

NELSON CITY COUNCIL

Nelson Resource Management Plan

Proposed Plan Change 19

Blackwood Street Reserve (West) Rezoning

Section 32 Report

25 September 2010



1.0 Introduction

1.1 Purpose of report

Section 32 of the Resource Management Act 1991 (RMA) requires Council to consider alternatives and assess the benefits and costs of adopting any objective, policy, rule or method in a Plan or Policy Statement prepared under the RMA. Before publicly notifying a proposed Plan or Plan Change, the Council is required to prepare a Section 32 report summarising these considerations.

The purpose of this report is to fulfil these Section 32 requirements for proposed Plan Change 19 (Blackwood Street Reserve (West) Rezoning).

1.2 Steps followed in undertaking the Section 32 evaluations

The 7 broad steps which this section 32 evaluation follow are:

1. identifying the resource management issue;
2. evaluating the extent to which any objective is the most appropriate way to achieve the purpose of the RMA;
3. identifying alternative policies and methods of achieving the objective;
4. assessing the effectiveness of alternative policies and methods;
5. assessing the benefits and costs of the proposed and alternative policies, rules, or other methods;
6. examining the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods; and
7. deciding which method or methods are the most appropriate given their likely effectiveness and their likely cost, relative to the benefit that would likely deliver.

1.3 Description of proposed Plan Change

The Council owns land which is zoned and scheduled as a neighbourhood reserve, but is not well used for this purpose due to its relative isolation and poor visibility. The Council proposes to rezone the land as two industrial titles and one residential title, and to create an esplanade reserve adjacent to Jenkins Creek, in order to promote more efficient use of this land, while still providing for recreation and access along Jenkins Creek.

1.4 Consultation

Plan Change 19 involved advice from the Council's Business Assets Advisor and the Manager Parks and Facilities.

The Community Services Committee considered the matter in March 2008. An outcome of that meeting was a proposal to subdivide the land into two industrial titles and one residential title, and the formation of an esplanade reserve along Jenkins Creek. This was included in the draft Annual Plan 2008/09. Submissions received on that proposal were not opposed to the change, but did lead to a change in the position of the walkway connecting Blackwood Street to the esplanade reserve.

Another option considered early on in the process was the establishment of community housing. On investigation, this option was not considered appropriate by providers of

community housing because of the land's proximity to the industrial area and costs associated with the site development.

Consultation was also carried out more recently with Blackwood Street residents, in July 2010. There was no opposition to the industrial zoning or the establishment of one residential title.

The neighbour directly next to the land currently zoned Open Space had no problem with the industrial zoning as the unused nature of that area currently attracts dumping of organic and inorganic waste. He said he would prefer the site which is proposed to be zoned Residential to remain Open Space and Recreation as he uses this area daily to exercise his dogs, and said that most of the lower half of the street use it at some stage. He was also concerned that the proposed walkway on his boundary would be open to tagging, as this occurred after Merton Way was paved and streetlights installed. He also noted that the Council would have easier access to the sewer line running through the Open Space area if it remained in Council ownership.

The Council's Business Assets Advisor said the Council will protect its access to the sewerage pipe via an easement.

The walkway provided access to open space along the esplanade reserve, so open space was amply provided for in the area. There is another neighbourhood park in the middle of the street.

2.0 Resource Management issue

2.1 Resource Management issue being addressed

An issue is an existing or potential problem that must be resolved to promote the purpose of the RMA. The RMA does not require the identification or analysis of issues within Section 32 evaluations. Notwithstanding this issues are being included in this report because it will be helpful to users to understand the basis and origin of the issue as this provides a context for the evaluations of the objectives and policies that follow.

The Plan Change relies on an existing operative issue within clause RI11 (Efficient use of natural and physical resources) of Chapter 4 (Resource Management Issues) of the Plan:

RI1.1.i Balancing the potential adverse effects of highly efficient and intensive land use on amenity and other matters against inefficient use of physical resources such as infrastructure.

The specific issue to be resolved in this Plan Change is how to promote more efficient use of land in the area currently scheduled as Blackwood Street Reserve (West), and zoned Open Space and Recreation. It is not well used for this purpose due to its relative isolation and poor visibility.

3.0 Appropriateness in achieving the purpose of the RMA

3.1 Evaluation of the objective(s) – the environmental outcome to be achieved

Section 32 requires an evaluation of the extent to which the objective is the most appropriate to achieve the purpose of the Act. Appropriateness is not defined in the Act. In undertaking the evaluation it has generally been helpful to consider alternative forms of the objective and test them in terms of how well they met the environmental,

social/cultural, and economic outcomes in Section 5, plus achieving other Part 2 matters. Often these assessments require value judgements because they are not readily quantified. Usually the objective is also tested against how well it addresses the elements of the issue.

