the Golden Triangle, Waikato (5% - 7%), Tauranga (4.75% - 7.75%), and Auckland (4.5% - 7%).

With reducing cost of capital, and off the back of compression of yields in commercial and industrial property across New Zealand, we see these yields compressing further from current levels.

LOW CONFIDENCE IN COUNCIL PROCESSES AND LAND USE PLANNING DECISION MAKING

Whether it's just or not, a core theme from the engagement with the private sector was that there was low confidence in the council process, in particular, land use planning and decision making. It was outlined that there were examples of resource consents being approved for industrial activities that were perceived to be 'out of zone' and this was discouraging investment in developing land. There have been found to be two primary reasons for this perspective. Firstly, that in the face of low demand, there has been an 'any development is good development' attitude which has led to seemingly inconsistent land use decision-making. Secondly, as has been discussed, there is a shortage of suitably developed industrial land, which would force 'out of zone' decision making in order to accommodate necessary growth.

UNCLEAR LONG-TERM VISION FOR LAND USE AND DEVELOPMENT FOR THE DISTRICT

The ILM process revealed a seemingly lack of clarity around the long-term land use vision of the district. There are large areas of industrial land zoned in Normanby, but it doesn't currently seem to be suitable for a variety of reasons. With a lack of suitable industrial land the market is being forced to make its own decisions on where it should best be located. This disjointedness, was not limited to industrial and commercial land uses but was just as relevant to residential.

This was a recurring theme as lack of residential growth was raised as a barrier to industrial growth. It was raised that there wasn't currently enough suitable housing to support new people living in Hawera. The current housing market is fairly buoyant, and it is understood that recent subdivisions have been commercially successful. However, it was also outlined that when residential subdivisions were being undertaken, they were being developed on an ad-hoc basis, in ribbon type forms, resulting in poor urban outcomes and inefficient infrastructure planning.

UNDERSUPPLY OF SUITABLE INDUSTRIAL LAND

The review of industrial land in the district has revealed that there is not enough land zoned for industrial purposes that is serviced and in the right location. This conclusion is not a new one, and has been documented in previous reports and studies. Because of its size, Hawera is likely the most appropriate location for new industrial development, but currently has no ready-to-go land as it is either fully occupied or under single ownership, undeveloped, and is being used for different purposes.

6.3 BUSINESS SURVEY

In addition to the ILM process and our technical and market analysis, a survey of 200 businesses has been led by Council. Of the 36 respondents, 25% identified their business as heavy industrial/manufacturing, 14% as light industrial, and 22% as trade retail. The balance 39% were commercial services and retail. One business employed 1000 staff, with the next largest employer having 375 staff. The balance of the business' recorded less than 56 staff, with the majority being in the tens. 64% of total respondents recorded their business as growing, with the balance 36 % recording no growth as opposed to decline. This percentage was similar in the projected employee growth, with 60% identifying employee growth in the next 5 years and the balance remaining static. No respondent recorded a decline in business or future employee numbers. 43% of respondents foresaw the need to relocate to new premises in the next 1-5 years, with the majority (61%) foreseeing a need for new premises greater than 200m². In considering their future relocations direct access to the highway, railway, large water supply, flat reticulated site and limited neighbours were identified as being required. Overall the two prioritisations were access to the highway and flat reticulated sites.

7 EVALUATING POTENTIAL INTERVENTIONS

The strategic investment case has been tested and refined, and there is good understanding of South Taranaki's industrial land market. The Multicriteria Assessment method has been used to evaluate a variety of intervention options against the benefit statements of the Investment Logic Map (ILM).

The ILM identified issues and opportunities beyond specifically the development of land for industrial use, the options to support the provision of suitable industrial land have therefore been split into two types:

- **Indirect interventions;** and
- **Direct interventions**

7.1 INDIRECT INTERVENTIONS

Indirect Interventions are actions that can be undertaken by council to support the market in the delivery of suitable industrial land. These options do not involve any direct investment in a particular location to enable it to be developed into an industrial area. The indirect intervention options include:

Option	Title	Description
1	Do Minimum	Improve private investment confidence by administering the District Plan closely, and engage and work more collaboratively with the business community.
2	Enhance Service	Create an economic development and regulatory focused role dedicated to working with the business community. This role would be outward focused and seek business-focused solutions on specific applications, policy changes, and general engagement and education.
3	Enhance Vision	Undertake a spatial planning process and develop a long-term land use vision for the Hawera. A spatial plan will guide District Plan changes, the location of development activities, supporting infrastructure, and indicate the sequencing of growth.

7.2 DIRECT INTERVENTIONS

The second type of options are Direct Interventions. These actions relate directly the development of specific areas of land into an Industrial area. These land development options will be evaluated against the benefit statements of the ILM as well as the assessment criteria developed earlier in the report as to what makes a suitable Industrial development.

Option	Title	Description
4	Status Quo Zoning and Infrastructure	Maintain existing zoning and District Plan provisions and let Industrial development establish within the existing regulatory and infrastructure framework.
5	Distributed Model	Enable a distributed industrial land model by encouraging industrial activities to spread out across the various settlements of the district with zoning and sufficient infrastructure.
6	74 Turuturu Road	Enable the development of 74 Turuturu Road into an industrial area.
7	Normanby Zoned Industrial land	Enable the development of the Normanby industrial zoned land into an industrial area.
8	Waihi Road Mixed Use Area	Enable the development of the Waihi Road mixed use area into an industrial area.
9	Aerodrome	Enable part of the Aerodrome to be developed into an industrial area.

10	Fonterra Area	Enable the land adjacent to the Fonterra Factory landholdings, to the north of State Highway 3, be developed into an industrial area.
11	Racecourse	Enable the development of the Racecourse into an industrial area.

8 MULTI-CRITERIA ANALYSIS

The indirect and direct intervention options outlined above were assessed in a multi-criteria analysis to demonstrate their ability to deliver the benefit statements within the ILM.

The full multi-criteria analysis can be viewed in Appendix 1.

8.1 ASSESSMENT OF INDIRECT INTERVENTION OPTIONS

The evaluation found that all three of the indirect interventions were actions Council can take to support the private sector, provide certainty, and generally enhance South Taranaki's ability to influence positive investment and land development across all sectors.

8.1.1 OPTION 1: DO MINIMUM

Option one involves improving private investment confidence by administering the District Plan closely and engaging and work more collaboratively with the business community.

8.1.2 OPTION 2: ENHANCE SERVICE

Option 2 builds on Option 1 and involves creating an economic development and regulatory-solutions focused role dedicated to working with the business community and key stakeholders.

8.1.3 OPTION 3: ENHANCE VISION

One of the problems identified that was a barrier to investment and growth is an unclear vision for how South Taranaki, and Hawera in particular, will transform and develop over time. While there are several ways in which this can be addressed, the development of a Spatial Plan would provide a clear vision and platform to help influence and inform all kinds of decision making.

8.2 ASSESSMENT OF DIRECT INTERVENTION OPTIONS

The direct intervention options were assessed to deliver the ILM benefit statements and the assessment criteria defining what makes suitable and successful industrial land in South Taranaki. The evaluation found that the most suitable direct intervention options are;

- Option 6: 74 Turuturu Road
- Option 8: Waihi Road Mixed Use Area
- Option 11: The Racecourse

The following sections will examine this short-list in further detail by undertaking commercial development feasibilities to understand the financial performance of each option.

9 ASSESSMENT OF DIRECT INTERVENTION OPTIONS

In order to further examine and determine the most suitable industrial land development option, Veros has undertaken preliminary development feasibilities for each of the three short listed areas

The preliminary feasibilities undertaken are the same that would be developed to evaluate the viability of industrial developments for the private sector. Although very useful, it is important to highlight that the feasibilities are only preliminary in the sense that they are informed with high-level information and assumptions. The standard process is that if the preliminary feasibility indicates that a development is potentially commercially viable, further investment in resource and time would be taken to better inform the commercial assessment. This would include analysing the unique costs of developing the land, and more detailed market testing in terms of the product being delivered and its likely rate of uptake and return.

In this instance, the information informing the preliminary feasibilities have been drawn from a variety of sources. The cost of land has been determined by assessing the market and conversations with landowners. The post development land value and potential sale and lease rates were developed through analysing recent sales data and in consultation and agreeance with local real estate agents and valuers. The land development costs used to inform the feasibilities are drawn from two key sources. The costs of significant infrastructure upgrades have been provided by South Taranaki District Council and all other construction costs are derived from Veros Property Services own cost database and internal knowledge of the cost of similar projects.

In terms of design, the landowner of 74 Turuturu Road has provided schemes of a potential industrial subdivision which was subsequently used to inform that preliminary feasibility. All other concept subdivisions were developed by Veros and are informed by best practice around New Zealand in terms of how subdivisions are designed.

The remainder of this section will assess the short list, both from a commercial development feasibility perspective and from their potential to enhance South Taranaki as a community now and into the long-term.

9.1 OPTION 6: 74 TURUTURU ROAD

74 Turuturu Road is in the northern area of Hawera and is zoned Industrial. The site is owned by a single entity who has previously investigated the potential to redevelop the land for industrial purposes. It is understood that the owner has since ceased pursuing the development due to uncertainty in the local market and low demand. Although it has mediocre access and profile, the site is largely flat and have the potential for railway siding which is advantageous. There is also the potential for a road connection with the existing industrial zone on the southern end of Glover Road which would make sense from an urban form and connection perspective.

Figure 14: 74 Turuturu Road

9.1.1 CONCEPT INDUSTRIAL SUBDIVISION SCHEME

Total Land Area: 17.8 ha approx.

Current Zoning: Industrial

Potential Yield of Industrial Land: 15ha approx.

Number of Owners: 1

Figure 15: Concept Industrial Subdivision at 74 Turuturu Road

STRENGTHS

- Zoned industrial
- Motivated landowner to sell the land, potentially undertake development themselves or as part of Joint Venture.
- Single ownership
- Single Certificate of Title
- Potential for railway siding along western boundary
- Potential to link to existing industrial zone located on southern end of Glover Road
- Largely flat.
- Turuturu Road is formed along frontage for access
- Proximity to Hawera town centre and retail service industry on Glover Road
- Services to the site are generally available although some networks upgrades required for full development

WEAKNESSES

- Secondary location – not located where the market wants to be
- Frontage to collector road only
- Limited profile
- Disconnected to the State Highway network
- Poor market demand for secondary location
- Located in area where residential demand and growth is occurring. Potential for reverse sensitivity constraints.
- Development into industrial may remove land that is more suitable for residential activity.

