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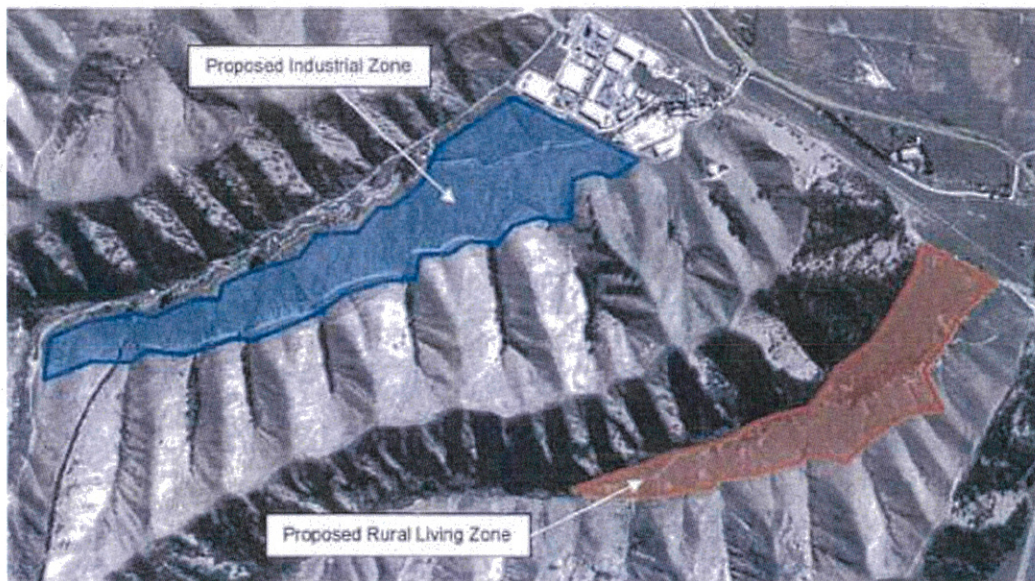
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6 May 2021

Marlborough District Council
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Levide Capital Limited's Submission on Long-Term Plan

1. This submission is made on behalf of Levide Capital Limited ("Levide").
2. Levide is the owner of over 800 ha of land adjacent to the Cloudy Bay business park.¹ The land consists of a large proportion of 15th Valley and 16th Valley. The land is mostly undeveloped but has a portion in 15th Valley established with Vineyards.
3. Levide made a submission on the proposed Marlborough Environment Plan ("MEP") that flat to gently sloping parts of 15th Valley should be rezoned to Industrial 2 and flat to gently sloping parts of 16th Valley should be rezoned as rural living.



¹ The ownership is through Levide's subsidiary 15th Valley Farm Limited.

JSM-408541-1-45-V6

4. Levide's submissions were rejected by the Council. A reason given was that the Council has not adequately planned for the provision of infrastructure for those zones:²

Council has not planned to extend the sewer network beyond the current area zoned industrial at Riverlands and Cloudy Bay Business Park and servicing and would require the installation and operation of a specific sewer pump station and gravity network within the zone. The capital and operational costs have not been budgeted in Council's long term plans or asset management plans and there are existing semi urban locations that would benefit from the installation of sewer and which should be given priority ahead of a re-zoning.

Overall, I do not favour the rezoning as it will be an inefficient use of resources given the likely adequacy of industrial zoned land already in the MEP; the additional upgrading required for infrastructure and the potential unsuitability of the soils.

That decision is currently under appeal before the Environment Court.

5. Levide submits that the Council should be planning in its Long-Term Plan ("LTP") to provide infrastructure for industrial development in 15th Valley and rural living development in 16th Valley.
6. The reasons in support of this submission are numerous and are provided below in summary form. Where appropriate, we have included and referred to evidence in support.

Stagnated Growth in Riverlands

7. The Cloudy Bay and Riverlands Business Parks are near capacity. The attached report of McDermott Consultants outlines the limited opportunities for expansion and the entry of new enterprises:³

[Of the vacant land available,] a small number, perhaps two or three such business, would occupy the bulk, leaving limited capacity for small scale fabrication, service, or specialist manufacturing operations.

8. It is not reasonable to assume that the demand for industrial activity in the area is exhausted. The Terra Nova Report highlights the fact that:⁴

No evidence is presented to support the inference that investment in industrial development is slowing down or that there will not be pressure on industrial land as a result. Taking a broader view, industrial investment has been substantial, although cyclical, over the past decade.

9. Growth in Riverlands has remained stagnant since 2015.⁵ Conversely, industrial development in Blenheim Central has shown steady growth over recent years. The graph below illustrates sustained demand for industrial floor space across Marlborough, and suggests that stagnated growth in Riverlands is a result of land availability as opposed to declines in demand.⁶

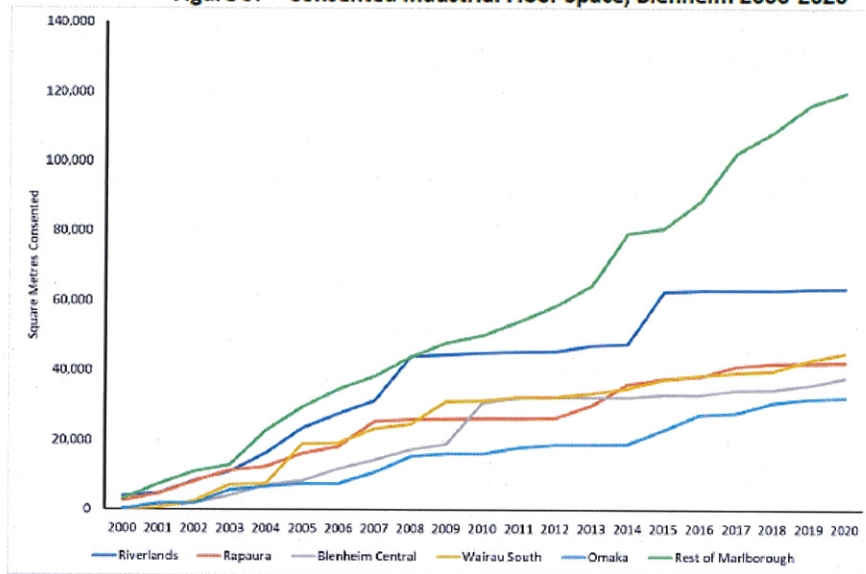
² Marlborough District Council "Topic 21: Zoning and Definitions" (MEP Hearing Decision, 6-7 November 2018 at 272 and 260).

³ *The Prospects of Increasing Industrial land Supply in Blenheim* (Prepared for Levide Capital and Terra Nova Consultants by McDermott Consultants Limited, 12 March 2020) at pp 10.

⁴ At pp 1.

⁵ *The Prospects of Increasing Industrial land Supply in Blenheim* (Prepared for Levide Capital and Terra Nova Consultants by McDermott Consultants Limited, 12 March 2020) at pp 11.

⁶ *The Prospects of Increasing Industrial land Supply in Blenheim* (Prepared for Levide Capital and Terra Nova Consultants by McDermott Consultants Limited, 12 March 2020) at pp 11.

Figure 5: Consented Industrial Floor Space, Blenheim 2000-2020

10. Under the MEP as proposed, the Council has zoned a stretch of land between the Riverlands Industrial Estate and the Cloudy Bay Business Park as Industrial 2. In theory, this opens up additional land for development. However, the proposed land is owned by a small number of owners with interests in the wine industry. The new zoned land does not provide a real market of land for industrial development. Council has an obligation to ensure a practical supply of land for development. It is not sufficient to merely zone new land if that land will not be readily marketed.

Good location for development

11. 15th Valley and 16th Valley are ideal sites for development for a number of reasons.
12. The Cloudy Bay business park is located at the mouth of 15th Valley. The valley itself is undeveloped save for some vineyards. This makes the valley and ideal location for expansion without significant impacts on amenity values.
13. Unlike the nearby plains, 15th Valley and 16th Valley are not within flood zones or tsunami inundation zones. They are also at low risk of liquefaction.
14. At the MEP hearing, the Council came to the conclusion that the soil in the Valley was unsuitable for development.⁷ This finding was not supported by the evidence.⁸ This is one of the matters under appeal.

National Policy Statement on Urban Development 2020

15. The National Policy Statement on Urban Development 2020 ("NPSUD") imposes a number of policies which support Levide's submission:
- a. Policy 2: local authorities (including Marlborough) must, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.

⁷ Marlborough District Council "Topic 21: Zoning and Definitions" (MEP Hearing Decision, 6-7 November 2018) at 109.

⁸ Dr Iain Campbell "Report on soils of 15th and 16th Valleys, Wither Hills Blenheim" 18 October 2018 at 4.

- b. Policy 8: local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is:
 - i. unanticipated by RMA planning documents; or
 - ii. out-of-sequence with planned land release.
- 16. While the NPSUD is an RMA document, it is still relevant to the LTP as part of an “integrated decision making” process.⁹

Outcome of Appeal

- 17. Providing new industrial and rural living land is good for Marlborough. More supply ultimately means less cost. The expansion of an industrial area creates more jobs, while creating additional rural living environment land will help alleviate housing strains. Levide has the necessary evidence in terms of soils, economics, planning, landscape, geological hazards, and water management to establish the lands appropriateness. Copies of relevant reports are attached for reference.
- 18. The final decision on zoning in the plan lies with the Courts.
- 19. The Council has given the absence of planning for infrastructure as a reason why the appeal should not succeed.¹⁰ If the Council decides not to plan for infrastructure now due to the absence of zoning, this will lead to a circular result. Now is the opportunity for the Council to do the planning for infrastructure.
- 20. If not this land, then other lands in the vicinity will need to be provided for. The Council should make the appropriate plans.

