

# City Development Strategy

Palmerston North

SMALL CITY BENEFITS, BIG CITY AMBITION

2018

Te Kaunihera o Papaioea  
Palmerston North City Council



# Vision

## PALMERSTON NORTH 2028

Palmerston North is the heart of the Manawatū region within central New Zealand.

We are a small city with a lot to offer, and we're ambitious about where we're going.

Palmerston North 2028 has been informed by our communities and is a statement of the future we want for our city. This document identifies the vision and strategic goals for Palmerston North from now to 2028.



# Palmerston North

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## SMALL CITY BENEFITS, BIG CITY AMBITION

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Palmerston North celebrates its small city advantages – great quality of life, strong community and easy, affordable access to services. We are a city that embraces our people and the Rangitāne o Manawatū iwi heritage and diversity, offering vibrancy and big city excitement without the hassle and cost. We are arty, with a creative spirit, and a healthy and active city with excellent options for sports and recreation.

We take seriously our responsibility to manage and renew for the future the city infrastructure our community relies on for its health and wellbeing.

As the economic and cultural centre of our region, we are ambitious, innovative and agile, and quickly adapt to change in order to create prosperity. We are connected and use the talents of our whole community to work as one team. We are a future-focused city that enhances its environment and ensures growth is sustainable.

**To fulfil the vision of *small city benefits, big city ambition* the Council has adopted five goals.**

Alongside the Economic Development Strategy, this strategy has been developed to achieve **Goal 1: An innovative and growing city.**

We are ambitious,  
innovative and agile





# Goal 1: An innovative and growing city

## Our aspiration

A city that is clever about the way it uses its natural advantages to encourage and support innovation, entrepreneurship and new industries, and positions itself to take advantage of change to fuel sustainable growth, prosperity and wellbeing.

## Our goals

We will drive entrepreneurship and innovation by providing the support, infrastructure, opportunities and conditions to enable traditional sectors to diversify and expand, and new industries and new economies to grow to create the employment opportunities that sustain and expand our city's future. Palmerston North will stand out by transforming its economy to a low carbon economy, using an action plan to achieve this.

## Our approach

The nature of work is changing rapidly and many jobs that exist today will be replaced by different types of work in the future. New jobs are anticipated in research, development and creative industries, and we must position ourselves for this.

We have a lot of clever people in Palmerston North and we can build on this – innovation breeds innovation. As our traditional industries evolve and new industries emerge, we must create an innovation ecosystem that extends our strengths of research, education and development, supports our entrepreneurs and innovators, and attracts new industries.

To do this we must foster entrepreneurs and enterprises small and large, helping them to compete in local, national and global markets by ensuring the infrastructure and programmes are in place to support their success. We also must develop new ways to gather and share information to grow our city's knowledge sector.

**Target: 12,000 more jobs in Palmerston North by 2028**



# 1. Introduction

Palmerston North is expanding and the Council wants to accelerate the city's growth and prosperity. It needs to adopt sustainable development practices and align the city's growth with Council's other goals for a creative and exciting city, a connected and safe community, and an eco-city. There needs to be a clear planning framework to promote growth and urban development by providing certainty for public and private investment.

Having a ready supply of land with infrastructure to support the city's growth will ensure Council can harness new development opportunities and increase Palmerston North's competitiveness. Council will provide infrastructure in a timely way while managing the financial risks of duplicating or providing too much infrastructure in multiple locations. In developing a planning framework for growth, the city must build on its historical strengths, including its compactness, strong city centre, transport network, supply of productive land and accessible freight and logistics hubs. Integrating land use planning and infrastructure can be a powerful economic development tool. The Government has provided strong direction about this, particularly for housing, in its National Policy Statement for Urban Development Capacity (2016).

The planning framework needs to provide investors with certainty and choice, while also directing new development to the most appropriate location. It also needs to ensure development is consistent with Council's broader objectives, especially for the city centre and urban design. Successful and high-quality development will contribute towards Council's strategic priorities.