SUBDIVISION DEVELOPMENT PRELIMINARY FEASIBILITY

We have undertaken development feasibility modelling of the 74 Turuturu Road land for an industrial subdivision. From that modelling we note the following:

- The lot layout is largely based on that which the land owner has prepared and previously taken to market with limited to no take up.
- The development concept is for lots of generally 3-4,000sqm in size, with both smaller and larger lots also provided.
- Seven (7) of those lots have frontage to the rail corridor, although this may be severed by Council's planned shared cycleway.
- The land is generally level, with investment already having been undertaken to provide a clear and level building and development platform.
- Additional land has been purchased to the rear of the property to provide space for stormwater detention and direct stormwater disposal.
- The land is located within the urban limits of Hawera so services are readily available. Some network upgrades are required for the full site development and these have been allowed for.
- Given take up rates experienced previously when marketed, and site characteristics including profile, location, adjacent uses, we have assessed market demand and take up for broad spectrum industrial activities as low. The site characteristics to appeal to a wide part of the industrial, manufacturing and retail service market in Hawera and wider South Taranaki do not exist on this site.

- Staged development would limit risk, exposure and support the slow market take up in this location. There are several lots fronting Turuturu Road that could be released with minimal costs incurred. Despite this we assess project financing costs and project cashflow to be poor overall.
- In this location we assess likely land values to be achieved starting at $100/m² and potentially higher.
- Our development feasibility modelling indicates that this site is likely to be commercially unviable to develop at pace or scale, but may be viable for development in a long term slow and staged manner.

9.2 OPTION 8: WAIHI ROAD MIXED USE AREA

The Waihi Road Mixed Use Area is located on the western side of State Highway 3 (Waihi Road). This area contains a collection of properties which are used for a variety of purposes. The predominate use of the area is rural and rural residential, but over recent times the area has transformed with more urban-based activities. In particular, there has been a shift of more commercial activities within the area. This adds to the several industrial and yard-based businesses which appear to have been located within the area for some time. Amongst these uses are a school, church, and motel which contribute to the mixed-use nature of the area. In terms of zoning, the lots fronting the state highway are zoned Commercial – Large Format Trade and Service, and the lots to the rear are zoned Deferred Residential.

The area is currently accessed by Kerry and Fitzgerald Lane which are local roads. Although not currently linked, there is a part of Little Waihi Road which remains undeveloped as a paper road, but if formed, would provide fully looped access around the area. There are currently 34 separate lots within the area, which are of various sizes and under the control of 28 different owners. The area is largely flat, but the land on the far eastern side slopes down toward a gully and unsuitable for extensive development.

Figure 16: Waihi Road Mixed Use Area

9.2.1 CONCEPT INDUSTRIAL SUBDIVISION SCHEME

Development Area: Existing industrial uses on Waihi Road and adjacent undeveloped land parcels.

Total Land Area: 64.3 ha approx.

Current Zoning: Commercial - Large Format Trade and Service, and Deferred Residential

Potential Yield of Industrial Land: 61.5ha approx. – Total of all the lots (excluding land unsuitable due to topography and internal roads/right of ways etc.)

Number of Owners: 28

Infrastructure Upgrade Requirements: There are some infrastructure and roading upgrades required to service the full development in this location. These include road upgrades to full form, curb and channel to local road, potentially intersection upgrades to the two intersections with the State Highway, and to three waters infrastructure.

Figure 17: Conceptual subdivision in the Waihi Road mixed-use area

STRENGTHS

- Has experienced actual and successful market demand in this location (market wants to be here)
- Good access from two road entry points with good sightlines perpendicular to the State Highway
- Good profile to the State Highway
- Mostly level although some land falling away to the western side of the catchment
- Can be private sector lead
- Can be staged
- Good urban form outcome

WEAKNESSES

- Some reverse sensitivity issues including housing, school and community facilities

- Distance from the Hawera town centre is greater than Turuturu Road
- Most services are in place but some network capacity issues in this location
- No comprehensive stormwater disposal network
- Not all roads formed and intersections to State Highway are basic with no deceleration lanes, turning lanes, or acceleration lanes.
- Underlying zoning

SUBDIVISION AND PRELIMINARY DEVELOPMENT FEASIBILITY

- We have considered the industrial development on this catchment.
- Evidence suggests that there is strong market demand in this location which is supported by the establishment of a range of industrial uses, and more under development.
- Retail service industries are establishing with frontage to the State Highway with other more manufacturing and warehouse oriented businesses located behind.
- Development costs for the catchment (not site by site based) are limited to the infrastructure to fully form the roads, connect the paper road to the rear, and to upgrade infrastructure network capacity constraints.
- Given the underlying zoning, a plan change or District Plan change will be required to facilitate the establishment of this larger area for industrial use.
- There is the opportunity for Council to purchase land in the area, and to participate or catalyse the delivery of turn-key industrial land to the market.
- We have met with NZTA to investigate the corridor review underway and the potential funding partnership for enabling safe and efficient access to the State Highway.

9.3 OPTION 11 – THE RACECOURSE

The racecourse is considered a viable option due to a recent report into financial performance of the racing industry which recommends that it should be one of 27 racing facilities across the country to be closed. Both the New Zealand Thoroughbred Racing and Central Government have formally supported the findings of the report and have said that they are looking to drop 27 venues across the country by 2030. Hawera, is one of those race tracks. It is understood that Hawera has a racing licence for at least four more years and is motivated to keep the track open and operating into the future.

Conversations with the Egmont Racing Club revealed that the process of track closures is still being considered, and an original proposal suggesting that unrequired race courses be sold with the money from the sales being reinvested into the remaining clubs is losing traction. As a result, and because the Hawera racing club is freehold and in relatively good financial position, there is a feeling that it may not face closure as first proposed. The race track is 80% owned by the Egmont Racing Club and the remaining share belonging to the Hawera Harness Racing Club, and when discussed whether they would sell the racecourse for an industrial development, the Egmont Racing Club president indicated that they are potentially willing sellers.

However, we note follow up feedback from the Egmont Racing Club vice president has indicated that the racecourse is still considering options for the future at the current time. The process to decide what the future of the racecourse is must be considered by the racing committee of the Egmont Racing Club.

Ultimately, the future of the racecourse is uncertain. There is a chance it could remain in use, but current indications from government and the national racing governing body is that eventually the track will close. As such, there is the opportunity for it to be repurposed as an Industrial area.

The land is suitable for industrial use because it has great access onto the State Highway, and is flat with good profile. The land is around 38.6ha and is zoned Commercial - Large Format Trade and Service with a structure plan provision in the Proposed District Plan.

Figure 18: The Hawera Racecourse

9.3.1 CONCEPT INDUSTRIAL SUBDIVISION SCHEME

Total Land Area: 38.6ha approx.

Current Zoning: Commercial – Large Format Trade and Service.

Potential Yield of Industrial Land: 27 hectares net developable area.

Number of Owners: 2

Figure 19: Concept industrial subdivision of the Racecourse

STRENGTHS

- Good profile to the State Highway
- Potential for railway siding at rear
- Good access directly onto State Highway 3
- Flat land
- Located in the where the market is shifting
- Good urban form

WEAKNESSES

- Some reverse sensitivity to adjacent uses
- Existing use operating on site for some time with Central Government influence
- Racing infrastructure and buildings will require removal / demolition. Potential asbestos and contamination risk.
- Limited information on soil conditions, localised flooding levels, and technical development data.
- Access to State Highway is basic and likely to require upgrading

SUBDIVISION DEVELOPMENT PRELIMINARY FEASIBILITY

We have undertaken a preliminary development feasibility of this option. We have obtained costs of Council infrastructure servicing costs for this land, and the land to the west off Waihi Road. We have met with NZTA to seek information on the current corridor study of the State Highway and the potential for upgrades to these access points. We have met with local commercial and industrial agents active in the Hawera market to verify land values, market take up, yields and the industrial market. We have benchmarked development costs against similar projects we are currently delivering across New Zealand.

We attach to this report a summary of the development feasibility, noting that this is a preliminary desktop costing for the purpose of this initial business case. The key conclusions are as follows:

- From an initial review of development costs and revenue projections, the development of the site appears to be viable.
- This is based on the staged delivery, access to low cost capital for development works (via STDC / CCO participation).
- There is the opportunity for funding partnerships (i.e. Provincial Growth Fund) to fast track this work and bear the up front costs of enabling infrastructure.
- The site is able to deliver to the range of industrial, retail industrial, industrial servicing, small operators, and large operators, and with the potential for rail siding access.
- The key cost risk items relate to infrastructure including upgrading of access onto the State Highway.
- Should both sides of the State Highway be enabled for development (i.e. Racecourse and Waihi Road) then the costs of infrastructure would be shared across these development areas.
- Should Council progress with this option, we recommend progressing to detailed business case and due diligence on development costs, which would including refinement of the development feasibility costs and delivery approach.

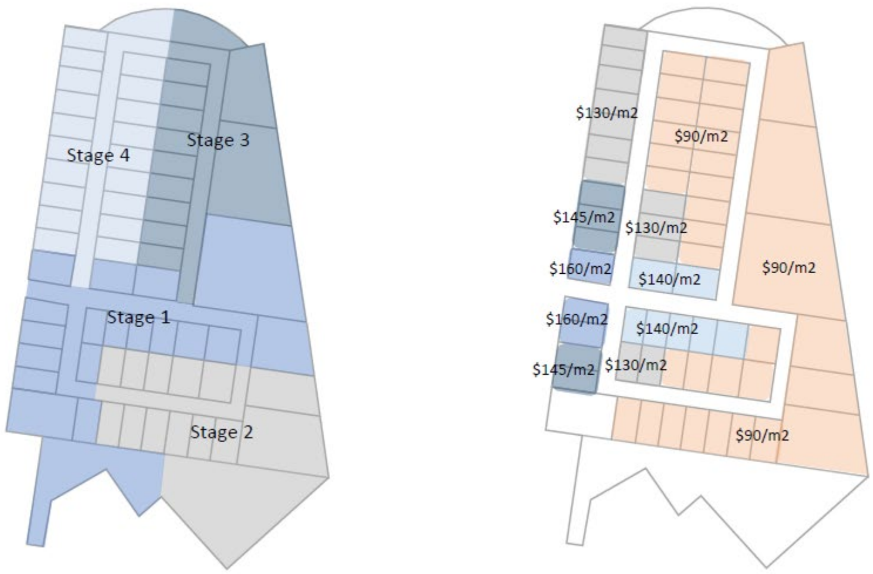

Figure 20: Potential Staging and Land Values of Development

10 PREFERRED DIRECTION

It is recommended that the Council adopt a combination of five options. Three of the options are Indirect interventions to support economic development and growth, and two are direct actions to enable the development of an industrial area.

In terms of importance, it is considered that the indirect interventions are needed to underpin South Taranaki's future growth. For relatively low levels of investment, these changes will lead to wide ranging benefits for South Taranaki. These indirect interventions will also greatly assist the delivery of the direct interventions to accelerate the development and success of a new industrial area in the district.

The diagram below illustrates the relationship of each option, with the indirect interventions setting the foundation for positive change. Building off this platform, are more targeted investments and interventions that directly relate the development of an industrial subdivision. Undertaking these off the back of the indirect interventions will ensure any significant investment in land and infrastructure will be better supported by the community and achieve enhanced outcomes. The following sections of this report will discuss the preferred options in the same sequence in which they should be implemented.

Figure 21: Recommended approach to investment interventions

10.1 PREFERRED INDIRECT INTERVENTIONS

Options 1, 2, and 3 are actions Council can take that are considered valuable not only to support the development of suitable industrial land, but also other land uses and economic activity in the district.