Cost Neutrality and Development Contributions

- 21. Ultimately, the provision of infrastructure to the area can be cost neutral. Any infrastructure costs may ultimately be passed on to a developer through development contributions. Council staff have noted that the infrastructure costs of developments are not predictable until particular projects are consented.¹¹ However, this gives flexibility to the Council to determine what contributions are required to account for developments as they arise.
- 22. In an internal report considering the rezoning proposal as part of the MEP process, Council officer Stephen Rooney states “costs [of infrastructure improvements] will be passed onto the developer or in some instances as user charges to the activity that occupies sites within the development.”¹²
- 23. The Council should not consider cost a barrier to the provision of infrastructure.

⁹ Local Government Act 2003, s 93(6)(c).

¹⁰ Marlborough District Council “*Topic 21: Zoning and Definitions*” (MEP Hearing Decision, 6-7 November 2018) at 272.

¹¹ Marlborough District Council “*Topic 21: Zoning and Definitions*” (MEP Hearing Decision, 6-7 November 2018) at 258.

¹² Memorandum from Stephen Rooney to Pere Hawes regarding the Requests for rezoning (Riverlands, Cloudy Bay and Omaka – Servicing Comments, w5 October 2018) at 3.

Conclusion

24. Provision of infrastructure at 15th and 16th Valleys is something the Council should provide for in the LTP.
25. We would like the opportunity to speak to our submission at a hearing on the proposed LTP.

Yours faithfully

GASCOIGNE WICKS



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Proposed Marlborough Environment Plan

Topic 21: Zoning and Definitions

Hearing dates: 6 – 7 November 2018

S42A Report Writer: Paul Whyte, Andrew Henderson, Liz Gavin and Matt Oliver

Conflicts of Interest: Commissioners Hook, Crosby, Oddie, Arbuckle

Interim decision: No

(Note: A list of conflicts of interest which arose during the process are available to view on the Marlborough District Council Website)

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List of Abbreviations

GMSF	Growing Marlborough – A Strategy for the Future
PMEP	Proposed Marlborough Environment Plan
MDC	Marlborough District Council
NES	National Environmental Standard
RMA	Resource Management Act 1991

Submitter abbreviations

Chorus	Chorus New Zealand Limited
Colonial	Colonial Vineyards Ltd
Levide	Levide Capital Limited
NZTA	New Zealand Transport Agency
Spark	Spark New Zealand Limited
Talleys	Talleys Group Limited Land (Operations)

Volume 4 Zone Maps

1. The following provisions are amended for the reasons set out in the report writers' Reply to Evidence or where no commentary is provided there, then as stated in the Section 42A Report:

Map 8 – Lot 1 DP 8533

Map 19 – 38 and 40 New Renwick Road

Map 21 – 100 and 102 Alabama Road

Map 34 – 5-9 Kent Street

Map 55 – 15 and 19 Hardings Road

Map 57 – 80 Main Road

Map 60/61 – Wairau Valley Tavern

Map 140 – Lot 1 DP 467695

Zoning Maps 12, 13, 18, 19 (Battys Road)

Burleigh Estate Ltd and Donna Marris

2. Several submitters gave evidence in support of the Marris Family Trust and Burleigh Estate rezoning 31.56 ha of Rural Environment land to Urban Residential 2, to the west of Battys Road and to the north of New Renwick Road.¹ The submitters own all of the relevant land on the Computer Freehold Register 721727 Burleigh Estate Limited, and Computer Freehold Register 160333 and 160334 Marris.² Figure 7 in the Zoning Section 42A Report illustrates this as Area 8 which was identified in the Growth Strategy as an area suitable for urban residential land.
3. Against the background of the Southern Marlborough Urban Growth and Development – A Strategy for the Future 2013 (the Growth Strategy), which predicted an increase in the population levels from the 2006 levels, indicating an increase for Blenheim of 2770 by 2031, the submitters seek to change the land use of the site in order to provide land for a range of sustainable developments in an expanding area of Blenheim. Recent plan changes have provided only 66% of what was originally proposed in the Growth Strategy, significantly short of what is needed out to 2031.
4. The area of Burleigh/Marris land is seen to be well placed to help provide urban capacity for Blenheim in the short to medium term.

¹ Donna Marris (200.1-200.4) and Burleigh Estate Ltd (98.1).

² Burleigh Estate Limited and Marris Family Trust, Gavin Cooper, Evidence, paragraphs 14-15, Ayson Surveys and Report *Battys Road West – Rezoning Proposal* at Attachments 1 and 2 refer.

5. The submitters were supported by witnesses from surveying, civil engineering, traffic impact assessment, geotechnical investigations and planning professions.
6. Ms Skilton, traffic engineer for the submitters, confirmed at the hearing that the results of the projections for a roundabout at the Battys Road/New Renwick Road intersection might require land acquisition from other owners (who had not been consulted).
7. In her analysis, Ms Skilton assumed a single lane roundabout with a 15 metre diameter. She changed the default roundabout environment factor from 1.0 to 1.1 to be conservative as 'Sidra' (the analysis tool) sometimes under-estimates delays at a roundabout.³ The layout used in the analysis is shown in Figure 22 of her evidence. It was recommended that the roundabout be constructed prior to the completion of all developments proposed in the submissions.⁴
8. The conclusion reached by Ms Skilton is that with the development, the level of service on the southern approach (Richardson Avenue) reduces to D. The right turn from Battys Road also has level of services D with an average delay for this movement of 27.7 seconds per vehicle.
9. 'With all the other developments the level of service reduces to F for both the southern and northern approaches. This level of delay is not acceptable and mitigation would be required'.⁵
10. As part of mitigation, however, Ms Skilton acknowledged there were 'space constraints due to local land use boundaries' in order to get enough capacity for the eastern approach ('two approach lanes are required here'), leaving 'final decisions at the detailed design stage'⁶ which would involve liaising with Marlborough Lines.

Section 42A Report

11. The report writer identifies the positive aspects of the proposal from the evidence of Donna Marris in terms of the site's geotechnical investigative ground conditions, its connectivity to both New Renwick and Battys Roads, and access to the road network. New Renwick Road is currently beginning to have high delays, particularly at the intersection of Battys Road. It is this intersection that is the Panel's main focus in this decision in zoning terms.
12. As to the mitigation evidence, the report writer considered that accommodating a roundabout on New Renwick/Battys Road did not appear to be conclusive in its preliminary design. The traffic effects at the Battys Road/New Renwick Road intersection were analysed by making

³ Burleigh Estate and Marris Family Trust, Laura Skilton, Traffic Figures Evidence, paragraphs 114-117.

⁴ In Figure 24 similar conclusions were reached in respect of the analysis of effects at the Aerodrome Road/New Renwick Road intersection (Laura Skilton, paragraphs 118-132).

⁵ Hearing Panel Minute 46, paragraph 3.

⁶ Burleigh Estate and Marris Family Trust, Laura Skilton, Traffic Figures Evidence, paragraphs 142-145.

projections as to those cumulative effects only when added to traffic effects of already consented or permitted activities.⁷

13. The Panel sought further information on the traffic effects at the Battys Road/New Renwick Road intersection, and similarly also an analysis of the effects at the Aerodrome Road/New Renwick Road intersection for which approval would also need to be sought, also identified in the evidence of Ms Skilton.⁸

Consideration

14. In its Minute 46, the Panel requested that Figure 22 (and Figure 24) provided in Ms Skilton's evidence be redrawn to include:
 - present property boundaries and information on the ownership of the underlying land;
 - the steps undertaken to acquire the land necessary to be able to construct the roundabouts as identified in Figures 22 (and 24).
15. The Panel undertook several visits to the site including when the response to Minute 46 introduced a new Figure 1, a schematic design of the Battys/New Renwick Road roundabout. Figure 1 provided the property details adjacent to the proposed intersection, advising that the only property owner consulted was the shop owner at the 72 New Renwick Road intersection.
16. Of particular interest to the Panel in the diagram, however, was the central roundabout in Figure 22 described as '14 metres [which] will allow for a 1.5 metre wide footpath around all four corners of the roundabout without any property acquisition'.
17. The focus of the Panel's particular concern related to:
 - (i) traffic movements along New Renwick Road in both directions; and
 - (ii) traffic movements into and out of Battys Road onto New Renwick Road in both directions; and
 - (iii) the impacts of the proposed design on current traffic flows on both Battys Road and New Renwick Road in a comparative sense with current road layout patterns.
18. The 1.5 metre wide footpath peters out not far from the corner in Richardson Avenue which indicates pedestrians would not be safe.

⁷ Section 42A Report, Reply to Evidence, page 1.

⁸ Hearing Panel Minute 46, paragraphs 3, 5-10.