The Council will work more closely with the development community, to build its confidence to invest in new ways and

achieve development that contributes towards the city's vision and goals. In the past, Council has focused on setting the planning framework, providing the infrastructure and enabling the private sector to invest. Despite considerable new house building activity, the types of housing being provided will not meet changing demographics and needs. Council needs to be much more responsive in how it provides land for housing and supports a greater choice of housing choice. Collaborating with Rangitāne o Manawātū on its strategic property interests post-settlement is also a priority.



## 2. Priorities

### PRIORITY 1: CREATE AND ENABLE OPPORTUNITIES FOR EMPLOYMENT AND GROWTH

#### Housing

Council's main role is to make sure land and infrastructure are available to accommodate growth and provide market choice while responding to changing demographics. The private sector provides new housing in Palmerston North. Council will work closely with developers to co-create new housing opportunities, such as the proposed Hokowhitu Residential Area at Centennial Drive.

The District Plan has been changed to provide more housing choices. Over the past 20 years, the main forms of housing development have been greenfield, infill subdivision and lifestyle blocks. Greenfield housing typically occurs at the edge of the city on large sections, with recent development at Kelvin Grove and Aokautere. Infill housing creates new smaller sections among existing housing, with recent development in Hokowhitu and the central city and hospital areas. Lifestyle blocks provide a housing choice in rural areas, with recent development on the foothills of the Tararua Ranges and elevated land north-east of the city.

Other housing choices now allowed under the District Plan include multi-unit developments and minor dwellings. Multi-unit developments are encouraged close to the city and suburban centres, where there is ready pedestrian access to services and facilities. Minor dwellings are aimed at meeting the demand for small, good quality and affordable rental accommodation.

The planning framework enables apartments in or near the city centre, including as part of a mixed-use development. Council will actively identify opportunities and reduce barriers to city centre living and brownfield development, including transitioning Roxburgh Crescent from industrial to residential.

Council will provide support for multi-unit developments, minor dwellings and city centre living, to reduce risks and uncertainty over design and consents. Co-creation is critical to encouraging these housing types, which are unfamiliar to the Palmerston North development community.

The demand for infill housing is expected to continue and enter areas west of the city. Lifestyle blocks are directed away from productive land and require their own infrastructure. Council wants land for new greenfield housing at Whakarongo brought to the market quickly. It will work closely with landowners and promote Council-owned land at Whakarongo to help meet housing demand.





To release pressure and meet updated growth projections, land at City West identified for medium to long-term greenfield housing will need to be released earlier than previously anticipated. The most suitable land for early release is the area bound by the Mangaone Stream, Te Wanaka Road and Pioneer Highway (the Racecourse land), which will need to be rezoned. The interests of private developers at the outer edge of City West could affect the cost-effective and efficient provision of network infrastructure. Council needs to work with the major landowner in this area to better understand the infrastructure options and timing of the rezoning.

Substantial greenfield housing capacity remains at Aokautere, but plans for developing the remaining residential land are unclear. Council will develop a structure plan with the major landowners to guide future development. The end of Pacific Drive needs to be connected with existing roads in the Turitea Valley. As well as the Hokowhitu Residential Area, Council will work with landowners at Napier Road and Flyers Line, where

small greenfield additions can be made without the need for substantial new infrastructure. A revised plan is needed to develop affordable and first homes at Ashhurst, taking into account detailed flood investigations of land north-west of the city.

Council will pursue the opportunity to use more public land for housing, particularly the vacant Housing NZ block. Council also has a significant property portfolio that can be used to contribute to city growth and development, while also providing revenue. This could include repurposing underutilised land or identifying land where uses can be relocated to enable sustainable housing development and intensification.

Council will prepare a more detailed, citywide future housing development plan that meets Government policy directions. For Council to take a more proactive approach to addressing housing affordability, there needs to be an improvement in the monitoring of housing demand and capacity.

## Office and retailing

The formal planning framework for future growth in office and retailing is well settled. The District Plan expects new standalone office or retail activities to be established in one of the four central business zones, where significant capacity is available. New office and retailing should leverage off planned public investment in the city centre.

Council will look at ways to help fill vacancies in larger office blocks in the city centre, including long-term leases for public parking or purpose-built parking buildings to support new tenancies. Office activities are expanding in business areas on the city centre fringes, where intimate purpose-built offices with onsite parking are meeting market preferences. The city also needs a shared business hub to encourage the business community to connect, collaborate and explore opportunities in a shared working environment. The city's central economic

development agency CEDA, Government agencies, Chamber of Commerce and other key sector organisations including education, science and innovation need to be part of this business hub.