10.1.1 OPTION 1: DO MINIMUM

The need for this response came out of issues relating to a perception that the regulatory team are difficult to deal with, and that many industrial and commercial developments are occurring in a distributed manner. Arguably, a lack of suitable industrial land ready for businesses to locate is contributing to this issue, but nonetheless there is perceived lack of confidence in council process.

In addition, it is understood that there is not currently a high degree of economic development focus within South Taranaki District Council and it is currently shared across many roles in the organisation. Depending on the organisation's priorities, this is not necessarily a problem if all staff currently have an economic development mindset and culture. However, it was found in our interviews and workshops, that there is a degree of 'us vs them' attitude within the business community, and greater degrees of collaboration and engagement with the business community is required to enhance the relationship.

COST AND PROGRAMME OF DELIVERY

- No additional staff or significant resource is required to implement this action. It can be undertaken immediately.

10.1.2 OPTION 2: ENHANCE SERVICE

Creating a role strategically designed to be outwardly focused and seek business-focused solutions on specific applications, policy changes, and general engagement and education with the business community. The role would need to work across all levels and departments of Council and intentionally be designed to deliver improved service and outcomes from a variety of perspectives including:

- Troubleshooting and looking to smooth the pathway for specific applications that will improve the district.
- Relationship building and client management of key stakeholders
- Working with policy-focused staff in delivering more outcomes focused policy environment
- Progress economic development initiatives to encourage positive types of development
- Proactively engaging with the business community to learn and discuss key issues in the community. An important part of this engagement is also educating the business community of Council's operating environment, changing obligations, and constraints.

From an organisational performance perspective, the role can be effective in helping lead a change in culture. In addition, as the position would work across the organisation, it would develop an individual that could be potentially suitable for management and executive level roles in the future contributing to succession planning organisational resilience.

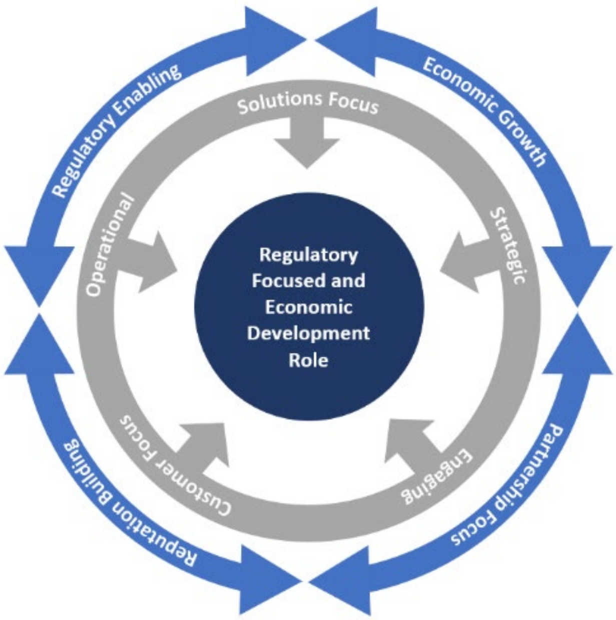

Figure 22: Purpose and focus of proposed regulatory and economic development position

COST AND PROGRAMME OF DELIVERING A ROLE

- $100,000 per annum.
- Position advertised and filled within 4-5 months.

10.1.3 OPTION 3: ENHANCE VISION

A Spatial Plan for Hawera is recommended to improve collaboration with the community and provide a clear vision of where the district is heading. Although Spatial Plans are a non-statutory document, they are becoming increasingly commonplace in Local Government to help influence and inform all kinds of decision making. Spatial plans paint a picture of what the district will look like in 20 – 30 years and are therefore strategically high-level documents that are organic and need to be reviewed and adapted overtime.

A well-developed Spatial Plan is best produced with genuine consultation with the community and once finalised will:

- Provide a picture of where South Taranaki is going and illustrate and describe major areas for growth and change.
- Provide guidance and influence the public sector and their investment decisions at a local, regional, and central government level.
- Provide guidance for private sector investment decisions both within South Taranaki and beyond.
- Identify the key issues and opportunities facing the South Taranaki district and determine the actions and solutions needed to address them.

The following diagram shows in a hierarchy of public sector decision making where the spatial plan sits and illustrates its positive ability to both influence and inform a variety of documents and stakeholders at all levels.

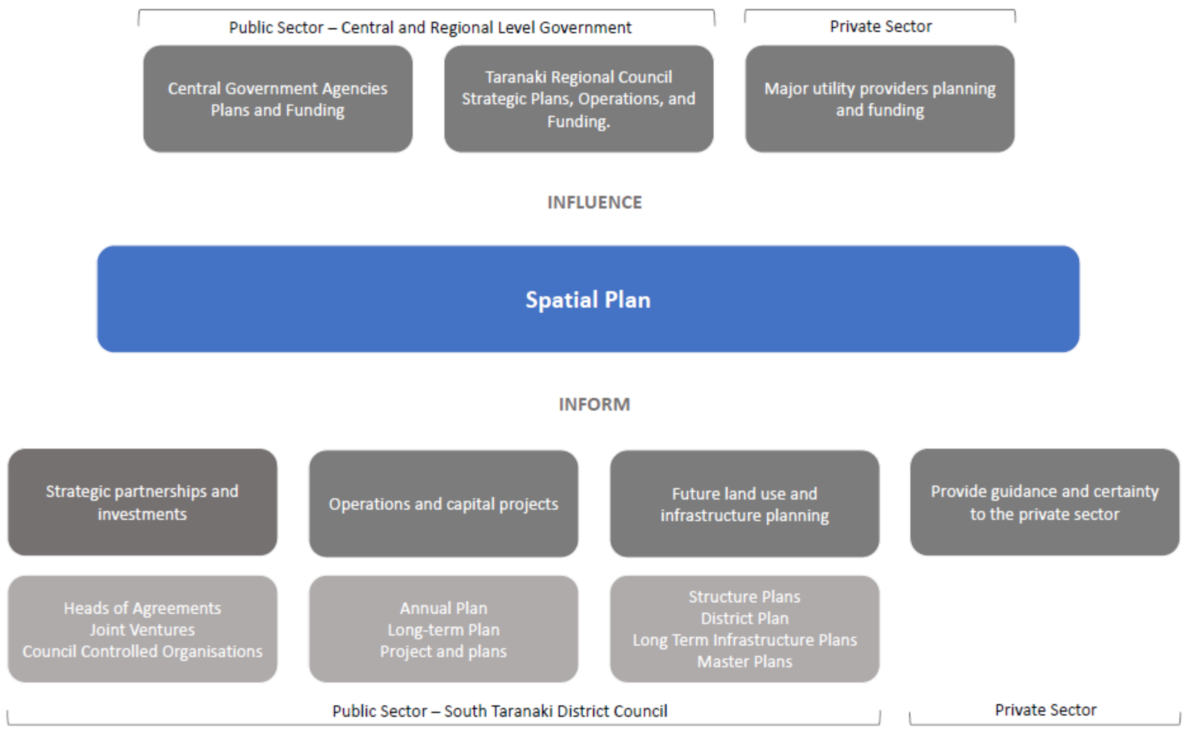

Figure 23: Hierarchical position and value of proposed Spatial Plan

In some respect, Spatial Plans are a simple way of capturing and documenting current projects and aspirations of the district and is an effective way to tie them together efficiently to achieve better outcomes.

Given it is an election year, it is optimal timing for a new Council to work together on determining and documenting this long-term vision of the district in the format of a Spatial Plan.

COST AND PROGRAMME OF DELIVERING A SPATIAL PLAN.

- $100,000 - $150,000 estimate with costs to be reviewed

- 6 – 8 Months depending on extent of consultation.

10.2 PREFERRED DIRECT INTERVENTIONS

After assessing the direct interventions against the criteria of what makes industrial land suitable and successful, and undertaking preliminary feasibilities of the three shortlisted options, it is recommended that both Option 8 and 11 are further examined and enabled.

In this instance, two options are preferred because they are located next to each other, have the best characteristics for industrial land, and considered to deliver the best outcomes for South Taranaki. The reasons they are considered the most optimal include:

- Good location
- Value for money investment
- Market-led development avenues
- A potential new purpose of the racecourse

GOOD LOCATION

From a macro South Taranaki perspective, being located in close proximity to Hawera is a strength of the preferred option, as being the largest urban settlement in South Taranaki, it has the ability to support the largest variety of businesses that may choose to relocate to South Taranaki. This is particularly important in being able to attract a range of diverse businesses of all sizes and scales.

At a Hawera-level, the landholdings between Hawera and Normanby are considered to be most suitable to support a successful industrial development because:

- The market is currently naturally moving into that direction and wants to be there
- The area is convenient to Hawera
- It is located on a state highway meaning there is good profile and access
- The racecourse has the potential for railway sidings
- The land is largely flat and free of natural hazards and areas of high cultural or ecological importance.

VALUE FOR MONEY INVESTMENT

The council infrastructure upgrades required to support the growth in the area unlocks both sides of Waihi Road and thus provides excellent value for money in enabling growth in the district.

It is expected that at a certain point of development, significant upgrades would be required to the State Highway. This investment is also considered to provide strong value for money as it supports two large areas of land which are suitable for development. Without detailed traffic engineering advice at this preliminary stage, it is unclear when this upgrade would be required or what the improvements would include, but we would expect that at least one roundabout would be required. Given the current quality of Waihi Road, it is considered that minor improvements such as turning bays and flush medians can be incrementally constructed to enable the development to be undertaken in a staged and cost-effective manner.

MARKET-LED DEVELOPMENT AVENUES

A key strength of the proposed options is that once the required infrastructure and zoning is in place, the development of the mixed-use area on Waihi Road can be market-led and incrementally developed. As the land is already subdivided into various lots under different ownership, there is less risk for developers as they can largely transform the land in response to demand and minimal speculation. This is considered advantageous given the current low demand for industrial and commercial land in South Taranaki.

A POTENTIAL NEW PURPOSE OF THE RACECOURSE

Strategically rezoning, servicing, and enabling the redevelopment of the Waihi Road Mixed Use area also provides the ability for the racecourse to be repurposed in the event it closes in the future. Such a closure would leave a highly strategic piece of land in the district vacant, and by ensuring it is serviced and zoned correctly will provide the opportunity for its value to be realised and to be redeveloped into a use that will positively contribute to the district.

Figure 24: Concept industrial growth area

Figure 25: Concept industrial growth area zoning

RISKS AND ISSUES OF PREFERRED OPTIONS

Although Option 8 and 11 are most feasible and deliver the best outcomes for South Taranaki, there are also risks of the options which need to be considered and carefully managed.

The first issue relates to the wide variety of uses that are currently located in the Waihi Road mixed-use area. Several of these do not complement industrial activities which include a school, motel, church, and rural residential activities. There is also residential to the south of the area which could cause reverse sensitivity impacts. To manage this risk, consideration is required as to the interface between the industrial development and these users including for instance buffer distances, fencing landscaping and effects based criteria relating to operating hours, noise and the like.