19. A further request of Marlborough Roads⁹ sought confirmation from Marlborough's roading authority (Mr Steve Murrin) as to whether a safe and efficient roundabout could be constructed within the confines of New Renwick and Battys Roads and Richardson Avenue intersection without acquiring additional land. Mr Murrin's conclusion is that a safe and efficient roundabout can be constructed within the confines of those Battys and New Renwick Roads and the Richardson Avenue intersection with the caveats being:
- consideration be given to acquiring a 2.5 metre strip along the Battys Road frontage;
 - the proposal will have a significant impact on the available space in front of the shop on the corner of Richardson Avenue;
 - there will be slight delays for traffic going straight through on New Renwick Road as they would need to give way at the roundabout;
 - there may be a 'rat run' if traffic builds up on New Renwick Road heading east and the locals may 'rat run' run along Lancaster Avenue, Spitfire Drive and Richardson Avenue to avoid the traffic.
20. In Minute 50, however, the Panel had sought specific consideration from Marlborough Roads' response of footpath layouts and/or bicycle lanes if they were likely to be contemplated. Mr Murrin replied that the design can safely cater for cycle traffic or for pedestrian crossing roads within the intersection.¹⁰

Decision

21. The land subject to the submissions is rezoned Urban Residential 2.
22. Insert a new policy after Policy 12.9.6 as follows:

Policy 12.9.x – Before residential subdivision and development of land in Schedule 2, Appendix 23 proceeds, roundabouts at the intersections at Battys Road and New Renwick Road and New Renwick Road and Aerodrome Road must be considered as part of the subdivision consent process with the following outcomes to be achieved:

- (a) *In respect of Battys Road and New Renwick Road intersection a roundabout must be constructed prior to any subdivision and development;*
- (b) *In respect of the Aerodrome Road and New Renwick Road intersection modelling of traffic volumes/flows must be considered in determining whether a roundabout is required at that intersection before any subdivision consent is granted; and*

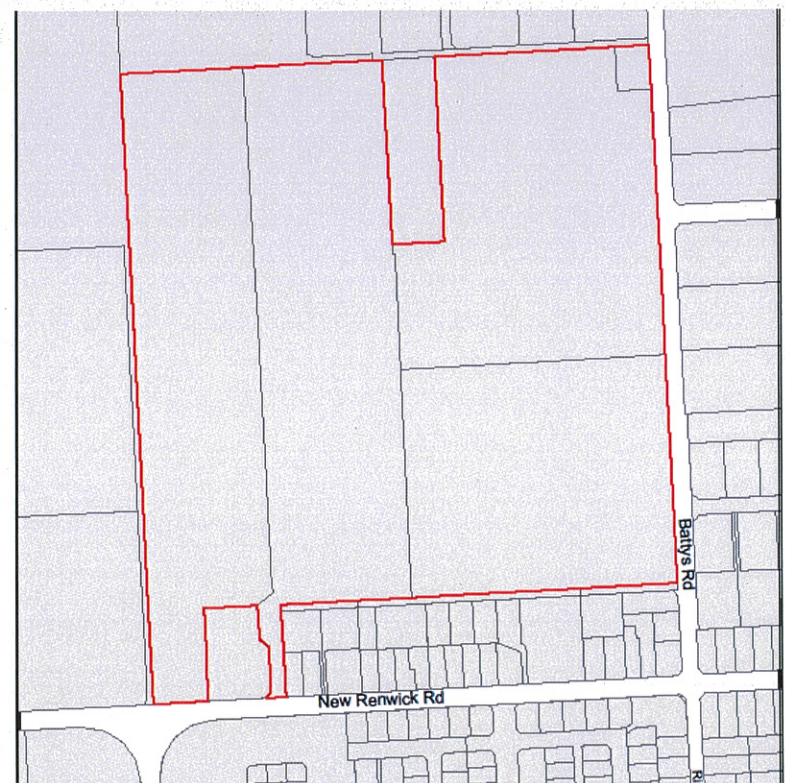
⁹ Hearing Panel Minute 50.

¹⁰ Marlborough Roads, Steve Murrin, Response to Minute 50, paragraph 3(i)-(iii).

- (c) Any roundabout makes sufficient and appropriate provision for likely traffic volumes, cyclists and pedestrians.

The land in Schedule 2, Appendix 23 was rezoned Urban Residential 2 as a result of submissions made to the notified Plan. Integrating future residential development on this land with the existing road network is of critical importance as the adjacent Battys Road and New Renwick Road are both secondary arterial roads under the roading hierarchy. To cater for the increased traffic volumes on these roads created by residential use of the scheduled land and to ensure that this traffic integrates with existing and future traffic flows, a roundabout is required at the Battys Road and New Renwick Road intersection. The policy directs that this roundabout is constructed prior to any subdivision and development of the land. An intersection may also be required at the Aerodrome Road and New Renwick Road intersection, to which it is intended to provide a roading connection for the residential development. The policy directs that modelling should be used to determine whether a roundabout is also required at this intersection. The modelling will allow for increased traffic flows generated by other development in the vicinity to be factored into the assessment. The design of the roundabouts should make provision for all forms of transportation.

23. Insert a new a Schedule in to Appendix 23 as follows:



D'Urville offshore islands

Poneke Rene

24. Mr Rene seeks to rezone a number of small offshore islands from Open Space 3 to Coastal Environment.¹¹ As listed in the report writer's Summary of Evidence,¹² Mr Rene's points of interest identified:

- The islands are in private Māori ownership and are ancestral land of cultural significance.
- Open Space 3 zoning would not enable the Māori landowners to provide for their social or cultural wellbeing.
- The key issue is that Open Space 3 enables conservation management over cultural space.
- Reference is made to the matters of national significance as specified in RMA s 6(e) – the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga.
- Open Space 3 zoning would take Māori out of the RMA and into the Conservation Act s 4 provisions which seek to give effect to the principles of the Treaty.
- Reference is made to recommendations on appropriate spatial layers under s 6(e).
- Open Space 3 zoning would not allow the full effect of s 6(e): promoting public access, promoting conservation management and possible co-management when this is not wanted.
- Concern with property and riparian rights.¹³

Section 42A Report

25. The report writer points out that riparian rights are not affected by a change in zoning. Section 6 RMA will apply regardless, while Open Space zoning is not as permissive as that of the Coastal Environment Zone. Open Space may be preserved to encourage public access but appears to be in his opinion the most suitable classification.

26. The suggestion the report writer makes is that customary rights be added to permitted activities; there is a potential scope issue in defining the exercise of these activities – as an

¹¹ P Rene (1023.6) Submission, paragraphs 114-119.

¹² Section 42A Report, Reply to Evidence, page Page 5 and 6

¹³ Section 42A Report, Reply to Evidence, Topic 21 Zoning.

example, the term 'māhinga kai' would not appear to be excluded from the zone, that is, 'māhinga kai gathering'.

Consideration

27. The Panel understood Mr Rene was concerned that in some way the limited permitted activities in the Open Space 3 zone would inhibit or restrict the ability of the Māori owners to be able to use these islands for their own customary practices.
28. The Panel sought clarification from Mr Rene as to what remedies would more specifically meet his concerns.¹⁴ In terms of access to the islands, Mr Rene's attention was drawn to Policy 9.1.4 PMEP which states:

Policy 9.1.4 – Acknowledge that public access to land held in private ownership can only be granted by the landowner.

Access to beaches, rivers and the high country frequently relies on landowner goodwill in allowing people to cross private land. This policy acknowledges that the Council respects the private property rights of the landowner and understands it is their prerogative to grant or refuse permission for people to cross their land.

29. The Panel considers that method 9.M.1 may not be consistent with this policy in the context of private land. This can be remedied by a slight amendment to 9.M.1 excluding public access to the subject lands.
30. The Panel also echoed the report writer's conclusion that the Open Space 3 Zone very limited permitted activities were more protective of the islands' environment than was the wide range of Coastal Environment Zone permitted activities.
31. In response to Mr Rene's concerns that there was no specific provision for the customary gathering of māhinga kai by the Māori owners, the Panel identified there is a possibility that the words 'Passive recreation' in the wording of the first of the permitted activities in the Open Space Zone could be amended to read:

Passive or informal recreation means the voluntary and unstructured use of a range of recreational activities including the customary gathering of māhinga kai.

32. Mr Rene did not accept that suggestion.

¹⁴ Hearing Panel Minute 42.

33. In his response to the minute, Mr Rene reiterated some of his concerns that a zoning dilemma still exists for Māori and should be noted for future Māori/Crown relationships not yet having a 'home' in any areas of Marlborough.
34. As a way forward, the only tenable option is his response to 'leave unchanged' the Open Space 3 Zone as the islands are currently zoned.¹⁵

Decision

35. As alternative relief, amend 9.M.1 by adding to the third sentence of the explanation for the Open Space 3 Zone:

... The zone for conservation purposes (Open Space 3 Zone) applies to open space intended to be retained largely in its natural state. Included in this zone are areas of native vegetation, natural ecosystems and important habitats, riparian margins and areas of outstanding landscape value that are in public ownership. An important aim for this zone is also the promotion of public access to and along the coast, lakes and rivers with the exception of the privately owned islands off Rangitoto/D'Urville Island. The Zone will therefore be applied to areas identified as Sounds Foreshore Reserve, esplanade reserve or unformed road reserve that abuts the coastline.

Zoning Map 85 – Talleys Site, Old Renwick Road

36. Talleys Group Limited Land (Operations)¹⁶ seek to rezone 747 Old Renwick Road, Rapaura (19.51 ha) shown on Figures 31 and 32 in its submission as Industrial (the type of industrial zoning and its extent is not identified). Part of the site is in the Floodway Zone.
37. Currently 747 Old Renwick Road is used for mussel shell and vegetable processing. This operation dates back to 1976 when an application was made in respect of a canning factory and since this time a number of resource consents relating to new buildings, operations, discharge of processing waters to land, and discharge to air from coal boilers and water take have been granted.

Section 42A Report

38. The report writer identifies a rural industry in a Rural Zone as a discretionary activity so any further activities on the site will require resource consent if further developments are outside the terms of existing consents. Rezoning to Industrial would enable light and heavy industrial

¹⁵ P Rene, Response to Minute 42 of the Hearing Panel, 30 November 2018, page 2.

¹⁶ Talleys Group Limited (374.1).

activity, service industry, warehousing and permitted activities subject to standards which are more permissive in terms of bulk and location and noise than Rural zoning.¹⁷

39. The report writer called in aid Policies 12.5.6 and 14.1.3 and Objectives 4.1 and 4.4 as indications that the proposed industrial zoning might not be advantageous to the submitter. He concludes that the submitter is essentially requesting a 'spot zone' given the predominance of the surrounding rural zoned land. Zoning at such a micro level may not be encouraged - in the context of sustainable management under the RMA as well as producing the complexities of a multiplicity of interacting effects if Industrial zoning is recommended. In a case before the Environment Court, the Court had declined this spot type of zone because of the potential for reverse sensitivity adverse effects from future possible activities in a Business Zone.¹⁸

40. The report writer recommended rejecting the submission on grounds of:

- the site's relative isolation in a rural area;
- the lack of strategic support for such zoning in the PMEP and the Growing Marlborough – A Strategy for the Future (GMSF);
- the number and nature of potential adverse effects that could be generated on the site;
- the impact on the amenity of the surrounding rural areas.