In the case of Plan Change 19 no new objectives are being proposed, instead the Plan Change relies on the existing operative objectives within Chapter 5 – District Wide Objectives and Policies of the Plan, specifically:

DO16.1 – management of resources by location

Management of the natural and physical resources of Nelson in a way that responds to the varying resource management issues and the varying actual and potential effects of use, subdivision, development and protection arising in different parts of the district.

RE2 – residential character

An environment that is principally residential in character.

IN1 – efficient use of resources

The efficient use of natural and physical resources within the Industrial Zone.

IN2 – amenity of industrial and adjoining areas

Maintenance and enhancement of the amenity of the Industrial Zone and adjoining areas.

Given the operative status of these objectives, use of zoning to manage effects of subdivision and development is considered the most appropriate way to achieve the purpose of the RMA.

This rezoning of Blackwood Street Reserve (West) is intended to manage physical resources in a way that enables people and communities to provide for their social, economic and cultural wellbeing by:

- enabling more productive use of land for industrial purposes, and
- limiting the residential development to the same scale as the surrounding properties, and
- providing for permanent public access to Jenkins Creek.

3.2 Whether the policies, rules, or other methods are the most appropriate for achieving the objectives in terms of their efficiency and effectiveness, benefits and costs, and in regards to the risk of acting or not acting

3.2.1 Introduction

The evaluation of appropriateness assesses the alternative policy options under the headings of efficiency, effectiveness, benefits, costs, and the risk of acting and of not acting.

A range of criteria/matters have been used to assist in undertaking the evaluations:

efficiency the ratio of inputs to outputs. Efficiency is high where a small effort/cost is likely to produce a proportionately larger return. Includes the ease of administration/administrative costs e.g. if the cost of processing a grant or collecting a fee exceeds the value of the grant or fee, that is not very efficient;

effectiveness how well it achieves the objective or implements the policy relative to other alternatives. The likelihood of uptake of a method;

benefits	social, economic, environmental - as both monetary and non monetary cost/benefits;
costs	social, economic, environmental - as both monetary and non monetary cost/benefits; and
risk	the risk of taking action and not taking action in say the next 10 years because of imperfect information e.g. the cause/effect relationships are not fully understood.

In the case of the proposed Plan Change no new policies or rules are being proposed within Volumes 1 and 2 of the Plan. Instead the proposed Plan Change relies on the existing operative policies and rules. The Plan Change proposes to amend the schedule of neighbourhood parks (OSs.5 Neighbourhood Parks) by deleting NP11, Blackwood Street Reserve (West), Lot 12 DP13786.

This Plan Change also amends Planning Map 23 (right hand side) in Volume 4 of the Plan, by rezoning Lot 12 DP13786 from Open Space and Recreation to a combination of Industrial and Residential.

The report concludes with a summary of the analysis undertaken and outlines which option best meets the requirements of Section 32 of the RMA.

3.2.2 Format of the evaluation

The following table provides an evaluation of the costs and benefits of the proposed policies, and considers whether these policies are the most appropriate for achieving the objectives, having regard to their efficiency and effectiveness. The terms efficiency and effectiveness are not defined in the RMA and, therefore, the criteria set out in Part 3.2.1 of this report have been used to help focus the analysis.

Costs and benefits have largely been assessed subjectively and or comparatively because of the great difficulty in assessing/quantifying intangible costs e.g. environmental costs. In some cases quantitative assessments of costs have been given.

The concept of risk has two dimensions, the probability of something adverse occurring and the consequence of it occurring. For example, if there is low risk associated with acting but high risk associated with not acting, then taking action is clearly the sensible thing to do. Risk is usually expressed as 'probability times consequence' and associated with a cost – usually a severe economic, social or environmental cost. Assessing the risk of acting or not acting means assessing the probability of a cost occurring and the size of that potential cost.

The policy alternatives assessed in this section will achieve the objective to different degrees and combinations of policy approaches will be used to form the final preferred option.

The following four broad options are evaluated in Table 1 (Part 3.2.3 of this report):

- Option 1 Status quo - do nothing (retain existing zoning and neighbourhood park scheduling).
- Option 2 Proceed with Proposed Plan Change - rezone the land as two industrial titles and one residential title, and create an esplanade reserve adjacent to Jenkins Creek.
- Option 3 Proceed with alternative Plan Change - rezone a portion of the land as two industrial titles, create an esplanade reserve, and retain one area as a reserve with Open Space and Recreation Zoning.