A further risk of the option is sheer volume of the land that is proposed to be redeveloped. Although this has been identified as a potential problem, we would not expect all the land to be developed at once, and the ability for the options to be staged is a key strength. However, if too much of the land was brought to the market at the same time, there is the potential that it is devalued and not commercial, and therefore interventions to enable sensible staging and release of land should be considered.

COST OF OPTION AND POTENTIAL DELIVERY PROGRAMME

Without a more detailed investigation into the capacity of the existing infrastructure and confirmation of the size and scale of the industrial park, it is difficult to estimate the cost that will be incurred by STDC in delivering the required capital works.

Infrastructure upgrades will ideally be staged to provide for and support incremental growth in the area whilst spreading cost to STDC over a greater period. Notwithstanding, there will be costs that will need to be incurred upfront or other trigger points that will require large capital works to be undertaken.

As an overview, we would expect the following works to be undertaken.

- Roading upgrades including turning lanes, flush medians, roundabouts etc.
- Water upgrades including potential for new mains. An assessment of the existing system will be required to determine capacity to support new development.
- Deliver a stormwater management plan that will involve wider catchment modelling, upgrading existing infrastructure and constructing detention ponds and swale to suit.
- Potential for upgrading existing wastewater infrastructure including assessment of capacity of existing treatment plant, requirement for pump stations, reticulation etc.

The above works carry a significant cost that may be difficult for STDC to fund directly. We would recommend further investigation into reducing capital cost to STDC through avenues such as PGF funding or development contributions for cost recovery from the private market. In addition, understanding the wider economic impact of achieving a successful industrial park will give STDC greater certainty that the cost of works are outweighed by the benefits.

If STDC participate directly in a development, there will be significant costs associated with developing land to a deliver greenfield sites to the market. This includes earthworks and ground improvements, civil works (roading), infrastructure works etc. We note the cost of these works will be recovered through selling down greenfield lots.

10.2.1 OPTION 6: 74 TURUTURU ROAD

The industrial rezoning and unlocking of the more suitable Waihi Mixed Road and Racecourse area, will leave the industrial land at 74 Turuturu Road even more unfeasible for industrial use. As such, there needs to be consideration as to a different and more appropriate use. One opportunity is to rezone it to enable residential-type development which is considered to be a more suitable use because;

- Opening up this land for residential will help alleviate a current housing shortage.
- There is existing growth and demand for more residential lots in that area of Hawera.
- Residential is compatible with surrounding activities and zones.
- It would provide a stronger connection between existing residential areas.
- Residential would support the strategic direction for a range of opportunities to the market, with complimentary activities, in proximity to services and Hawera township

In regard to weaknesses of residential, the only factor of concern is the interface with the railway line. However, this is not uncommon in cities throughout New Zealand and there are suitable ways to manage any potential reverse sensitivity issues which may degrade the quality and amenity of residential uses.

To understand the viability of this alternative land use, we have undertaken a preliminary feasibility for a residential subdivision on the land.

Figure 26: Concept residential subdivision at 74 Turuturu Road

We have undertaken detailed development feasibility modelling of the residential development scheme above and note the following:

- With a standard lot size of 800sqm, the site yields approximately 150 lots / dwellings. This includes catering for stormwater on the lower land, for the planned Council shared cycleway adjacent to the rail corridor, and for a local park within the site.
- Taking into account all development costs, and with a minimum development margin of 20%, we believe that the development of this site for standard residential development is viable, with a median sale value of $170,000 per lot. While high in the current market, we believe this to be achievable given the site characteristics and location, section sale price trends, land availability and competition, Council's planned investment into a shared cycleway, and investment into open spaces and amenity in proximity to the site.

11 CONCLUSION AND RECOMMENDATIONS

This initial business case has confirmed the strategic case for South Taranaki District Council enabling the development of an industrial business hub in order to increase economic growth and diversify the economy that is heavily reliant on two primary industries, being oil & gas and dairy. This is also strongly supported by key stakeholders, Iwi, business community and the general community.

Our assessment of the current market indicates that there is a limited supply of industrial land to support growth of local businesses and attract new industry to the region. Whilst demand is also low, this is mostly due to an undersupply of suitable industrial land, low confidence in council processes and an unclear long-term vision for land use in the district. Overcoming these barriers to investment is likely to result in increased demand for industrial land.

As outlined within the report, there are indirect and direct interventions that can be undertaken by STDC to facilitate an industrial business hub. Our recommended interventions include:

Indirect Interventions

- Administering the District Plan closely, engaging and working more collaboratively with the business community.
- Creating an economic development and regulatory-solutions focused role dedicated to working with the business community and key stakeholders.
- Development of a Spatial Plan for Hawera to improve collaboration with the community and provide a clear vision of where the district is heading.

Direct Interventions

- Option 8 – The Waihi Road Mixed Use Area
- Option 11 – The Racecourse

In this instance, these two options are preferred because they are located next to each other, have the best characteristics for industrial land, and considered to deliver the best outcomes for South Taranaki. These options also provide for various delivery models, allowing STDC the option to participate directly in a development, have partial involvement through a JV / PPP or let the market deliver an industrial development directly.

Whilst the above recommendations are considered to be the best way forward in facilitating an industrial business park within the South Taranaki Region, the level of demand in the region is unlikely to support a viable development when analysed on a traditional commercial basis. Notwithstanding, enabling existing businesses to grow and attracting new businesses to the region will have wider benefits for the economy and community which are not reflected in a traditional commercial feasibility. Further understanding the wider benefits to the regional economy and assessing viability on a more holistic basis will be essential to success of an industrial park for STDC.

In addition to the above, further investigation into reducing capital cost to STDC through avenues such as PGF funding, development contributions for cost recovery from the private market and providing incentives to occupiers increase demand and therefore reducing holding costs will also be key to achieving a successful outcome whilst reducing risk and cost to STDC.

12 NEXT STEPS

The next steps in delivering the recommended direct interventions is to undertake a Detailed Business Case to further investigate the viability and suitability of these options for redevelopment. A detailed Business Case would include (not limited to):

- Develop a Spatial Plan for Hawera.
- Form an industrial land development working group comprising of key landowners in the Waihi mixed-use area, the racecourse, NZTA, and Venture Taranaki.
- Analysis into the economic impact an industrial business park will have on the local economy and community. Whilst a development may not be viable on a commercial basis, the wider benefits need to be understood to determine the viability from the overall perspective of STDC.
- Assess capacity of existing infrastructure to determine scale and scope of upgrades and how these can be staged. Consideration into development contribution policy that will allow the some or all of the cost of infrastructure to be recovered by private developers.
- Assess regulatory pathway to rezoning Waihi Mixed-use Area and Racecourse to industrial and 74 Turuturu Road to residential.
- Interrogate options for delivery structure that can including but not limited to:

  - Private market led development
  - Partial Council involvement – JV / PPP
  - Council direct involvement – CCO / CCTO
- Refine costs and assumptions adopted within the preliminary feasibility based on preferred delivery models. Can involve options to assist with understanding delivery models.
- Further engagement with stakeholders, Iwi, businesses and community.
- Feasibility analysis for the preferred options tailored to represent an investment case structure and illustrate investment performance indicators.
- Recommendations on preferred way forward.
- Outline development programme and next steps for delivery of an industrial park.

13 APPENDICES

13.1 APPENDIX 1: MULTICRITERIA ASSESSMENT

13.2 APPENDIX 2: CONCEPTUAL MAPS AND LAND DEVELOPMENT ANALYSIS

13.3 APPENDIX 3: PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR TURUTURU ROAD INDUSTRIAL LAND – INDUSTRIAL

13.4 APPENDIX 4: PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR TURUTURU ROAD INDUSTRIAL LAND – TRADITIONAL RESIDENTIAL

13.5 APPENDIX 5: PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR HAWERA RACECOURSE – INDUSTRIAL

13.6 APPENDIX 6: BUSINESS & INDUSTRY ENGAGEMENT – FEEDBACK AND RESULTS

13.7 APPENDIX 7: BUSINESS & INDUSTRY FEEDBACK ON DRAFT REPORT

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Appendix 1

MULTI CRITERIA ANALYSIS

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South Taranaki District Council - Industrial Land Feasibility Study and Initial Business Case

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	Investment Objectives	Relative Importance of Objective	*Option*	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10	Option 11
				Indirect Industrial Development Interventions			Direct Industrial Development Interventions							
			Title	**Do Minimum**	**Enhance Service**	**Enhance Vision**	**Status Quo Zoning and Infrastructure**	**Distributed Model**	**74 Tuturutu Road**	**Normanby Zoned Industrial land**	**Waihi Road Mixed Use Area**	**Aerodrome**	**Fonterra Area**	**Race Course**
			Description	Improve private investment confidence by administering the District Plan closely, and engage and work more collaboratively with the business community.	Create economic development and regulatory focused role dedicated to working with the business community. This role would be outward focused and seek business-focused solutions on specific applications, policy changes, and general engagement and education.	Undertake a spatial planning process and develop a long term land use vision for the Hawera. A spatial plan will guide District Plan changes, the location of development activities, supporting infrastructure, and indicate the sequencing of growth.	Maintain existing zoning and district plan provisions and let an industrial park development initiate within the existing regulatory and infrastructure situation.	Enable a distributed industrial land model by encouraging industrial activities to spread out across the various settlements of the district with new zoning and suitable infrastructure.	Enable the development of 74 Tuturutu Road into an industrial area.	Enable the development of the Normanby industrial zoned land into an industrial area.	Enable the development of the Waihi Road mixed use area into an industrial area.	Enable part of the Aerodrome to be developed into an industrial area.	Enable the land adjacent to the Fonterra Factory landholdings, to the north of across State Highway 3, be developed into an industrial area.	Enable the development of the Race Course into an industrial area.
Investment Objective 1	Industrial land is available attracting new businesses to set up. Industrial land is ready to go	25%		Low impact	Low impact	Low impact	No impact	Low impact	Medium Impact	Medium Impact	High impact	Medium Impact	Medium Impact	High impact
Investment Objective 2	Improving land availability enabling existing business to move and expand, while enabling urban transformation - Industrial land is ready to go and its easy for businesses to move and establish/grow	35%		Low impact	Medium Impact	Low impact	No impact	Low impact	High impact	High impact	High impact	High impact	High impact	High impact
Investment Objective 3	Improved urban form where complementary businesses are located, efficient us of land and improved customer experience. South Taranaki's urban form is enhanced	25%		Low impact	Medium Impact	High impact	No impact	No impact	Medium Impact	Low impact	High impact	Medium Impact	Medium Impact	High impact
Investment Objective 4	Improved communications and collaboration with the business community delivering better outcomes for all - Council works collaboratively with the business community and is respected	10%		Low impact	High impact	Medium Impact	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Cost	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10	Option 11
Investment Cost	$0	$0	$0	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX
Operational Cost	$0	$100,000 p.a	$100,000 - $150,000	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX
Return on Cost	N/A	N/A	N/A	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX	$XXX,XXX