41. The report writer concluded that the activity should remain under the control of the resource consent process rather than allow a wider range of activities potentially available if the site is zoned Industrial.

Consideration

42. The legal submissions of counsel and the evidence of Mr Ron Sutherland disagreed with the Section 42A Report's recommendation not to rezone the Talleys Group site. Both were persuasive that there is an alternative to rezoning – scheduling the site, described in relation to Appendix 16 as a suitable 'handbrake' on future activities. Significantly, the submitter suggested limiting activities to food processing (excluding meat which would have signified freezing works-type activities).

43. In his Summary of Evidence in Reply to the suggested restriction of the proposal to food processing only, the report writer identified he was comfortable with that approach as the suggested restriction addresses concerns about other activities on such a large site. It was

¹⁷ Section 42A Report, paragraph 197.

¹⁸ Section 42A Report, paragraph 200. *Kamo Veterinary Holdings Ltd v Whangarei DC A/161/03*).

identified that Talleys' processing lines currently produce 5000 tonnes of product a day, but will be expanded to 8000 tonnes in 3-4 years. He noted the site is one of a few left of its kind for processing plants as well as the ability to sustain waste water disposal on site because of the size of its land holdings.

44. The Panel in its consideration of the proposal concluded that the project is an uncomfortable zoning 'fit', being classed as a rural activity; equally it does not fit with heavy industrial also. The Panel is particularly concerned that the infrastructure services for industrial zoning such as industrial waste collection and treatment are not available at this location.
45. We concluded scheduling the activity in Appendix 16 with Industrial 2 standards to apply was the most appropriate solution as it recognises an existing use. Consent will still be required for waste disposal which requires significant areas of land. For this reason it is not appropriate to schedule all of the submitters land. Nor is it appropriate to be rezoned Industrial 1.

Decision

46. Insert in Appendix 16 the following:
 - Schedule 6 – Talleys Group Ltd Site on land described as Lot 1 DP 4415
 - Insert site on Planning Map 85 Scheduled Activity relating to Lot 1 DP 4415.
 - The permitted activity rules and standards set out below
 - Where not otherwise provided for by, or limited by, the rules in Schedule 6 of Appendix 16, the rules of the Rural Environment Zone apply to all activities on the Talleys scheduled site.

6.1 Permitted Activities

Unless expressly limited elsewhere by a rule in the Marlborough Environment Plan (the Plan), the following activities shall be permitted without resource consent where they comply with the applicable standards in 6.2 below and 3.2 and 3.3 of the Rural Environment Zone.

[D]

6.1.1 Food production or processing (excluding red meat, deer, pig or poultry based food production or processing);

[D]

6.1.2 Activities ancillary to food production and processing (excluding red meat, deer, pig or poultry based food production or processing); including warehousing and the fabrication and maintenance of plant and machinery.

[R]

6.1.3 Permitted Activities 12.1.11, 12.1.12, 12.1.19, 12.1.20 and 12.1.28 of Chapter 12

6.2 Standards that apply to all permitted activities

6.2.1 Standards 12.3.2, 12.3.9, 12.3.10 and 12.3.17 of Chapter 12

6.3 Discretionary Activities

Application must be made for a Discretionary Activity for the following:

[R]

6.3.1 Any activity provided for as a Permitted Activity that does not meet the applicable standards.

47. Insert a new Permitted Activity rule in the Rural Environment Zone as follows:

Xxx Specifically identified activities listed as permitted on sites scheduled in Schedule 6 Appendix 16.

Zoning Map 126 – Queen Charlotte Drive, Grove Arm

48. Beaver Ltd and Clouston Sounds Trust, and RJA Black, JE Black and JV Dallison oppose the zoning of Lot 1 DP 10803 (2900 m²) and Lot 2 DP 10803 (6600 m²) respectively in terms of their dual Coastal Living Zone and Coastal Environment Zone mapping (Figures 35 and 36). The submitters state that the current 'zone boundary is based on a historical error' and seek that the Coastal Living Zone should be extended over the whole of the two sites. At present the Coastal Living Zone appears to apply only to some of the existing dwellings and curtilages and the Coastal Environment Zone to the 'undeveloped' parts of the sites.¹⁹
49. David Dew, on behalf of the submitters, reiterated their submission that zoning should at least reflect the development on the current sites (which does not occur at present). Further development is unlikely on both sites because of the steepness of the terrain.

Section 42A Report

50. The Section 42A report writer notes the adjoining sites and others in the vicinity are zoned in a similar 'split' way with the Coastal Living Zone applying to existing dwellings and curtilages and the Coastal Environment Zone to the undeveloped part of the sites. The zoning also reflects the situation in the MSRMP. The current situation is therefore not unusual, and the report

¹⁹ Beaver Ltd and Clouston Sounds Trust (29.1) and RJA Black, JE Black and JV Dallison (28.1).

writer is unsure what the 'historical error' may be referred to in submissions.²⁰ The sites could not be subdivided as a controlled activity because of their substandard area. The sites do not have reticulated sewerage.

51. The report writer also considers that any rezoning should have regard to the objectives and policies of the PMEP, particularly those relating to Coastal Living in terms of landscape, visual amenity, services and the stock existing already on the Coastal Living zoned land. His conclusion is not to recommend rezoning on the site.²¹
52. The report writer concluded in his Summary of Evidence after hearing Mr Dew in evidence that it is appropriate to extend the zoning on Lot 1 DP 1083 as the existing dwelling on that site is not covered by zoning. For the rest, there appears to be a mixture of zoning applied to the coastal sites across the PMEP as a whole site/part of site. But the report writer retains his opinion that the whole site should not be rezoned because of the potential further subdivision, notwithstanding the difficulties of developing the physical environment. In that respect, Policy 13.5.3 as notified is particularly relevant.

Consideration

53. The Panel's assessment of these submissions is that the zoning issue should be tidied up. Lot 1 Coastal Living zoning does not currently cover one of the existing houses. We considered both sites should be rezoned, making the sites no longer split into two. We also concluded because of the steepness of the two sites, it is unlikely that they could be further subdivided and consequently developed. We concluded the rezoning does not provide any development advantage in terms of additional dwellings but aligns the zoning treatment of this property in a similar manner to properties adjacent.

Decision

54. Zoning Map 126: The Coastal Living Zone is extended over all of Lot 1 DP 10803 and Lot 2 DP 10803.

Zoning Map 159 – Corlett Block and Others

55. Colonial Vineyards Ltd (Colonial) oppose the proposed industrial zoning of the Corlett Block (Lot 2 DP 440534, property number 536136) to the south of the Colonial site. Instead Colonial seeks rural zoning for that land.
56. Colonial is the developer of the Omaka Landing subdivision located on New Renwick Road between Richardson Avenue and Aerodrome Road. Development is occurring in stages with

²⁰ Section 42A Report, paragraph 215.

²¹ Section 42A Report, Summary of Evidence, page 1.

Stages 1-6 having been completed with 138 sections sold. The next stages total another 88 sections to be completed by the end of 2019.

57. The Corlett Block is a greenfield site for an industrial zone and as such Colonial considers Council should carefully consider the impact this new industrial zone will have for the existing residents of the area. A small textile mill, a trucking company, light manufacturing, servicing and repair could be established on the site. These references were among those mentioned by Mr Mark Davis, witness for Colonial.²² Reference was also made to a building able to be established with a maximum height of 12 metres and a minimum 6 metre boundary setback on the border with a Residential Zone.
58. The submitter notes the following:
- Council's view of the demand for industrial zoning is unrealistic as accepted in a recent case in the Environment Court affecting Colonial's land²³.
 - Now that the Colonial site has been rezoned to Urban Residential, there is a clear need to reassess the Colonial /Corlett Block Rural Zone interface as adverse effects and conflicts will arise including noise and traffic.
 - A buffer zone needs to be put in place between any Industrial/[Omaka] Airport zones. The retention of the Corlett Block in the Rural Zone achieves this.²⁴
59. Colonial Vineyards opposes only the Industrial zoning over the Corlett Block and not the land between the Corlett Block and the Omaka aerodrome. It does not oppose the zoning of land south of Corlett Block for Industrial 1. The submitter also seeks a buffer between Omaka Landing and the proposed Industrial 1 zoning to the south, and 'is open to' this being Open Space 1 as opposed to retention of Rural zoning, which should be zoned 20 metres wide providing it also incorporates an earth bund.

Section 42A Report

60. The report writer identifies the PMEP has provisions recognising the interface between zones so that business and industrial activities are appropriately separated from the boundary of adjoining residential zones (Policy 12.7.1 and relevant rules – indicative sketches of such an arrangement provided by Colonial). He does not agree a buffer is necessarily desirable but, given the fact that an opportunity to provide an enhanced buffer was suggested and not opposed by the landowner, this approach is a possibility. The opportunity arises on the Corlett

²² Colonial Vineyards Ltd, Mark Davis Evidence, paragraph 11.

²³ Colonial Vineyard Limited v Marlborough District Council [2014] NZEnvC 55

²⁴ Section 42A Report, paragraph 245.