3.2.3 Table 1: Assessment of Alternative Options

	Option 1: Status quo	Option 2: Proceed with Proposed Plan change	Option 3: Proceed with an alternative Plan Change
Benefits	<p><u>Economic Benefit (Council)</u> Small financial saving from not proceeding with this Plan Change, avoiding reporting and hearing costs, and the cost of an independent commissioner.</p> <p><u>Social Benefit (Landowner)</u> Maintenance of neighbours' access to open space</p>	<p><u>Environmental Benefit (Community)</u> Better matching of need makes better use of a finite natural resource (land). Creation of a continuous esplanade reserve for this reach of Jenkins Creek.</p> <p><u>Social Benefit (Landowners)</u> No disruption to the scale of housing in the area.</p> <p><u>Economic Benefit (Community)</u> Ability to generate economic gains through extension of industrial land uses.</p> <p><u>Economic Benefit (Council)</u> Ability to subdivide and sell three land titles.</p>	<p><u>Environmental Benefit (Community)</u> Better matching of need makes better use of a finite natural resource (land), although retention of the open space is of benefit to a small number of people only.</p> <p>Retention of a buffer between residential and industrial land uses.</p> <p><u>Economic Benefit (Community)</u> Ability to generate economic gains through extension of industrial land uses.</p> <p><u>Economic Benefit (Council)</u> Ability to subdivide and sell two land titles.</p>

	Option 1: Status quo	Option 2: Proceed with Proposed Plan change	Option 3: Proceed with an alternative Plan Change
Costs	<p><u>Economic Cost (Community)</u> Land not being used efficiently.</p> <p><u>Economic Cost (Council)</u> Inability for the Council to sell the land for higher value uses. Ongoing cost of park maintenance (mowing).</p> <p><u>Environmental Cost (Community and Council)</u> Unauthorised disposal of waste.</p>	<p><u>Economic Cost (Council)</u> Cost of plan change – reporting and hearing costs. An independent commissioner would be required, given the proposed rezoning affects Council-owned land.</p> <p><u>Social Cost (Community)</u> Loss of neighbourhood park but:</p> <ul style="list-style-type: none"> - there is another neighbourhood park in the street - open space is provided along the Jenkins Creek esplanade reserve - the site has poor visibility and oversight by neighbours, which means this reserve is not particularly safe or well used. 	<p><u>Economic Cost (Council)</u> Cost of plan change – reporting and hearing costs. An independent commissioner would be required, given the proposed rezoning affects Council-owned land.</p> <p>Opportunity cost for the Council - loss of residential title to sell.</p> <p>Ongoing cost of park maintenance (mowing).</p> <p><u>Social Cost (Community)</u> Loss of some open space land.</p>
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	Option 1: Status quo	Option 2: Proceed with Proposed Plan change	Option 3: Proceed with an alternative Plan Change
Benefit and Costs Summary	The status quo option has significant opportunity costs, through loss of development of the land for higher value purposes.	There are significant environmental and economic benefits from pursuing this plan change. The benefits far outweigh the costs.	This option offers less economic benefits than option 2, and incurs ongoing maintenance costs, although it increases the social benefits by providing for a greater buffer between industrial and residential land uses for a few houses.
Effectiveness and Efficiency	<p>The status quo option is an inefficient and ineffective way to meet the objectives of the Plan.</p> <p><u>Efficiency</u> A poorly used park is not an efficient use of land, especially when there is another park in the same street.</p> <p><u>Effectiveness</u> The effectiveness of the site as a neighbourhood reserve is limited due to its low visibility and limited accessibility.</p>	<p>The Plan Change is an efficient and effective way to address the operative issues and achieve the objectives.</p> <p><u>Efficiency</u> Extension of existing industrial land uses is efficient use of the land because it does not require new accesses to be created.</p> <p><u>Effectiveness</u> Addition of one residential property fits within the context and scale of development in Blackwood Street.</p>	This option is less efficient and effective than option 2 because an underused open space area is less valuable to the community than a residential property. It would, however, provide a buffer between residential and industrial land uses.
Risk of Acting or Not Acting if there is uncertainty or insufficient information	<p>Council has sufficient information on Option 1 to make a decision on its effects.</p> <p>Therefore there is no risk of acting of not acting.</p>	<p>Council has sufficient information on Option 2 to make a decision on its effects.</p> <p>Therefore there is no risk of acting of not acting.</p>	<p>Council has sufficient information on Option 3 to make a decision on its effects.</p> <p>Therefore there is no risk of acting of not acting.</p>

4.0 Conclusion

An evaluation of three alternative options of status quo (do nothing), proceed with Plan Change and proceed with an alternative Plan Change has been undertaken in Part 3.2.3 of this report. The report has evaluated these alternative options against the benefits, costs, effectiveness, efficiency, the risk of acting and the risk of not acting.

This evaluation has clarified that Option 2 (proceed with this Plan Change) has potential benefits which outweigh any resultant costs, and is the best option in regards to its efficiency and effectiveness with minimal risks of acting and potential higher risks of not acting.

The Plan Change relies on an existing operative issue (efficient use of natural and physical resources) and an existing operative objective (management of resources by location). Because of the operative status of this issue and objective, they are not being considered in this report.

The Council proposes to rezone the land as two industrial titles and one residential title, and to create an esplanade reserve adjacent to Jenkins Creek, in order to promote more efficient use of this land, while still providing for recreation and access along Jenkins Creek.