Land Development / Industrial Market Needs					Status Quo Zoning and Infrastructure	Distributed Model	74 Tuturutu Road	Normanby Zoned Industrial land	Waihi Road Mixed Use Area	Aerodrome	Fonterra Area	Race Course
Good Access	100%	Not Applicable	Not Applicable	Not Applicable	-	-	-	-	✓	✓	✓	✓
High Profile	100%	Not Applicable	Not Applicable	Not Applicable	-	-	-	-	✓	✓	✓	✓
Near complementary and supporting businesses and services	100%	Not Applicable	Not Applicable	Not Applicable	-	×	✓	✓	✓	✓	✓	✓
Zoned for unrestricted industrial use	100%	Not Applicable	Not Applicable	Not Applicable	✓	-	✓	✓	×	×	×	×
Limited reverse sensitivity issues	100%	Not Applicable	Not Applicable	Not Applicable	-	-	-	✓	-	-	-	-
Environmentally suitable	100%	Not Applicable	Not Applicable	Not Applicable	✓	✓	✓	✓	✓	✓	✓	✓
Tenure, use, and ownership	100%	Not Applicable	Not Applicable	Not Applicable	-	-	✓	-	✓	-	-	✓
Cost of physical works development works	100%	Not Applicable	Not Applicable	Not Applicable	-	×	-	×	-	-	-	-
Cost and certainty of regulatory process	100%	Not Applicable	Not Applicable	Not Applicable	✓	-	✓	✓	-	-	-	-
Ability to Stage	100%	Not Applicable	Not Applicable	Not Applicable	-	-	-	-	✓	-	-	-
Ranking		X	X	X	X	X	3	X	1	X	X	2

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Appendix 2

CONCEPTUAL MAPS AND LAND DEVELOPMENT ANALYSIS

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TURUTURU ROAD

TURUTURU ROAD
CONCEPT INDUSTRIAL SUBDIVISION

42 Lots ranging from 2,000m2 – 6,750m2

RACECOURSE

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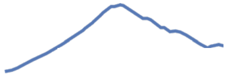
CONCEPT INDUSTRIAL SUBDIVISION

WAIHI ROAD



WAIHI ROAD
LAND OWNERSHIP

WAIHI ROAD
CURRENT LAND USE

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WAIHI ROAD
HYPOTHETICAL MARKET-LED DEVELOPMENT

WAIHI ROAD PRECINCT
CONCEPT INDUSTRIAL GROWTH AREA

WAIHI ROAD PRECINCT
CONCEPT INDUSTRIAL GROWTH AREA

TURUTURU ROAD
CONCEPT RESIDENTIAL SUBDIVISION

148 Lots at 800m2 each
One 3,500m2 pocket park

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Appendix 3

PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR TURUTURU ROAD INDUSTRIAL LAND – INDUSTRIAL

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TURUTURU ROAD
CONCEPT INDUSTRIAL SUBDIVISION

42 Lots ranging from 2,000m2 – 6,750m2

CONCEPTUAL FEASIBILITY INDUSTRIAL SCHEME

74 TURUTURU ROAD - INDUSTRIAL

August 2019

No. of Lots	**1**
No. of Unit Titles	**-**
No. of Tenancies	**1**
Total Land Area (m²)	**137,000**

DEVELOPMENT COSTS			Cost			
Land Purchase		$	**2,700,000**	$90.00 per m2		
Due Diligence & Cost to Date		$	**150,000**			
Consenting		$	**184,000**			
LTF Document		$	**-**			
Earthworks and Services		$	**6,501,020**	$47 per m2		
Construction		$	**-**			
Construction Contingency	10%	$	**650,000**			
Construction Design Consultants		$	**520,082**			
Other Consultants to Development		$	**275,276**	12.23%		
Title Cost - LINZ		$	**25,550**			
Legal & Accounting		$	**246,250**			
Holding Costs		$	**67,500**			
Development Management		$	**542,300**			
Tenant Inducement Costs		$	**-**			
Marketing		$	**32,500**			
Council Fees		$	**96,271**			
Development Contributions		$	**-**			
Project Contingency (Excl. Construction)	10%	$	**115,000**			
DEVELOPMENT COSTS before SALES & FUNDING		$	**12,105,748**			
Leasing and Selling Cost	3.25%	$	**529,100**			
Pre-construction Funding		$	**-**			
Construction Funding		$	**399,687**			
Post-construction Funding		$	**4,044,472**			
Funding from Cashflow		$	**-**			
SALES & FUNDING COSTS		$	**4,973,259**			
TOTAL DEVELOPMENT COST		**$**	**17,079,007**	**$125**	**$**	**17,079,007**

FREEHOLD VALUE CONVERSION	Area m2		Land Rate		TOTAL
	148,000	$	110	$	16,280,000

RETURN ON COST		Cost		Value		Margin	Yield
	$	**17,079,007**	**$**	**16,280,000**	**$**	**(799,007)**	**-4.68%**

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Appendix 4

PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR TURUTURU ROAD INDUSTRIAL LAND – TRADITIONAL RESIDENTIAL

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TURUTURU ROAD
CONCEPT RESIDENTIAL SUBDIVISION

148 Lots at 800m2 each
One 3,500m2 pocket park

SCOPING FEASIBILITY

74 Turuturu Road, Hawera - Residential Scheme

August 2019

No. of Lots	**148**
Total Land Area (m²)	**137,500**
Usable Land Area	**137,500**

DEVELOPMENT COSTS		Cost per Lot	Cost	
Land Purchase		$ 18,243	**$ 2,700,000**	$ 20
Due Diligence	Incl. DM	$ 1,054	**$ 156,000**	
Consenting	Incl. DM	$ 1,832	**$ 271,200**	
Earthworks	Incl 10% contingency	$ 8,554	**$ 1,266,066**	
Civil Contract Works		$ 41,223	**$ 6,101,000**	
Ancillary Civil Works & Utilities		$ 6,500	**$ 962,000**	$ 60,906
Extraordinary & Special Items		$ 4,628	**$ 685,000**	
Civil Construction Contingency	10%	$ 5,236	**$ 775,000**	
Price Escalation	0%	$ -	**$ -**	
Additional Density	-	$ -	**$ -**	
Engineering Design & Professional Fees		$ 6,324	**$ 936,010**	
Title Cost - LINZ		$ 400	**$ 59,200**	
Legal & Accounting		$ 2,681	**$ 396,800**	
Rates & Insurance		$ 1,143	**$ 169,167**	
Development Management		$ 6,554	**$ 970,000**	
Marketing		$ 1,345	**$ 199,000**	
Council Fees		$ 689	**$ 102,000**	
Development Contributions		$ -	**$ -**	
Project Contingency (Excl. Construction & Fin Co's)		$ 2,027	**$ 300,000**	10%
DEVELOPMENT COSTS before SALES & FUNDING		**$ 108,435**	**$ 16,048,442**	**$ 16,048,442**
Selling Cost	3.25%	$ 4,804	**$ 711,043**	100%
FUNDING (cashflow)		$ -	**$ -**	
Pre-construction Funding		$ -	**$ -**	
Construction Funding		$ 7,427	**$ 1,099,146**	
Post-construction Funding		$ 2,834	**$ 419,425**	
SALES & FUNDING COSTS		**$ 15,065**	**$ 2,229,614**	**$ 2,229,614**
TOTAL DEVELOPMENT COST		**$ 123,500**	**$ 18,278,057**	**$ 18,278,057**

REVENUE / INCOME	Lot Numbers	Average Size	Average Value	TOTAL
Type of Lots				
Section Sales	148	800	$ 170,000	$ 25,160,000
TOTAL	**148**		**$ 170,000**	**$ 25,160,000**
- Less GST (15%)				- $ 3,281,739
TOTAL REVENUE EXCL GST				**$ 21,878,261**

RETURN ON COST	**19.7%**	**$ 3,600,204**

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Appendix 5

PRELIMINARY DEVELOPMENT FEASIBILITY SUMMARY FOR HAWERA RACECOURSE – INDUSTRIAL

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PRELIMINARY FEASIBILITY - OPTION A

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HAWERA RACECOURSE - PRELIMINARY INDUSTRIAL FEASIBILITY

August 2019

No. of Lots	**60**
No. of Unit Titles	**-**
No. of Tenancies	**-**
Total Land Area (m²)	**273,000**

DEVELOPMENT COSTS		Cost		
Land Purchase		$ **4,914,000**	$18 per m2	
Due Diligence & Cost to Date		$ **150,000**		
Consenting		$ **253,000**		
LTF Document		$ **-**		
Earthworks and Services to Boundary		$ **4,228,000**		
Construction		$ **9,116,822**		
Construction Contingency	30%	$ **4,005,000**		
Design Consultants		$ **206,000**		
Other Consultants to Development		$ **489,392**		
Title Cost - LINZ		$ **30,000**		
Legal & Accounting		$ **42,500**		
Holding Costs		$ **28,000**		
Development Management		$ **681,145**		
Tenant Inducement Costs		$ **-**		
Marketing		$ **60,000**		
Council Fees		$ **67,000**		
Development Contributions		$ **-**		
Project Contingency (Excl. Construction)	5%	$ **80,000**		
DEVELOPMENT COSTS before SALES & FUNDING		$ **24,350,859**		
Leasing and Selling Cost		$ **658,060**		
Pre-construction Funding		$ **66,339**		
Construction Funding		$ **1,989,559**		
Post-construction Funding		$ **1,428,837**		
Funding from Cashflow		$ **-**		
SALES & FUNDING COSTS		$ **4,142,795**		
TOTAL DEVELOPMENT COST		$ **28,493,654**		$ **28,493,654**

REVENUE	GFA vs NFA	Area m2	Rate	TOTAL
Tenancy 1	98%	0	$ -	$ -
Tenancy 2	98%	0	$ -	$ -
Tenancy 3	98%	0	$ -	$ -
Tenancy 4	98%	0	$ -	$ -
TOTAL REVENUE	**0**		**#DIV/0!**	**$ -**

SALE OF SURPLUS LAND	Area m2	Rate	TOTAL
Excl. GST	273,000	$ 111	$ 31,403,000

COMMERCIAL YIELD SENSITIVITY	Cap Rate	Value	Profit	Margin %
	7.00%	$ 31,403,000	$ 2,909,346	10.2%
	7.25%	$ 31,403,000	$ 2,909,346	10.2%
	7.50%	$ 31,403,000	$ 2,909,346	10.2%
	7.75%	$ 31,403,000	$ 2,909,346	10.2%
	8.00%	$ 31,403,000	$ 2,909,346	10.2%

RETURN ON COST	Cost	Income	Return	Margin
	$ **28,493,654**	$ **31,403,000**	$ **2,909,346**	**10.2%**