Block, given its undeveloped nature at present. The report writer initially considered the Corlett Block should be retained as Industrial, but the Panel recommended consideration be given to a 20 metre wide buffer strip located on the Corlett Block and rezoned Open Space 1.²⁵

61. In his Summary of Evidence the report writer recommends that any bund would have to be incorporated as a rule in the Plan, for example, The Open Space 1 Zone located between Omaka landing and Corlett land shall contain a 3m high bund with a 1:3 slope. The buffer could potentially be extended in width. The alternative could be to insert a rule in the Industrial 1 zone on the Corlett land with a 'no build zone' of say 20-30m.²⁶
62. Mr Davis is supportive of the Section 42A report writer's proposition that there should be a zone between the (new) Light Industrial Zone and the Residential Zone being zoned Open Space 1. This arrangement would have the ability to create and protect amenity values.
63. If the zone is as narrow as 20 metres, Colonial would like to see this to incorporate an earth bund, approximately 3 metres high with a 1:3 slope. This would have very good acoustic deadening qualities, and when planted out would create a visual barrier for incompatible uses.
64. Counsel for Colonial considers the Council has altogether 'dropped the ball' because the PMEP provides no requirement for planting or earth bunds, or to address the visual effects of a potentially 12 metre high building on the boundary between the two sites.²⁷

Consideration

65. Colonial's original submission is that a buffer should be created by retaining the existing Rural Zone.
66. This and several other options were considered by the Panel in order to resolve Colonial's concerns and best provide for a Rural/Industrial development. The Panel undertook a site visit with the permission of the owner. The land in question is in close proximity to Omaka aerodrome and could potentially be used to accommodate its future expansion and related activities. The shortage of land for employment use on the periphery of Blenheim and the aerodrome (which provides opportunities and constraints, depending on the nature of the purposed land use) makes employment use in this area an efficient use of this land.
67. The Panel have come to the conclusion that the notified provisions of the plan do not adequately manage the potential adverse effects that could be generated by industrial activity

²⁵ Section 42A Report, paragraphs 248-253.

²⁶ Section 42A Report, Summary of Evidence.

²⁷ Colonial Vineyards Ltd, Counsel Submissions, paragraph 14.

on adjoining residential land. We note that unlike other industrial/residential interfaces in Blenheim this is a greenfields development.

68. The Panel queried how best to provide for an industrial/rural interface. That included;
 - an earth bund running along the boundary of the property with the land developed by Colonial Vineyard Limited;
 - setbacks for industrial activity greater than those already provided for in the notified plan;
 - the use of an alternative zoning such as Open Space 1 which cannot be used or driven on along the boundary of the property with the land developed by Colonial Vineyard Limited;
 - more constraining noise standards than those already provided for in the notified plan.
69. In reaching this conclusion, the Panel also considered the option of increasing the setbacks for buildings associated with industrial activity at the interface with residential zones. However, there was no submission that provided the Panel with scope to implement this response. The only option available to the Panel in these circumstances was site specific.
70. A precedent has previously been set for an increase in the buffer zone between residential and industrial areas at the Tremorne Ave locale. In that instance, a 12 metre buffer excluding habitable buildings has been scheduled in Appendix 19 and associated rule provided at 5.2.1.13. In that locality, the residential activity was proposed next to the existing industrial activity.
71. A similar approach in reverse, where industrial activity is proposed next to existing residential activity, would be effective on the Corlett block as no industrial development has occurred on this site to date. Any industrial development on this site in the future will be able to plan for compliance with any increase setback. At the same time, given the scale of the Corlett block (10.334 ha) the increase in buffer from 6 metres to the 12 metres is not considered to have a significant effect on the ability to develop and use the block for zoned purposes.
72. In addition to an increase setback for buildings, the Panel also had a residual concern about the ability to undertake industrial activity not contained in buildings in close proximity to the adjoining residential land. In order to effectively manage the potential for cross boundary effects the Panel also decided that a setback from the northern boundary of the Corlett block for industrial activity is warranted.

73. It is noted that the Corlett block is proposed to be zoned Industrial 1. That means that heavy industrial activity cannot occur on the land as a permitted activity. The setback set out above only therefore needs to apply to light industrial activity.

74. The PMEP has the specific policy that addresses the industrial/residential interface as follows:

Policy 12.7.1 – Business and industrial activities are appropriately separated from the boundary of adjoining residential zones so that any adverse effects on residential activities are avoided, remedied or mitigated through:

- (a) establishing setbacks for industrial activities from a residential boundary;*
- (b) screening of business or industrial outdoor storage areas from a residential boundary;*
- (c) restrictions on light spill;*
- (d) setting more sensitive noise limits at the boundaries between the Industrial 1 Zone and the Urban Residential 1 Zone; and*
- (e) standards for dust and odour.*

Decision

75. The submission from Colonial Vineyard seeking rezoning from Industrial to Rural is rejected.

76. A new standard setting out the revised buffer requirement is inserted in 12.2.1. as follows:

12.2.1.X On Lot 2 DP 440534, or any record of title derived from that lot, a building must not be located within 12 metres of the property boundary as shown in Appendix 19.

77. A new standard setting out the revised buffer requirement is inserted in 12.3 as follows:

12.3.X Light industrial activity in the Industrial 1 Zone

12.3.X.1 Light industrial activity on Lot 2 DP 440534, or any record of title derived from that lot, must not be undertaken within 12 metres of the property boundary as shown in Appendix 19.

Zoning Map 172 – 16th Valley – Levide Capital Limited

78. Levide Capital Limited (Levide) seeks to rezone part of the submitter's property from Rural Environment Zone to Rural Living, shown on Figure 47 of the Section 42A Report as 'Proposed Rural Living Zone'. It is over approximately 31 ha consisting of 27 residential sites. The site is located on the 16th Valley Wither Hills and is asserted suitable for its use because it will have limited visual impact and is seen as complementary to the existing rural production values on the land.

79. The location is essentially self-contained with access on to the site from a farm track across railway tracks from Cloudy Bay Drive and State Highway 1. An Indicative Rural Living Subdivision – Detail Plan²⁸ put in evidence indicates a proposed half circle layout of an asymmetrical settlement on the lower slopes and valley floor at the 16th Valley, flanked by subparallel, northeast to southeast ridges. The southern valley flanks slope at between 15° and 25°, whilst the northern valley flanks slope at around 25° to 30°.
80. A permanent water course/stream runs along the valley floor.²⁹ Adjacent to the northern aspect of the stream, a heavily wooded forest dominates the landscape rising sharply to the ridge line and down to the banks of the stream.
81. The minimum subdivision area for the Rural Living Zone is 7500 m².³⁰ While a geotechnical report for the site was included with the submission, the submission lacked an analysis of potential effects, difficulties with servicing, and the potential conflict with the provisions of the PMEP as notified.
82. The Section 42A report writer was consequently unable to recommend that rezoning proceed at the submission stage of proceedings.

The Levide case

83. At the hearing, Levide provided a number of witnesses – engineering, landscape, soil science, geology, planning – all of whom better informed the hearing of what Levide proposes. We note there are also the Afforestation Flow Sensitive Overlay, the Wairau Dry Hills Landscape Overlay, and the Soil Sensitive Areas Overlay. Threatened Environments and Water Use Unit Overlays apply to all or part of the land in question.³¹
84. The submitters' evidence responded to a number of matters initially raised in the Section 42A Report:³²
 - Wastewater is proposed to be disposed of on each site and water supply by roof collection. Provision of services required in terms of Rule 24.1.2 and .3.
 - In terms of the Wairau Dry Hills Landscape Overlay there is only one small area located and it is adjacent to the area in question. Buffer and Conservation planting are proposed as part of the development.

²⁸ Levide, Liz Gavin, Evidence, Appendix C Indicative Plan.

²⁹ Levide, Richard Justice, Evidence, paragraphs 12, 13.

³⁰ Section 42A Report, paragraphs 270, 275.

³¹ Levide, Shane Hartley Evidence, paragraph 4, Attachment C.

³² Section 42A Report, Summary of Evidence, Zoning Topic 21, page 5.

- Concerns about sporadic development and transition from urban to rural development in the Rural Living Zone 14.5.2(c), (i) and adverse effects on water and oil quality (e) remain. The report writer acknowledges not all Rural Living Zones are transitional and are often isolated.
 - Concerns about soils on the site – it is partly located in Soil Sensitive Overlay loess soil. Policies 11.1.19 and 11.1.21 refer to controlling and avoiding structures on unstable land ‘including by means of zoning’.
85. Mr Justice of ENGEO, an experienced engineering geologist, gave a brief outline of the predominant geological hazards that could affect the 16th Valley in the location of the site. Potential liquefaction is considered to be low because of its underlying geology. Historic evidence of shallow landsliding and debris flow is indicated on the flanks of the ridge lines of the adjacent 15th and 16th Valleys, but direct risk from this style of failure Mr Justice considers low in the area of the proposed plan change.
86. In relation to soil erosion, this area of the 16th Valley is identified as two types: rilling; where overland flow scours and cut rills that further concentrate runoff, and can then deepen with collapse of the sides of the rill; and tunnel gully erosion, where cracks in the surface of the soil allow water to penetrate into the subsoil resulting in the enlargement and interconnection of subsoil voids. Over time, interconnection and physical enlargement of the voids can occur, leading to tunnel development. Ongoing enlargement can lead ultimately to collapse and formation of a tunnel gully.
87. There is widespread evidence of loess erosion within the 15th and 16th Valleys of the Wither Hills.³³
88. Reports on the valley soils in the 16th Valley were provided by Dr Iain Campbell who indicated that the soils are formed on landscapes that are different from most of the Wither Hills or terrace lands. He investigated how the Levide-proposed sites have properties that differ from those that are nearby formed from loess. He is of the opinion the valley floor soils on which the development is to be situated have a limited or negligible potential for tunnel gully erosion. Specifically, Dr Campbell’s research indicated there was no tunnel risk on the areas to be rezoned below 100° slope and limited minimum risk between 10°-15° slope.
89. The soils at the site are a ‘recent soil formed from multiple layers of stream deposits’. Bore hole (pit) testing carried out by ENGEO indicates that foot-slope deposits on lower valley side

³³ Levide, Richard Justice, Evidence, paragraphs 15-20.

surfaces are inherently variable, have intermittent layers of coarse or fine sediment and are younger than the soils on the slopes above since they are subject to periodic accumulation. This is illustrated here by the absence of a compact fragic horizon and the presence of more recently deposited surface materials. Earlier soil surveys have not been of a scale that would have allowed these foot-slope soils to be recognised as a separate entity.³⁴ The site is thus considered suitable for development.