Vacant land at Rangitikei Street is zoned for large-format retailing. Further work is needed to work out if the land should be made available for other uses, such as housing or mixed-use development.

## Industrial

The formal planning framework for future industrial development is well settled. Industrial land has been made available to the north-east of the city and at Longburn. The north-east is earmarked for large-format freight, distribution and logistics activities, while Longburn is best suited to wet or processing industries. Both locations are well placed for the new regional ring road. Industrial capacity also exists within the historical industrial spine adjacent to the rail corridor at Tremaine Avenue and at the airport. Working across boundaries with the Manawatū District is also important, particularly for new agribusiness industries, which are well suited to the Kawa-Kawa Road industrial area in Feilding.

Council will undertake a collaborative planning exercise to direct future investment in rail at the north-east and Longburn. Integrating rail to form a significant intermodal freight and distribution hub is a major strategic issue. Rail access at Longburn is limited to sidings only and rail is unavailable at the north-east. Traffic flows compromise the industrial land adjacent to the rail corridor at Tremaine Avenue.

Council needs to work with infrastructure owners at Longburn to make future development possible. Much of the existing infrastructure is privately owned, not up to modern standards or does not allow for future growth. Specific planning has been done to support the future growth of Fonterra's industrial activities at Longburn.

## Rural

The formal planning framework for rural subdivision and development is well settled. The District Plan discourages lifestyle blocks and further fragmentation of productive farmland. This land is a scarce resource and represents a significant economic opportunity for future generations, as identified in the Accelerate 25 regional growth study. It is also a valuable resource for sustainable local food production. Substantial capacity for lifestyle blocks is provided on the foothills of the Tararua ranges, to ensure they remain a legitimate housing choice for the city.

Council needs to implement the rural subdivision provisions of the new District Plan carefully. Council will discourage the provision of urban services, particularly reticulated services, in rural areas because it is an inefficient form of infrastructure investment. It also blurs the lines between rural and urban

development and leads to confusion about future development opportunities. Many landowners see the provision of urban services as legitimising intensification, while others believe it undermines the rural amenity they sought out.

## Strategic partnerships

Massey University and its supporting research institutes at Turitea are an integral part of the city and significant growth is projected as part of the development of the FoodHQ super-campus. As a partner in FoodHQ, Council should lead the development of a formal master plan, adopted by all partners, to remove uncertainty about the delivery of individual parts. Council's particular deliverables are for traffic calming at Tennent Drive to help form a new 'front door' to the super-campus and better connect the campus with the city via the Manawatū River.

Increasing the number of students living in or near the city centre will help build a stronger student-city culture. Council has helped UCOL with a city campus development plan and needs to continue to collaborate on implementing the plan to ensure UCOL benefits from its prime city centre location. Key sectors such as education, science, innovation and research must also have a presence in the centrally located business hub.

Significant further investment is planned at Linton army camp, including a new national logistics centre. Linton forms part of a strong defence presence in the city and Manawatū. Opportunities exist to support Linton by improving connections along the river corridor and the proposed regional ring road. These opportunities include a southern downstream road bridge, which will allow defence convoys travelling north to training bases at Waiouru to directly connect with the ring road rather than needing to travel through the city.

Council's role is to facilitate and support new investment in health facilities. The city is an important regional health centre. New health facilities under development will include further investment at Palmerston North Hospital and the further amalgamation of local health facilities into new joint facilities such as Kauri Health Care, particularly in the city's western suburbs. Council may have an opportunity to help Mid-Central Health with a master planning exercise at Palmerston North Hospital.

Schools play a critical role in local communities, and Council must have a strong working relationship with the Ministry of Education to ensure schools can respond to projected growth and changing demographics. This will also allow Council and the Ministry of Education to explore opportunities for shared services and facilities.

## Urban design

Council has made good progress in applying urban design principles to city development. The District Plan has been reviewed and urban design principles incorporated into the residential and business zones. A variety of design-led planning documents, such as the City Centre Streetscape Plan and Manawatū River Framework, are available to inform public investment and encourage private development.