PRELIMINARY FEASIBILITY - SUMMARY

HAWERA RACECOURSE

Improved Land value Analysis

August 2018

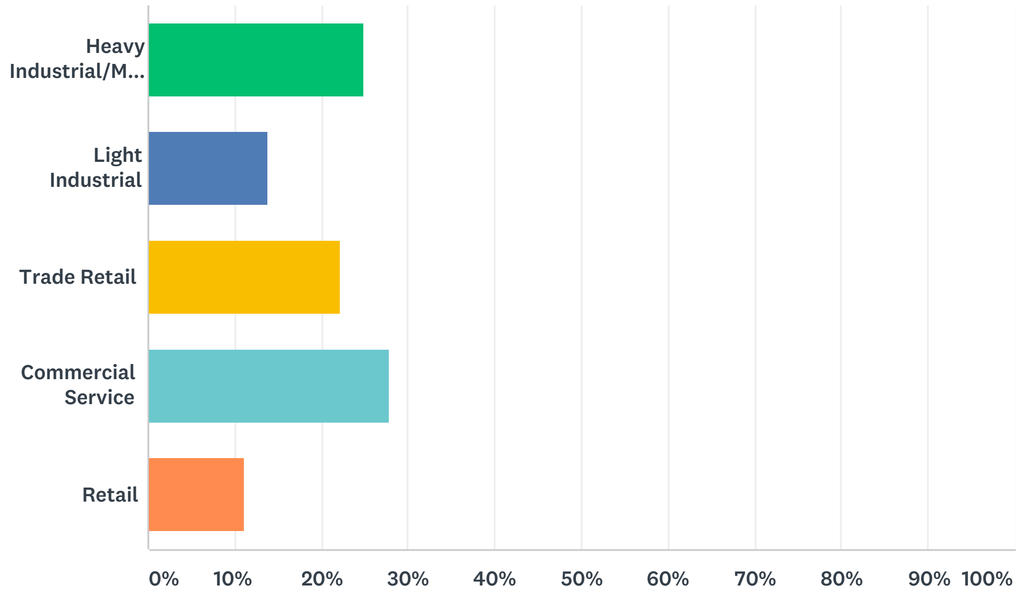
		160	130	140	130	110	90							
		$/m2	$/m2	$/m2	$/m2	$/m2	$/m3							
Lot	Land Area m2	Use Entry Lots	Use Entry Adjacent	Use Central Lots	Use Premium Leftover	Use Conv Retail	Use Large Rail							Land Sale Price
		$160	$145	$140	$130	$110	$90							
1	3,200	$ 512,000												$512,000
2	3,200	$ 512,000												$512,000
3	3,200	$ 512,000												$512,000
4	3,200		$ 464,000											$464,000
5	3,200		$ 464,000											$464,000
6	3,200		$ 464,000											$464,000
7	3,200		$ 464,000											$464,000
8	3,200				$ 416,000									$416,000
9	3,200				$ 416,000									$416,000
4	3,200				$ 416,000									$416,000
5	3,200					$ 352,000								$352,000
6	3,200					$ 352,000								$352,000
7	3,200					$ 352,000								$352,000
8	3,200					$ 352,000								$352,000
9	3,200					$ 352,000								$352,000
10	3,200					$ 352,000								$352,000
11	3,200					$ 352,000								$352,000
12	3,200					$ 352,000								$352,000
13	3,200					$ 352,000								$352,000
14	3,200					$ 352,000								$352,000
15	3,200					$ 352,000								$352,000
16	3,200					$ 352,000								$352,000
17	3,200					$ 352,000								$352,000
18	3,200					$ 352,000								$352,000
19	3,200					$ 352,000								$352,000
20	3,200					$ 352,000								$352,000
21	3,200					$ 352,000								$352,000
22	3,200					$ 352,000								$352,000
23	3,200					$ 352,000								$352,000
24	3,200					$ 352,000								$352,000
25	3,200					$ 352,000								$352,000
26	3,200					$ 352,000								$352,000
27	3,200					$ 352,000								$352,000
28	4,400			$ 616,000										$616,000
29	4,400	$ 704,000												$704,000
30	4,400			$ 616,000										$616,000
31	3,200					$ 352,000								$352,000
32	3,200					$ 352,000								$352,000
33	3,200					$ 352,000								$352,000
34	3,200					$ 352,000								$352,000
35	-	SW												$0
36	3,200					$ 352,000								$352,000
37	3,200					$ 352,000								$352,000
38	3,200					$ 352,000								$352,000
39	3,200					$ 352,000								$352,000
40	3,200					$ 352,000								$352,000
41	3,200					$ 352,000								$352,000
42	4,000					$ 440,000								$440,000
43	3,300					$ 363,000								$363,000
44	3,300					$ 363,000								$363,000
45	3,300					$ 363,000								$363,000
46	3,300			$ 462,000										$462,000
47	3,000			$ 420,000										$420,000
48	3,000			$ 420,000										$420,000
49	3,000			$ 420,000										$420,000
50	3,000			$ 420,000										$420,000
51	3,000				$ 390,000									$390,000
52	3,000				$ 390,000									$390,000
53	3,000					$ 330,000								$330,000
54	3,000					$ 330,000								$330,000
55	15,000						$ 1,350,000							$1,350,000
56	15,000						$ 1,350,000							$1,350,000
57	15,000						$ 1,350,000							$1,350,000
58	15,000						$ 1,350,000							$1,350,000
59	15,000						$ 1,350,000							$1,350,000
60	15,000						$ 1,350,000							$1,350,000
	-												$ -	$0
Total		$ 2,240,000	$ 1,856,000	$ 3,374,000	$ 2,028,000	$ 13,805,000	$ 8,100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,403,000
Total	**282,000**													**$ 31,403,000**

Appendix 6

BUSINESS & INDUSTRY ENGAGEMENT – FEEDBACK AND RESULTS

Q1 What type of business are you?

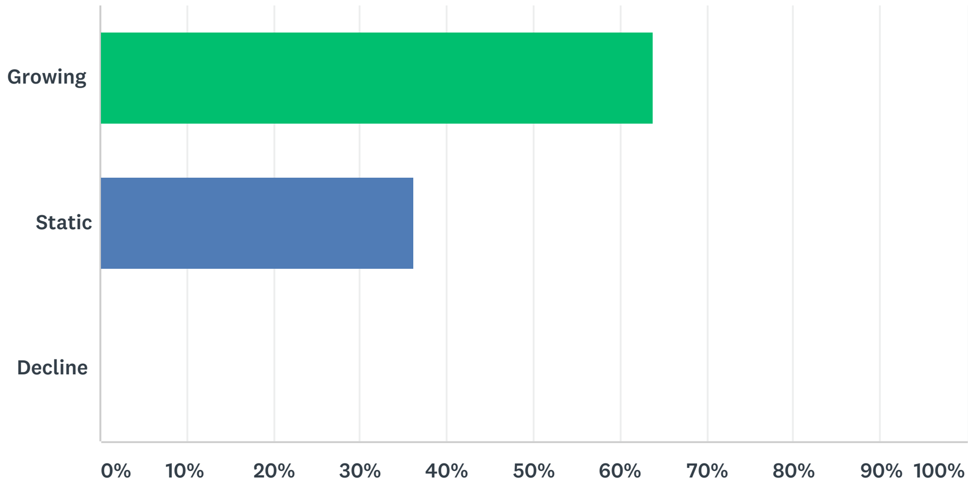
Answered: 36 Skipped: 0



ANSWER CHOICES	RESPONSES	
Heavy Industrial/Manufacturing	25.00%	9
Light Industrial	13.89%	5
Trade Retail	22.22%	8
Commercial Service	27.78%	10
Retail	11.11%	4
TOTAL		36

Q2 Would you say your business is growing, static or in decline?

Answered: 36 Skipped: 0



ANSWER CHOICES	RESPONSES	
Growing	63.89%	23
Static	36.11%	13
Decline	0.00%	0
TOTAL		36

Q3 How many full time employees does your business currently have?

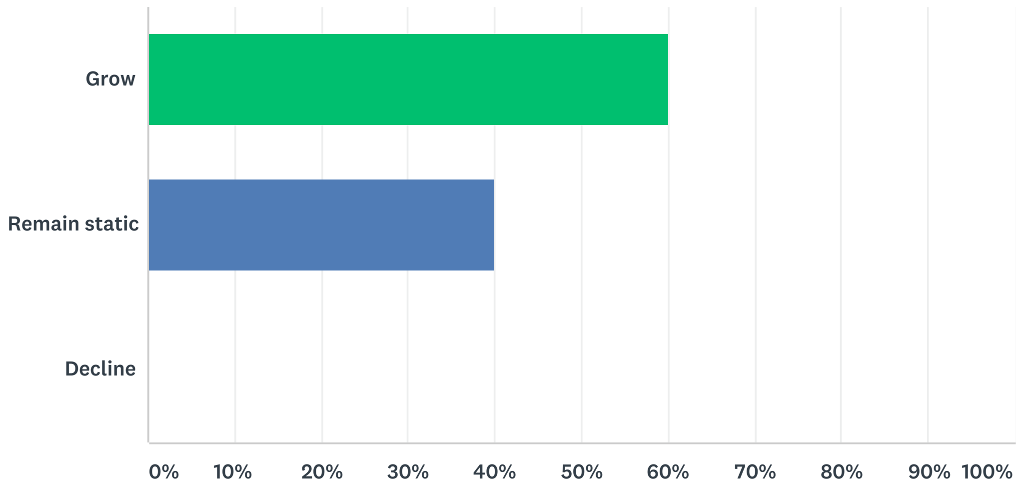
Answered: 36 Skipped: 0

#	RESPONSES	DATE
1	10	5/10/2019 7:18 AM
2	8	5/8/2019 4:20 PM
3	5	5/7/2019 3:11 PM
4	375	5/7/2019 9:32 AM
5	25	5/6/2019 2:51 PM
6	1000	5/6/2019 1:35 PM
7	none	5/6/2019 9:27 AM
8	14	5/6/2019 9:00 AM
9	1	5/5/2019 9:23 AM
10	In South Taranaki 2.5 although 8 live there	5/3/2019 4:14 PM
11	47	5/3/2019 1:57 PM
12	5	5/3/2019 1:07 PM
13	5	5/3/2019 11:33 AM
14	5	5/3/2019 10:56 AM
15	2	5/3/2019 9:18 AM
16	5	5/3/2019 9:02 AM
17	4	5/3/2019 9:01 AM
18	25	5/3/2019 9:00 AM
19	12 Hawera Based, but other staff based in Akl, Ham, CHCH.	5/3/2019 8:39 AM
20	3	5/3/2019 8:24 AM
21	6	5/3/2019 8:19 AM
22	5	5/3/2019 8:06 AM
23	14	5/3/2019 7:24 AM
24	30	5/3/2019 6:03 AM
25	3	5/2/2019 10:55 PM
26	16	5/2/2019 8:45 PM
27	2	5/2/2019 8:06 PM
28	One	5/2/2019 5:38 PM
29	4	5/2/2019 5:13 PM
30	12	5/2/2019 5:09 PM
31	5	5/2/2019 4:55 PM
32	55	5/2/2019 4:51 PM
33	2	5/2/2019 4:48 PM
34	10	5/2/2019 4:41 PM
35	7	5/2/2019 4:36 PM

36	12	5/2/2019 4:27 PM

Q4 Are your employee numbers projected to grow, remain static or decline in the next 5 years?