Marlborough District Council's Evidence

90. Mr Matthew Oliver, an environmental scientist with MDC, provided evidence which was precautionary in its implications, while recognising the significance of Dr Campbell's findings and the soil pit investigations undertaken by ENGEO that the valley floors are not loessial but colluvial, and should not cause difficulty. Mr Oliver backgrounded his desktop analysis with a previous example of storm damage reports on the Wither Hills dated April 1980 and a more recent photograph of a home built in the centre of a depositional fan and another with sediment damage August 2008, together with 1948 aerial photographs of the location and the remedial work of loess soils undertaken across the Wither Hills.³⁵
91. Mr Oliver is of the opinion that:
 - Some of the deposition referred to by Dr Campbell appears to have occurred recently – erosion from the valley sides may be the greater risk posed from depositional events to future development.
 - Flooding is a risk in the valleys with the Wither Hills prone to periodic heavy rainfalls. This risk has increased with the probabilities of climate change.³⁶
92. Mr Oliver carried out a further update on the 16th Valley loess soils for inclusion in Topic 14 Soil Sensitive Areas: Waste Water. Mr Oliver attached his report to that topic marked Appendix 1 which Levide had also submitted on seeking the changes identified above.
93. Mr Oliver agrees that Dr Campbell's colluvial soils show clear evidence of recently deposited material on the surface layers, the deposition driven by gravity and usually mediated by water. He adds: 'To be clear colluvial soils form a material deposited by landslides or downslope erosion. Often these events occur following heavy rain.' These factors led Mr Oliver to think that erosion from the valley sides may be a greater risk posed to future development.

³⁴ Levide, Ian Campbell Evidence, page 5.

³⁵ MDC, J Alwin Evidence *Report on Levide Capital Rezoning Request: reply to further evidence submitted* November 2018, Figures 2 and 1.

³⁶ MDC, Soil Disturbance, Matthew Oliver, Evidence, page 4

94. Mr Justice is cited as identifying 'risk' in his original evidence as 'the probability of an event occurring multiplied by the consequences of the event'. Mr Oliver in this context suggests that the probability of a large event occurring has increased with climate change, with the Wither Hills as subject to very high rainfall.
95. Levide seeks removal of part or all of its property from the SSA loess soils overlay. Campbell (2011) mapped to the mid-upper slopes of the area which indicates a mixture of Waihopai and Vernon soils, both erosion prone in their particular way. His work, according to Mr Oliver, did not map the lower slopes of this valley which are indicated in the ENGEO report as appearing to be underlain by variable thickness of loess and loess gravel colluvium.
96. Mr Oliver does not support the proposal that repair of tunnel gully erosion on slopes less than 25° be a permitted activity. While repair of damaged areas is desirable, poorly timed and designed work could pose more risk to downslope landowners than currently exists.

Site Visit

97. The Panel visited the site with the permission of the owner.

Consideration

98. In the course of our deliberations we identified a number of issues:
- Each of the small sub catchments flowing down into the main stream conclude in colluvial fans with the flows being uncontrolled out onto those fans. That fact raises concerns about control of those flood flows and deposition accompanying them and possible rilling in extreme storm events.
 - The large plantation forest opposite the site is a potential fire hazard with little setback from the stream and this area is likely to become desiccated in drought conditions.
 - The main stream banks are deeply incised and it was asserted will not flood.
 - Significant transmission power lines cross over the site.
 - Standard 3.3.14.4 restricts excavation of loess soils. There are practical concerns about hazard mitigation works and maintaining them (by a corporate body).
 - Mr Justice acknowledged that the probability of tunnel gully erosion on the hill slopes surrounding 16th Valley to be high.³⁷ Mr Oliver's evidence indicated some patches of loess remain on the slopes with the potential to create tunnel gully erosion on the

³⁷ Levide, Thomas Richard Justice, Evidence, paragraph 26.

slopes but in terms of soil erosion risk. According to Mr Justice this would be a relatively slow process.

- The access to the site involves traversing deposition from what appears to be an active loess soil gully.
- There is evidence at the western end of the proposed site of the potential effects of side stream flows.
- Fire fighting capacity is not identified in evidence and water supply appears insufficient, particularly in times of drought.
- In planning terms, there are concerns about soils on the site irrespective of the Levide evidence. The site is partly located in the Soil Sensitive Overlay (loess soils). Policies 11.1.19 and 11.1.21 refer to controlling and avoiding structures on unstable lands by means of zoning. Retaining the land as Rural Environment Zone is one method of achieving this.
- Rules restrict earthworks on loess soils (Rule 3.3.16.12). Practical concerns remain about implementing hazard mitigation works and maintaining them (by a corporate body).³⁸

99. The chief concern of the Panel relates to the presence of loess soils on the property. While Dr Campbell's evidence promotes development on the grounds of the valley, this does not negate the issue that the loess soils exist on the slopes above the site where 27 residential sites are to be developed. Sporadic urban-type development, infrastructure servicing, waste water disposal on a site intersected by streams all remain in issue but the greatest of all are the potential adverse effects related to loessial soil movement.

Decision

100. Retain zoning as notified.

Zoning Map 160 – 15th Valley – Levide Capital Limited

101. Levide also requested Industrial 2 zoning for an area of 56.4 ha of its land in 15th Valley to the south of the existing industrial zone. Its evidence was that the building development could be achieved without exposure to instability of loessial soils, either as a result of run-off from slopes above or from under-runners and associated tunnel gulley erosion effects. Nor it was asserted was there any serious risk from inundation emanating from any of the watercourses flowing down into the mainstream in the valley below. The reasons for these assertions were

³⁸ Section 42A Report, Reply to Evidence, page 5.

particularly based on the relatively level land form as a result of the development of vineyards that had occurred in the floor of the valley over recent years.

102. The submitter's experts pointed to the works that had been undertaken to achieve management of erosion risk and floodwater collection systems by extensive open drainage to enable the vineyard development. They also emphasised what they asserted was the success of those management systems which had meant the vineyard operation had been carried on for some years without damage from those sources. In any event the submitter stressed that warehousing particularly for the wine industry was the most likely outcome and it requires uncomplicated land management systems.
103. As to the demand for industrial land Levide stressed that the uptake of industrial land has been rapid in recent years in Blenheim and its surrounds.

Site visit

104. A site visit was undertaken with the permission of the submitter landowner.

Consideration

105. A major concern as to integrated management of infrastructure in this area was the fact that there is a considerable area of land, land which has already been zoned industrial that has not yet been developed but which has been catered for in terms of Council infrastructure planning for water supply in particular but also in terms of roading patterns and drainage.
106. In terms of water supply, the Panel received a report from Mr Stephen Rooney, the MDC Operations and Maintenance Engineer. He advised that after taking into account the needs of the land already zoned industrial at this location there was no additional capacity from the existing water take and supply system. There is a serious problem in terms of supply in that the Riverlands aquifer is over-allocated already. If this land was to now be rezoned and developed ahead of the land already zoned then the existing zoned area for industrial development would be unable to proceed as there would be insufficient supply for both.
107. For those reasons the Panel is of the view the existing zoned land should be given priority for development over the Levide land.
108. The Panel was also not satisfied that it was appropriate to rely on the evidence of asserted lack of adverse effects of deposition and flood flows on a long term sustainable basis, and it was concerned that there was no long term proposal as to management of those issues if they were indeed to arise after the lots were sold off. The catchments involved are not insubstantial and much clearer evidence of a method of long term management of erosion risk and flow management would be needed before zoning was appropriate for this land.

109. That these are serious issues was stressed in Mr Oliver's memorandum included as Appendix 2 to the S42A Report which we have quoted in relation to the residential proposal for 16th Valley – (the underlining emphasis at the conclusion is the Panel's):

In reviewing all of this information, a number of points have become apparent to me. Firstly; the EnGeo report accompanying the Levide Capital submission is insufficient to provide any level of certainty regarding the stability of the soils, and the suitability of those soils for the intended purposes. There is a great deal of soil erosion risk that is not accounted for in this report. Secondly, the EnGeo report identifies similar landscape features as documented in the Riley and MWH reports. It is likely that very similar erosion issues would be identified if a more detailed study were carried out on the 15th and 16th Valley sites. Finally, given the scale of risks identified during the Plan Change 60 process and the fact that the zone change application was eventually declined despite a much more detailed geotechnical report being presented, this would lead me to feel that a precedent has been set. This precedent is that zone changes in these soils require an extraordinarily high standard of geotechnical planning and mitigation to prevent risks to property from erosion.

110. In conclusion, then, while the Panel accepts that the rezoning as requested has potential if a more sophisticated long term engineering management package was developed, those concerns combined with the water supply problem, and the availability of other zoned land in the vicinity for which infrastructure was already available or planned, meant that that potential was not appropriate during the expected life of the PMEP. The issue of the appropriate zoning of this land could be reassessed at time of next plan review.

Decision

111. Retain the Rural Environment zoning in 15th Valley as notified.

Zoning Map 13, - Waters Avenue Area

Section 42A Report

112. The report writer noted the area encompassing the Waters Avenue area had formed part of the Marlborough Growth Strategy. The Strategy did not support a zoning change, stating:
113. Although there was some support for an expansion of the existing industrial zones, the Council decided that any such expansion would create additional conflict between industrial activity already in the vicinity and residential activity.
114. Since the growth strategy was finalised, the landowner has constructed a vegetated earth bund on the boundary between 30 and 34 Waters Avenue and the residential properties along

Birchwood Avenue. The earth bund was constructed to specifically manage cross boundary effects between residential activity on Birchwood Avenue and what the landowner clearly anticipated to be industrial activity on 30 and 34 Waters Avenue.

115. The notified zoning of the general area as specified in the PMEP is therefore consistent with the growth strategy.
116. The Growth Strategy did not support a zoning change.