Council needs to do more internal work to ensure there is a multi-disciplinary approach to improving the quality, planning, and delivery of major Council change projects. It will work more closely with the development community to improve their understanding of the principles and value of good urban

design. This should include collaboration on major private developments, urban design training opportunities for the private sector and a pre-application process for strategic developments.

## Heritage management

The city centre needs to be seen as an attractive place to invest to provide an incentive to strengthen and retain important heritage buildings. The risks and costs of strengthening the privately owned earthquake-prone heritage buildings concentrated in the city centre is a major heritage issue. Because Palmerston North is in the high-risk earthquake zone, it has the tightest timeframes for earthquake-prone buildings to be strengthened or demolished. Unlike other buildings, heritage buildings cannot be demolished if a landowner considers the cost of strengthening is not economically viable.

Council will support brownfield development opportunities and carefully consider support packages to encourage the retention and strengthening of heritage buildings. Done well, earthquake strengthening work offers a unique opportunity to modernise and repurpose heritage buildings and help revitalise the city centre. However, Council is aware that the strengthening requirements may be financially difficult for some landowners. Many of these buildings are located in secondary retail areas but could provide a unique form of city-centre apartment living.

Council has made good progress with identifying and protecting the city centre's built heritage, including the new North West Square Heritage Area. It needs to prioritise further collaboration on heritage projects like the Hoffman Kiln. Council also needs to undertake more work to understand and retain the city's unique residential character areas and the city's many notable trees.

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## PRIORITY 2: PROVIDE INFRASTRUCTURE TO ENABLE GROWTH AND A TRANSPORT SYSTEM THAT LINKS PEOPLE AND OPPORTUNITIES

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### Infrastructure

Palmerston North has good basic infrastructure, typical of a much larger city and able to support the city's future development. The roading network's grid structure provides a high level of connectivity and is a useful platform for building a modern, intermodal transport system. The city is often referred to as 'the 15-minute city', with travel possible from one side of the city to the other in less than 15 minutes. There is a ready supply of water and a single, strong integrated water network. Council is working towards a new wastewater treatment plant and also has a largely integrated wastewater network. Wastewater connections to the villages are extending the integrated wastewater network. The urban area is well served by the lower Manawatū flood protection scheme, which provides a high level of flood protection from the Manawatū River. The stormwater network generally copes with major rainstorm events. The city also has a ready supply of high-quality parks, reserves, recreational and cultural facilities.

Council needs to provide smart infrastructure to support growth in a timely way to achieve the goal of an innovative and growing city. In some cases, a just-in-time approach may not be enough to realise economic opportunities. Council must front-foot new infrastructure to support growth and be in a position to say 'yes', rather than 'maybe', to new investment opportunities. However,

this approach needs to be balanced with the costs and risks of servicing growth on multiple fronts. This includes carefully assessing the merits of staging infrastructure from the outer extent of the City West residential growth area first in order to satisfy private development interests.

### Strategic transport and parking

The strategic roading infrastructure needed to support the growth and development of Palmerston North is well researched and understood. Numerous strategic reports have stressed the need for a regional ring road that connects regional traffic with projected growth to the city's north-east and west, while also removing traffic from increasingly congested urban corridors. Good progress has been made, with the Government supporting investment in the first stages of the regional ring road via the joint Accessing Central NZ project. This momentum needs to be maintained over the next three to six years.

The north-east industrial zone and Longburn are well located to leverage off the presence of rail within the city, but a plan is needed to make sure rail forms a key part of future freight, distribution, and logistics activities in these locations.

The airport is an asset of regional significance and well located to support further growth in air freight and distribution activities, with the ability to operate around the clock. Planning is well advanced to support the growth of the airport and its operational requirements.

Planned investment in the city centre's streetscapes will help reinforce its identity, while also supporting the inner-city ring

road's role in reducing the traffic that travels through the centre. Council needs to rethink central city parking to better support the aims for the city centre. While a lack of parking is often cited as holding back investment and development, an over-supply of parking discourages the use of public transport, walking and cycling, and undermines the desired identity of the city centre. Park and short-walk arrangements have helped achieve a strong sense of place in some places by reducing the need for on-street parking. Long-term leases of on-street parking should also be investigated to help fill city centre vacancies.