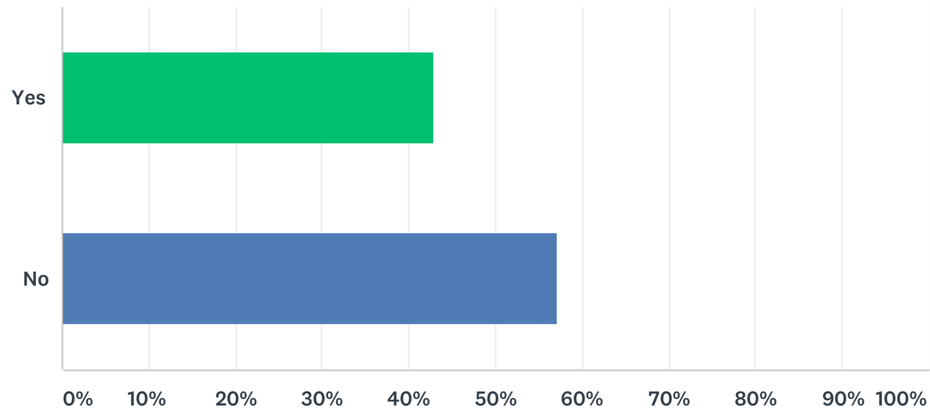
Answered: 35 Skipped: 1



ANSWER CHOICES	RESPONSES	
Grow	60.00%	21
Remain static	40.00%	14
Decline	0.00%	0
TOTAL		35

Q5 Do you foresee the need for relocating to new premises in the short to medium term (eg, 1 to 5 years)?

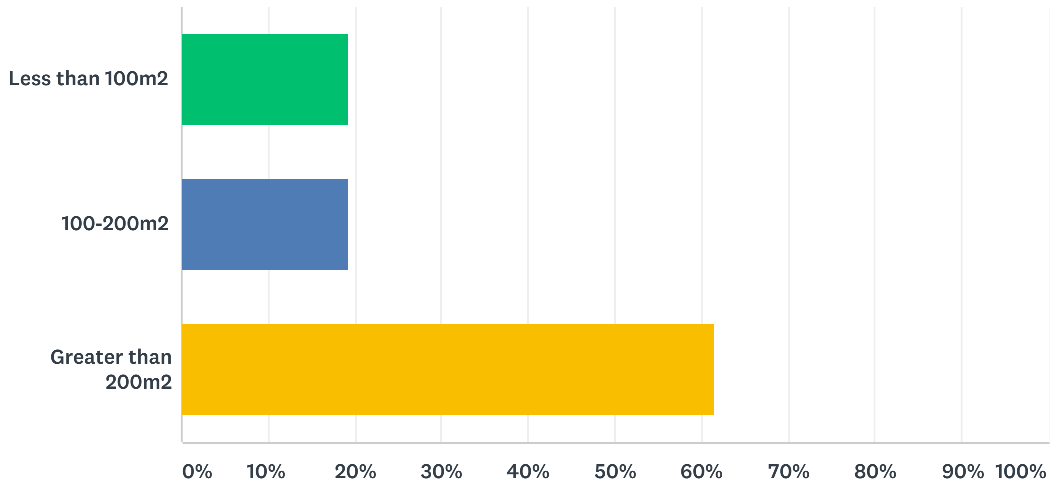
Answered: 35 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	42.86%	15
No	57.14%	20
TOTAL		35

Q6 If you do foresee the need for relocating to new premises in the short term, what size lot would you require?

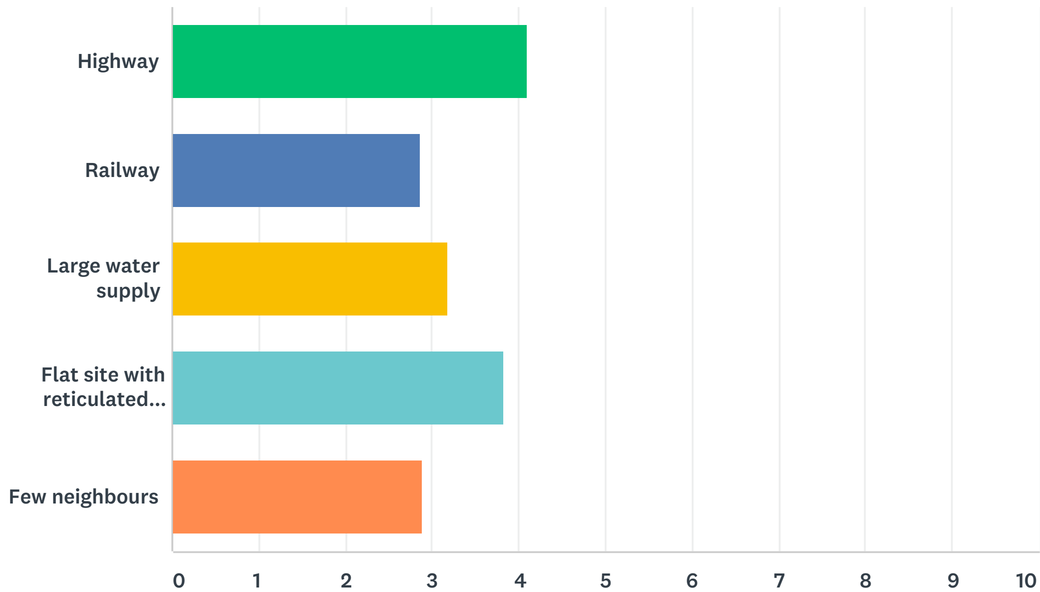
Answered: 26 Skipped: 10



ANSWER CHOICES	RESPONSES	
Less than 100m2	19.23%	5
100-200m2	19.23%	5
Greater than 200m2	61.54%	16
TOTAL		26

Q7 Would you require direct access to the following, and if so, please prioritise (1 being the most important)

Answered: 30 Skipped: 6



	1	2	3	4	5	N/A	TOTAL	SCORE
Highway	39.29% 11	10.71% 3	14.29% 4	3.57% 1	3.57% 1	28.57% 8	28	4.10
Railway	11.11% 3	11.11% 3	7.41% 2	3.70% 1	18.52% 5	48.15% 13	27	2.86
Large water supply	7.41% 2	14.81% 4	22.22% 6	18.52% 5	0.00% 0	37.04% 10	27	3.18
Flat site with reticulated services	28.57% 8	28.57% 8	7.14% 2	7.14% 2	7.14% 2	21.43% 6	28	3.82
Few neighbours	7.41% 2	14.81% 4	14.81% 4	14.81% 4	11.11% 3	37.04% 10	27	2.88

Q8 Any other comments?

Answered: 13 Skipped: 23

#	RESPONSES	DATE
1	must be a dedicated industrial park located well separate from any residential properties and/or dwellings.	5/6/2019 9:00 AM
2	Great idea, hope it is a go	5/3/2019 4:14 PM
3	not off Turuturu road as suggested	5/3/2019 1:07 PM
4	I really do support STDC in this area of development for the town, make it easy for businesses to relocate to Hawera and easy for them to buy residential land and town will grow.	5/3/2019 8:39 AM
5	we are light industrial with a small retail showroom side so would require ease for customers to come to us	5/3/2019 8:06 AM
6	We are in looking at land at this stage	5/3/2019 7:24 AM
7	We have been looking for a while to bike new premises, it would be good to have something close to town or a community of buildings.	5/3/2019 6:03 AM
8	In my previous businesses I have been responsible for having three new purpose built business premises totaling 3,900 sqm built in Hawera. I am currently looking at another of about 500sqm for my current business, but are seriously looking at moving to New Plymouth. I believe too many decades of poor council planning and too many obstacles for business and employment growth, have sent the town into permanent decline. In years passed I have approached the council suggesting that they should have land with services provided, roading complete and zoned and available for industrial type businesses. When opportunity knocks a growing business needs all consents and building completed and occupied within six months.	5/2/2019 10:55 PM
9	Nope	5/2/2019 8:06 PM
10	My business is a personal service and is able to be serviced from home.	5/2/2019 5:38 PM
11	Easy access for large truck and trailer units from the main highway is essential for an industrial park	5/2/2019 4:51 PM
12	No	5/2/2019 4:48 PM
13	This is differently needed but is possible a little late for us and sum business as were needing it now not in a year or two's time.	5/2/2019 4:41 PM

Appendix 7

BUSINESS & INDUSTRY FEEDBACK ON DRAFT REPORT

Claire Symes

From: Hire Smart Ltd. <enquiries@hiresmart.co.nz>
Sent: Thursday, 20 June 2019 10:01 a.m.
To: Claire Symes
Subject: Industrial Park

Good morning Claire

We are in full support of the industrial park being established in the area of Kerry Lane/Fitzgerald Lane with the development of Little Waihi Road between the two roads and the storm water upgrade.. We established our business here in 2010 and have seen a lot of development in the area since then, it seem to be an up and coming industrial area.

If we can be of any further assistance please feel free to contact us.

Gareth Boyd
Hire Smart Ltd
7 Kerry Lane, Hawera
06 278 6918
www.hiresmart.co.nz

HIRE SMART
Ph: 06 278 6918

Claire Symes

From: Kerry Demchy <k.demchy@nda.co.nz>
Sent: Monday, 24 June 2019 3:50 p.m.
To: Claire Symes
Subject: Industrial Park Study

Hi Claire,

We moved into a purpose built facility in the Waihi Road Mixed Use Area (2B Fitzgerald Lane) in January 2017.
The only issue that we currently have is the entry and exit to SH3 in the 70km / hr zone, this really needs to be looked at as it is a very high risk area.

If Kerry & Fitzgerald Lanes were linked there would be an option to make the Ring Road one way traffic.

Regards

Kerry Demchy
Site Services Manager - Central

2B Fitzgerald Lane
Hawera 4673, New Zealand

mob **+64 21 539 249** ph **+64 6 278 1280**
web **www.nda.co.nz** email **k.demchy@nda.co.nz**

NEW ZEALAND NDA SITE SERVICES

Claire Symes

From: book@kerrylanemotel.co.nz
Sent: Tuesday, 25 June 2019 2:14 p.m.
To: Claire Symes
Subject: Industrial park feedback

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Claire

I have altered my statement to read as follows:

While I don't have any concerns about the identified industrial park area, I have major safety concerns about the intersection from SH3 on to Kerry Lane.

I suggest that the 70km speed limit should go all the way from Hawera to Normanby, sooner rather than later.

There should also be a footpath alongside the same highway from Normanby to Hawera.

Given that there are now more business operating in Kerry Lane the condition of the road itself needs improving.

Kind regards

Lynette Barnes
Kerry Lane Motel
2 Kerry Lane
RD 13
HAWERA

06 278 1918
book@kerrylanemotel.co.nz
www.kerrylanemotel.co.nz

Claire Symes

To: Laird Harper
Subject: RE: FW: Industrial Park study

From: Laird Harper [mailto:lairdharper@gmail.com]
Sent: Friday, 28 June 2019 4:08 p.m.
To: Claire Symes
Subject: Re: FW: Industrial Park study

Proposal.