Site visit

117. A site visit was undertaken by the Panel. The principle observation made by the Panel is that on 33 and 37 Waters Avenue the activity is light industrial pursuant to resource consent controls. The nature of those activities in the Panel's view was best retained subject to conditions because there is no bund to the west of them as there is now to the sites on the other side of the road.

Consideration

118. The potential of a rezone of 30 and 34 Waters Avenue was advanced by submission due to its proximity to the sawmill and the existence of the earth bund. The report writer agreed with this stance.
119. The earth bund development, in the Panel's view, resolved what had been a long standing issue in this area. The land adjacent to such a substantial industrial activity should not be zoned for residential purposes and light industrial as a transition to the residential zoning at Birchwood Avenue is the appropriate outcome.

Decision

120. Decline zoning change of 33 and 37 Waters Avenue.
121. Rezone 30 and 34 Waters Avenue from Urban Residential 3 to Industrial 1.

Zoning Map 15 - Francis Street, Blenheim

Section 42A Report

122. This issue relates to a property on the corner of Francis and Redwood Streets on the northern side of Francis Street. The report recited the recent history of a failed attempt to use a submission on a CBD Variation, with the submission seeking to rezone all of the northern side of Francis Street as Commercial, but which was defeated by residents' opposition. The report did point out, however, that the site is adjacent to a Business zone and that that provided opportunity for integration into that zone as the submitter S & J Saunders Trust sought.
123. However, the report also drew attention to the risk that rezoning of this property might be perceived as the PMEP recognising a shift of Francis Street northern frontage properties

becoming Commercial without there having been a strategic assessment of the appropriateness of that change. The report noted that there would be a potential effect on the residential amenity in Francis Street if that rezoning occurred.

Consideration

124. The Panel heard evidence from Mr Gavin Cooper stressing the practical benefits that arose from the combined ownership of adjacent properties by the Trust, the adjacent commercial environment, and what he asserted would be the limited amenity effects from a rezoning of this one property in an environment with heavy traffic volumes on Redwood Street and existing commercial activity immediately adjacent to the north. His evidence also stressed that any development could be carried out in a manner that did not impact adjacent residential amenity. After hearing that evidence the Panel undertook a site visit.
125. The Panel was not satisfied that the visual amenity effects on neighbours would be able to be protected if rezoning occurred. If a resource consent application was made those effects could be considered in more detail, and amenity effects more readily controlled by conditions of consent if a consent was seen as appropriate having regard to broader policy issues. In addition to the visual aspects, if rezoning was to occur the Panel had real concerns as to how vehicle access could be safely provided for on this corner site having regard to the heavy traffic flows on Redwood Street. Finally, the Panel was concerned that the policy implications for the Plan zonings on both sides of Francis Street had not been more broadly considered as the submission sought only one property being rezoned. The Panel felt a broader assessment of those zoning issues would be required before that could properly be done without undermining the general zoning on both sides of the eastern end of Francis Street which at present provides that eastern end of the street with a residential amenity.

Decision

126. The rezoning request to change the zoning of the property at the corner of Francis Street and Redwood Street from Urban Residential 1 to Business 1 Zone is rejected.

Zoning Map 17 - Stubbs and Carre

Section 42A Report

127. The Section 42A Report was negative in its response to the request of the submitters J.P Carre and D & J Stubbs to rezone this land near the fringe of the eastern side of central Blenheim from Rural Environment to Urban Residential 3 zone. The report pointed out inconsistencies with Policy 12.1.6 as to the purposes of the Urban Residential 3 Zone in that the subject land is not adjacent to Blenheim, the sites have direct access to SH 1 and that services would need

substantial upgrading to service residential development as to both water supply and sewerage servicing. Stormwater retention and disposal was also raised as an issue of difficulty.

Consideration

128. The submitters strongly stressed the heavy level of non-rural activity which had occurred and was being serviced across the State Highway as a result of resource consent applications for vineyard workers. They maintained that their properties were similar in nature and were so small as not to be capable of being utilised usefully for productive rural purposes. They also pointed to the reality of the residential development of land to the south east.
129. After hearing the evidence of submitters the Panel carried out a site visit. While that visit visually supported the points made by submitters about other developments in the area, it also demonstrated that vehicle access safety issues for vehicles entering or leaving the subject land onto SH1 at this location were real. The sites lie in a location where SH1 undertakes a sweeping bend raising visual field of sight limitation concerns. The Panel was not satisfied on the evidence it received that those concerns could be safely addressed.
130. The Panel noted that the Section 42A Report highlighted significant infrastructural constraints in respect of residential development of the site as to water supply and sewerage. Stormwater retention and disposal was also stressed in the report as a serious issue. The Panel was not satisfied that the submitters' evidence satisfactorily addressed the servicing limitations which had been described in the Section 42A Report.
131. As to plan policy provisions there were not only the concerns raised about inconsistency with Policy 12.1.6 which the Panel agreed were of substance, but the provisions of Policy 11.1.17 were also very relevant. That policy provides:

Policy 11.1.17 – Avoid locating residential, commercial or industrial developments on Rural Environment or Rural Living zoned land on the Wairau Plain east of State Highway 1/Redwood Street, unless remediation methods are to be used to reduce the level of liquefaction risk to an acceptable level.

132. It is also apposite to quote from the explanatory statement to that Policy which states:

This policy signals that it would be unwise to allow any future commercial, industrial or multi-lot residential developments to occur on rurally zoned land underlain by the Dillons Point formation due to the high risk of liquefaction. Such liquefaction has the potential to cause significant damage to buildings and infrastructure and would therefore cause significant disruption to residential, commercial or industrial activity. A policy of

avoiding such development of land ensures that significant investments and community infrastructure is not subject to unnecessary risk.

133. For all of those reasons the Panel did not agree with the re-zoning requested.

Decision

134. The request for rezoning of 3020 State Highway 1 and 3038 State Highway 1 from Rural Environment to Urban Residential 3 Zone is rejected.

Zoning Map 76 - Rewa Rewa

Section 42A Report

135. The request by Rewa Rewa Limited to rezone all of Lot 3 DP 403652 from Coastal Environment zone to Coastal Living Zone was initially described in the Section 42A Report and a specific landscape assessment accompanying it as being in conflict with a range of policies, and as being inconsistent in some respects, particularly as to the number of potential allotments, with the property's resource consent history.
136. As a consequence of the evidence presented at the hearing, however, which in particular significantly reduced the area sought to be rezoned so as to relate more appropriately with the resource consent history and the site specific development limitations, the Reply to Evidence supported the more limited request.

Consideration

137. The Panel noted that detailed consideration to appropriate levels of development of this land had occurred when resource consents for subdivision were approved and that it was only because of the downturn in market conditions that meant the subdivision did not proceed.
138. As with the report writer, the Panel was appreciative of the submitter's response to limit the area requested to be rezoned to reflect that resource consent history. The Panel had no reason to form a different view than was reached on the detailed subdivision proposal. This is one of those rare situations where the Panel was prepared to recognise the practicality of using scheduling of a particular property in Appendix 16 with appropriate site specific controls being available using that mechanism. That will enable effect to be given in a plan rezoning way to the past resource consent approvals.

Decision

139. Amend Planning Map 76 to show part of Lot 3 DP 4036523 as Coastal Living and Scheduled Activity.

140. Insert in Appendix 16 the following:

Schedule 5 – Portage - Subdivision of part of Lot 3 DP 4036523

Where not otherwise provided for by, or limited by the rules in Schedule 5 of Appendix 16, the rules of the Coastal Living Zone apply to all activities on the Portage scheduled site.

5.1 Controlled activities

Subdivision of that part of Lot 3 DP 4036523 shown in the map below is a controlled activity subject to the following standards:

1. A maximum of 12 allotments.
2. A minimum net allotment area of 4,000m²
3. A maximum building height of 7.5m above ground level for any building within 50m of Kenepuru Road, and a maximum building height of 6m above ground level for any buildings more than 50m from Kenepuru Road.
4. A maximum building footprint of 300m² on each allotment.
5. A maximum area of the site that can be cleared for buildings and curtilage (excluding access) of 400m².
6. Compliance with relevant subdivision standards of the Coastal Living Zone in Chapter 24 except that Standards 1-6 shall prevail if there is any conflict between these standards and the Zone Standards.

Matters over which the Council has reserved control:

The matters set out in Rules 24.3.1.9 - to 24.3.1.26 of Chapter 24.

5.3 Discretionary Activities

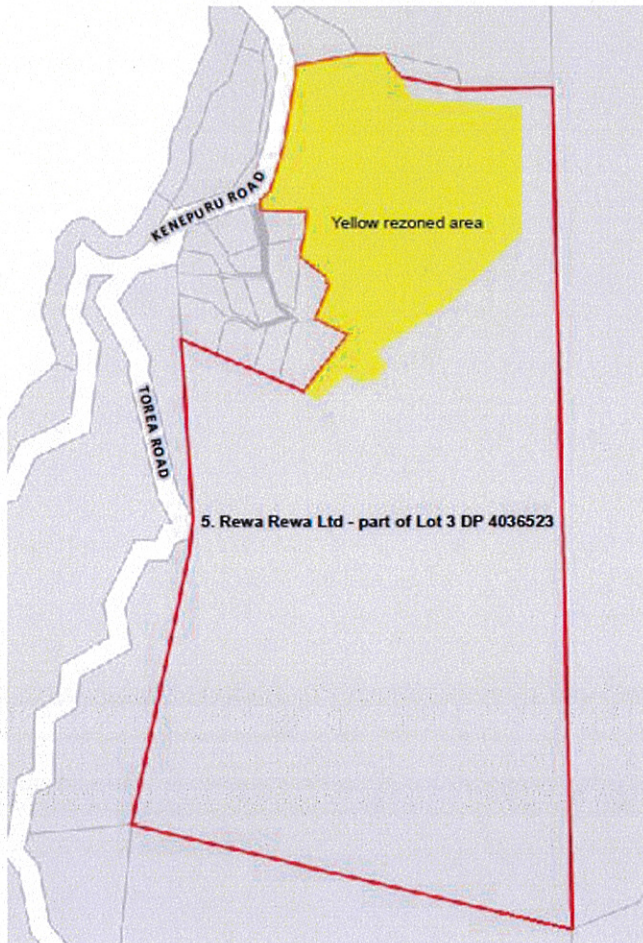
Application must be made for a discretionary activity for the following:

- 5.3.1 Any activity that does not meet Standards 1- 6 above.