# 3. Strategic themes

Council has identified four themes that will be strongly reflected in all of the plans developed to deliver on the strategies:

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## SMART CITY PRACTICES

- Provide infrastructure in a timely manner. Infrastructure should enable rather than hinder new growth opportunities.
- City development dashboard: A single source of information to monitor key city development indicators, such as business and housing development capacity.



## SUSTAINABLE PRACTICES

- Promote intensification of housing within the existing urban environment: For example, infill, minor dwellings, multi-unit, city centre apartments, brownfield development, and use of council or government land that leverages existing infrastructure and gets more people living in, or near, the city centre.
- Centres-based office and retailing: Supports increased vibrancy and further public investment in the city centre.
- Intermodal freight, distribution and logistics: Use Palmerston North's central location and access to road, rail and air transport to build a significant future-proofed freight and distribution hub.
- Retention of high-class soils: Retain this scarce resource to promote regional growth and international, national and local food production.
- Urban design principles: Build a growing city with a high-quality urban environment that locals are proud of and visitors are impressed by.
- Retention and promotion of heritage: Respect and use the city's Māori and European heritage to enhance city experiences.



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## IWI PARTNERSHIPS

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- Collaborate with Rangitāne o Manawatū on post-settlement property development opportunities: Provide tailored support and guidance to Rangitāne o Manawatū as they enter a new post-settlement development phase.
- Consultation on major city developments.
- Mana Whakahono a Rohe to provide a mechanism for Council and iwi to come to an agreement on ways Rangitāne o Manawatū may participate in RMA decision-making.



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## STRATEGIC PARTNERSHIPS

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- Support development aspirations of strategic partners: Deliver projects that support organisations that are critical to the future growth and development of the city.

# 4. Plans

## Plans to deliver on the City Development Strategy:

- A work programme for changes to the **District Plan** will deliver on the vision, goals and strategic priorities.
- The **Housing and Future Development Plan** will ensure there is sufficient, feasible development capacity to meet projected demand, as required by the NPS-Urban Development Capacity. The plan will identify the broad location, timing and sequencing of future development and be supported by the infrastructure plan.
- The **Strategic Partners Development Plan** will guide actions that demonstrate how Council will support development undertaken by strategic partners, including Massey University, FoodHQ, UCOL, Defence, Mid-Central Health and the airport.
- The **Urban Design Plan** will set out a series of initiatives that build on recent progress on urban design, and increase the understanding and application of urban design principles by Council and the private sector.
- The **Heritage Management Plan** will raise the profile of heritage and incentivise the strengthening of earthquake-prone heritage buildings in the city centre.
- The **Growth Infrastructure Plan** will signal the critical infrastructure matters needing to be addressed in asset management plans and identify where further investigation and collaboration is needed for major infrastructure issues.
- The **Strategic Transport Plan** will set out the strategic infrastructure matters needing to be addressed in asset management plans and the infrastructure strategy to support growth and prosperity, and identify where further investigation and collaboration with regional and central Government is needed for major strategic transport issues.

# 5. Success measures

Each of the three-year plans will have specific measures for each action specified. This strategy will also be monitored, so Council can see what progress is being made towards the goal of an innovative and growing city. Council will monitor a set of measures to gauge the strategy outcomes:

**Number of jobs**

**Median salaries and wages**

**Total earnings (salaries, wages and self-employment income)**

**Growth rate for median salaries and wages**

**People registered for MSD job seekers benefit**

**Labour force participation**

**Employment in key sectors**

**Change in percentage of school leavers with NCEA Level 2 or higher**

**GDP**

**Ratio of rent to median household income in Palmerston North**

**Ratio of house price to median household income in Palmerston North**

**Number and type of new houses**

**Location of new rural subdivisions**

**Housing density**

**Business and housing land supply**

**Number of international students**

**Number of heritage buildings retained and strengthened**

**Building occupancy in the city centre**

**Annual rail freight volume for Manawatū-Wanganui region**

**Domestic and international visitor spending**

**Digital maturity of businesses**





**Palmerston North City Council**

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