Firstly, thank you for the opportunity to comment on this proposal.

While I appreciate clear and consistent planning needs to happen in the area proposed, the roading upgrade for Fitzgerald Lane, Little Waihi and Kerry Lane needs to happen now.
Not in some unspecified future.
Nor as a carrot dangled to allow council's agenda to push ahead.
Council has already been lapse in its duty to provide safe access for those using the area.
The number of trucks and cars using Fitzgerald Lane has increased significantly in the last five years, let along the last ten.
Yet nothing has changed.
And I question whether council has an accurate idea of the traffic movements, as two "counters" that were recently set up were destroyed in a matter of weeks.

The fact there hasn't been a collision on Fitzgerald Lane proper in recent memory is only through good luck, not good planning.
And I'm sure you all are aware of the accidents at the Fitzgerald Lane, SH3 intersection.

My fear is council will green light the designated areas industrial and not put in any of the appropriate infrastructure to support the increased traffic.
The section of little Waihi Rd that does have tarseal is already a parking lot.
And designating the whole area industrial will allow for unrestricted noise and traffic moments, despite well established homes and a school being there.
Hoping a developer will do the right thing, is the same thinking that has turned Glover Rd into a parking nightmare.
Council must upgrade these roads immediately and future proof the area.
Not jam in an industrial and commercial zone and hope someone else will do it.
I am stressing this traffic issue as my wife, father, father in law and myself have all had near misses with vehicles coming out of almost every business alone Fitzgerald Lane and the school.
And while some are driver error, most come from large trucks and tractors trying to navigate a skinny road.

To reiterate,
I am not opposed to the zone changes in principle, as long as the proposed roads are done first.
If not, I will be opposing it on safe concerns alone.

Thank you.

Claire Symes

From: Wendy R London <haweranz@gmail.com>
Sent: Saturday, 29 June 2019 3:44 p.m.
To: Claire Symes
Subject: Feedback on the Industrial Park Proposal

Hi Claire

Greetings from a stormy day onboard a cruise ship off puttering around Fiji!

I have some general comments to make on the industrial park proposal, but please note that they are only general/unfocused because I can't access the study because of the diabolically slow and random Internet connection on the ship.

1. Apparently, over the years, there have been other proposals for an industrial area but these have fallen over/dissipated into the ether. The comment here is that ratepayers will need reassurance via project and management plans that the same won't happen here.

2. My first reaction when I opened the email was, "that's a bit dumb – we should be playing to our strengths, and not continuing to invest in a fairly large, if spread out, industrial sector." Two possibly related comments can be made here:

    a. Hawera is an increasingly attractive community for older, retired people. Coupled with this, our farming/agri sector is shrinking, thereby probably shrinking our related, supporting engineering/manufacturing sector as well. Therefore, what future for an industrial park, unless – see (b).

    b. If, however, that industrial park were devoted to supporting what appears to be a growing older community, then I can envisage some interesting strategic value in it. In other words, if a holistic approach were taken:

        (i) Targeting firms which make, repair and maintain equipment and other goods for our older population would make great sense. For example, mobility scooters, home aids, crafts, reading aids – a full range of stuff.
        (ii) Such firms could benefit not only from the local economy, but export out of Hawera as well.
        (iii) Such an agglomeration of firms could also create exceptional training opportunities, an explicit PGF objective.
        (iv) Participating firms could offer employment to a large cross section of individuals from engineers to professional advisers to artisans to mechanics, etc.

    Over the years, we seem to have taken an unplanned approach to a heap of things. Also, while 'company towns' disappeared into corporate history in the 19th century, there is a lot of strategic and promotional advantage for towns in the 21st century to have a unique skill set which can be promoted – to generate interest in and to both the supply (industrial) and demand (residential) segments.

    Such an approach could also possibly fulfill a PGF aspirational goal of transforming projects into national significance, ie by making a Hawera a *national* centre of excellence for looking after older New Zealanders, through the manufacture, design, etc of high quality goods and services.

I completely realise that these comments are a bit woolly, but as per my opening comments, I can only comment at this time on the basis of the circulated email. However, I hope these comments convey a sense of my vision for a strategic and sustainable way forward.

We are back in Hawera on the 8th July. I would be most happy to have a chat, especially after I've had a chance to read through the study.

All the very best

Wendy

Dr Wendy R London
AB, MSLS, JD, PGDipTour (Hons), MTour, PhD
Adjunct Research Fellow – Cities Research Institute, Griffith University (Queensland)

□ cruise ship lecturer □ cruise industry specialist □ author □ (lapsed) lawyer □ geek

....

16 Hunter Street, Hawera, New Zealand | **Phone:** +64 6 278 7364| **Mobile:** +64 21 687 364| **Skype:** wlondon
(Also at 604/19 College Street, Wellington)

Claire Symes

From: Anne & Terry Ingram <tj.ingram@xtra.co.nz>
Sent: Sunday, 30 June 2019 7:43 p.m.
To: Claire Symes
Subject: Industrial Park submission

Hello Claire,

The following in my submission towards the planned Industrial park.

We own 11 Kerry lane, the property stretches from Kerry lane to almost Fitzgerald lane, having recently sold 5 acres to our daughter and son-in-law adjacent to Fitzgerald lane. The plans for an industrial park through our land was a surprise as we had not had prior engagement with either the consultants or the council. After reviewing the proposal for the industrial park we have the following points to raise;

We believe the plan of an access way through the middle of our farm is short sighted and the main access point should be the existing paper Road Little Waihi Road.

Our land is in two separate titles and 10 acres of our land is landlocked with access only to Little Waihi Road, a paper road. Should we want to sell/lease off these parcels of land Little Waihi Road would need to be re-opened to the public, to do this the corner of Kerry Lane and the paper Road would need to be realigned as the corner currently encroaches on our land.

At the moment trucks wanting to unload are stopping on Waihi Road and freight is unloaded and taken down Kerry lane this is due to no turn around area and Kerry lane being a dead end road and is a dangerous exercise.

We live in a rural area although it is zoned deferred residential with commercially zoned land along the front of Waihi Road. Hire smart was allowed to set up business in the commercial area but operates industrial type of activities. Hire smart has diggers and bulldozers, operate shipping containers which are extremely noisy and vibrates the area all hours of the day and night. We had to re-establish a fence and hedge on our eastern boundary to mitigate this and water blasting foam from coming in our paddocks. On a positive note NDA on Fitzgerald lane is an excellent business for the location with very little noise and no operations outside business hours. The council needs to ensure that zoned land are matched appropriately to the type of business that are allowed to operate within them with respect to noise, hours of activity and environmental impact.

We have sceptic tanks on our property and are not connected to the sewer system. We are concerned that the Western trunk sewer system would not cope with further activities in this zoned area and would need to be upgraded. The storm water would need to be increased for extra capacity. New industrial buildings should rain harvest for washing and toilets. Town water should only be used for drinking and kitchen use.

Being a retired rubbish contractor I am concerned that rubbish and waste disposal will cost a lot more going to Bonny Glen than going to Eltham landfill. This should be a consideration when proposing an industrial park intended to entice business to Hawera. Higher rubbish disposal costs than other potential areas would be off putting to business interests.

Although I am not horse follower I would like to see the racecourse retained in its current capacity and encourage Stratford and New Plymouth race meets to be in Hawera. I believe this is an asset to Hawera area encourages more money to come into Hawera in the form of accommodation and food during race meets.

The entrance to Hawera would not be improved by having the industrial park based on both sides on the main road. Careful attention would need to be given to maintain a welcoming main road entrance into Hawera.

I am also a committee member of the Hawera Aero Club and this historic and vibrant airfield needs to be preserved. The Club is very active with over 120 members and is booked three months in advance for weekend lessons to learn to fly. The aero club is well known in General Aviation circles as a must have stop in Taranaki and helps to promote Hawera as a destination.
We need to ensure any proposed Industrial park does not impact in the club, airfield or flare paths in the district plan as it currently stands.

From Terry and Anne Ingram
11 Kerry Lane
0274 458 701
06 278 7063

Claire Symes

From: Mark Nicholas <mark.nicholas55@gmail.com>
Sent: Monday, 8 July 2019 2:35 p.m.
To: Claire Symes

Subject: Industrial Park

Dear Claire, tena koe,

With regret I make minimal submission and acknowledge it is outside of the extended period but request it be included and considered.

Business travel during which sickness struct hampered my capacity in addition of course to my previous objection to the short period for submissions that resulted in a few days extra for which I am grateful but does not negate my original observations.

Accordingly my submission is as brief as this:

I have read the report and narrow my focus here:

8.1. Indirect interventions

I support: Both options 2 & 3

Annocdotially I am not convinced by the report inference or local talk that a, "build it and they will come" philosophy will work.

Alternative approach in expansion to 8.1

The development of an Economic Development Agency in-house with a strong governance and management structure vision focus and mission from private sector be established.

Not, a council entity but one that works in sync with council and separately governed and managed.

Our neighbours in Whanganui are now reaping the benefit of such an entity, Whanganui and Partners. (Not to be deterred but Whanganui has spent some $20m getting to where they are but in private discussion I believe they would be favourable to share their 'lessons')

In so saying, again annocdotially, I am not convinced the best of interest for Taranaki ki te Tonga - South Taranaki, is displayed by Venture Taranaki. A cost - benefit analysis may be useful to dis or prove, my observations.

Our size, or lack of it, can be qualified as a reason to move from using more general consultancy to suitably experienced pragmatic personnel, their presence living here (a employment requirement) and with the on demand capacity for specific consultancy input as required.

Yours respectfully - Noho ora mai

Mark Nicholas JP MBA DipPol ANZIM

Claire Symes

From: Steve Prestidge | Presco Industries <steve@presco.co.nz>
Sent: Monday, 8 July 2019 7:53 a.m.
To: Claire Symes
Subject: Industrial Park

Hello Claire,

I have just got to this may be too late now sorry missed the dead line date.

Industry , is one of the important cogs on the wheel, just as residential sections, commercial development, centre of town upgrade, sports hub, church's ,walkways, bike tracks, town fresh water, footpaths, firefighting services , the list goes on.

With this been the case you need persons in control of the council to really have their finger on what is required for the welfare of everyone in the town.
Hawera needs local residence so we must have a wholistic approach to achieve this, without this we will get spasmodic and hop scotch approach in every area of the town.

I take this opportunity to thank the council for what they have done to preserve and grow Hawera.

When we take an overall look Industrial Park is well overdue in been established , not that it hasn't come up before but I don't think what is required has been provided with clarity.

The council need to take the initiative then take control and develop a suitable piece of land and get alongside companies that are progressive in town or are looking at coming to town.
The council should develop what the business need when they have an attractive win / win agreement that makes it possible for the council to sustain, and provide clear direction of requirements and costs, so that a viable business proportion can be developed and grow.
I just submit this as having lived in Hawera all my life brought up a family of 8 and started in business on my own account in 1990 now employ and care for 64 staff all living and working in Hawera.

Regards,

Steve Prestidge
CEO

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