141. Insert a new Permitted Activity rules in Coastal Living Zone as follows:

Specifically identified subdivision listed as controlled on sites contained in Schedule 5 in Appendix 16.

142. Insert the following map in Appendix 16 under the heading Schedule 5 – Portage – Subdivision of part of Lot 3 DP 4036523.



Zoning Map 136 - Nelson Forest

Section 42A Report

143. Nelson Forests Limited submitted against the Coastal Environment zoning of parts of its landholdings in the vicinity of Linkwater and Havelock on the basis that their landholdings were part of a plantation forestry development which now faced the complication of having two differing zonings. The Coastal Environment zone provisions are potentially more restrictive in their controls than the Rural Environment zone on matters relating to forestry development and harvesting. The Section 42A Report stressed that the Coastal Environment zone boundaries had been fixed after assessment of the natural character report. The report writer considered that it was important that there are controls on effects on natural character in that Coastal Environment zone.

Consideration

144. The Panel considered that the Plan's protection of the coastal environment by means of the Coastal Environment zone objectives, policies and rules is appropriate and should not be

affected by property title boundary considerations. The zone's boundaries have been fixed in manner which relate to physical features such as the ridgelines which encompass both water and visual catchments forming the Sounds. That has been done purposefully for the very reason that effects of developments within those ridgelines can potentially impact on the natural character and other qualities of the Sounds' environment and amenity values, which the Plan seeks to protect. In particular, sediment deposition in the Sounds arising from land-disturbance activities is a serious adverse effect requiring controls, as are the potential adverse visual effects of some land based activities particularly involving roading and other land disturbance.

145. The submitter did not provide any logical reason for rezoning of its properties other than a desire to avoid having to cope with two differing sets of controls for the same activity depending on whether parts of the properties it occupies may be within a different zone. That approach misses the point that the Plan is addressing potential effects, and imposes controls where those potential effects may be adverse in terms of natural character impacts on indigenous biodiversity or in visual amenity terms. The Panel is satisfied the Marlborough Sounds is an iconic environment deserving of protection from potential sediment and/or visual effects through reasonable control mechanisms as are contained in the Coastal Environment zone within the Plan.

Decision

146. The rezoning request made opposing the Coastal Environment Zone in respect of land in the vicinity of Havelock and Linkwater areas is rejected.

Zoning Maps 49 and 50 - North Renwick

Section 42A Report

147. The Section 42A Report on the request by the NZIS to rezone large areas north of Renwick for residential development as Residential 3 or Rural Living zones was negative. The request had been made on the basis that the flooding risk on the lower floodplain had been mitigated or removed. However, the Section 42A Report clarified that Council's engineering staff report had still concluded a risk of flooding still existed from Ruakanakana Creek in major flood events. The report referred to four options being explored with the preferred option being to raise the level of an existing bridge over the creek. As that work had not been done yet the report did not recommend the rezoning sought at this stage and commented that if that and servicing issues were resolved in future a plan change process could occur.

Consideration

148. The Panel had no evidence before it that either the flood mitigation works necessary prior to rezoning were complete, or the servicing available as to water supply and sewage disposal. Until those aspects are in hand it would be quite inappropriate to rezone this land.

Decision

149. The request for rezoning of land immediately north of Renwick from Rural Environment Zone to Residential 3 or Rural Living as sought by NZIS is rejected.

Zoning Map 53 - Renwick

Section 42A Report

150. The Section 42A report on the rezoning request for 6 and 8 Alma Street from residential to Business was negative on the basis that while a resource consent had been granted to enable Business type activity on the allotments that enabled controls by way of conditions which would not exist if rezoning occurred. The report emphasised that rezoning would not be consistent with Policy 12.5.1 which aims to ensure that 'particular characteristics are maintained within the central business area of Renwick including "the core of an urban town, usually anchored around a main street of retail and premier business" and "a wide variety of activities including retail shops, offices, and community facilities"'. Reference was also made to policy 12.3.3 which states that business activities in the Urban Residential zones should be avoided unless the vibrancy and function of the Business zones is not detracted from; the site is adjacent to a Business zone; and provides opportunities for integration with a Business zone; and finally to Policy 12.2.1 which relates to the maintenance of the amenity and character residential areas.

Consideration

151. The Panel agreed with the assessment of the Section 42A Report that the effects of current use of 6 Alma Street is best controlled through resource consent processes and conditions. The rezoning requested would be inconsistent with a number of policies relevant to Renwick township and its residential amenity. The retention of controls through consent conditions will provide a buffer between the business zone and the residential zone.
152. However, 8 Alma Street is adjacent to an existing business zone and is part of the same operation and the Panel is comfortable that that property can be rezoned for business purposes.

Decision

153. The rezoning request of land at 6 Alma Street from Residential 2 to Business 1 Zone is rejected but the request for rezoning of 8 Alma Street from Residential 2 to Business 1 Zone is approved.

Zoning Maps 60 and 61 - Wairau Valley Township

Section 42A Report

154. A number of submissions were received seeking changes to the proposed zonings in the notified PMEP and the Section 42A Report assessment commenced by recording that the zoning in the WARMP is similar to the zoning adopted in the PMEP with a few changes. The principal change is an increase of residential land as Urban Residential 2 north of SH63 with less Rural Living/ Rural Residential zoning south of SH 63. In part the report says that outcome has stemmed from servicing limitations and flooding constraints.
155. After detailing the relevant policies for small townships in the PMEP the report writer recommended the following responses to the submission requests:
- i. Rezoning of the Wairau valley tavern to Business 2
 - ii. That the current zonings for residential and rural purposes remain as notified in the Plan to accord with the Plan policies as to small townships.
 - iii. Retention of Business 2 zoning for the sites containing existing commercial nature buildings such as the old garage and store notwithstanding that the businesses in those buildings no longer operate. The report suggests that the current Business 2 zoning leaves open the possibility of new commercial activities without those having to seek resource consent. That appears to the report writer to accord more closely to the Plan policy approach than a rezoning to rural.

Consideration

156. The Panel formed the view that the zoning situation in Wairau Valley largely reflected historical patterns of development and use which have been limited in density and somewhat sporadic, although more concentrated around the State Highway and the township. That has resulted in a small Business 2 Zone, a residential provision which largely reflects current development but with some limited room for expansion particularly to the north of the township and SH 63. The policies in the PMEP which apply to such small townships tend to emphasise recognition and support of existing low intensity development, an informal appearance and services and facilities for both locals, visitors and the wider rural population. The Panel is satisfied that when assessed against those policies the PMEP zonings proposed

are consistent with that policy approach and it did not receive sufficient evidence to warrant any general change.

157. The sites of the defunct petrol station and associated store are not straightforward in terms of those policies as they have not operated for a long period. Moreover, the buildings are commercial in nature and still exist. Rural zoning, therefore, does seem more appropriate than Business 2 zoning as it would still enable some form of light industrial/commercial use of the buildings to be considered in future but in a manner controlled by resource consent conditions.
158. The Wairau Valley Tavern site it is agreed should be zoned in a manner which better reflects its actual business use and longstanding existence, rather than the notified Rural zoning.

Decision

159. Rezone the Wairau Valley Tavern site (Part Lot 1 DP 3204) from Urban Residential to Business 2 Zone.
160. Rezone the old petrol station and associated store sites from Business 2 to Rural Environment.
161. Otherwise retain zonings in and around Wairau Valley township area as notified.

Zoning Map 64 - Sanford - Okiwi Bay

Section 42A Report

162. The Section 42A Report on Sanford's request to rezone its site at Okiwi Bay from Residential zoning to Business zoning to reflect the actual commercial activity carried on, was negative.
163. The reasons for that negative response were that effectively a rezoning would be 'micro-zoning' for one site in a large residentially zoned area; that outcome was not desirable if it could give rise to other potential adverse effects from future permitted activities inconsistent with the amenity provided by the surrounding zone; the activity operated at present under resource consent controls which were the best way of controlling effects of the activity.

Consideration

164. The Panel was concerned that if the property was rezoned that would enable other activities to possibly commence on part or all of the site which might have significant uncontrollable amenity effects on the surrounding residential zoned land. Given the surrounding residential use, the Panel agreed with the report writer's view that the present method of control of effects of activities through tight resource consent conditions was the best way to enable the activity to continue while protecting the zoning amenity in the surrounding residential zone.

Decision

165. The request for the Sanford site to be rezoned Business zone is rejected.

Zoning Maps 6, 7, 12 and 13 - David Street

Section 42A Report

166. The Section 42A Report provided a detailed background to the conflict in views between submitters as to whether the proposed PMEP zoning treatment of this area predominantly for lower density residential development should be upheld. That background is complex and does not need repetition in this decision as the thrust of the report was to emphasise that the physical constraints of the past centred on land stability, servicing, stormwater disposal issues have been practically and effectively addressed in the PMEP by the development of a planning mechanism through specific policies and rules which apply to Appendix 23 areas. That approach has ensured that subdivision of this potentially difficult land is made a discretionary activity with Council having no restrictions on the matters it can consider. All the physical constraint issues are specifically identified in the policies and/or rules coupled with Appendix 23 and are required to be addressed by any potential developer a part of the consenting process.
167. As a consequence the report writer recommended the policies, rules, and zonings for the Appendix 23 areas provided sufficient safeguards to enable integrated development of infrastructure to enable the rezonings proposed in the PMEP to stand.
168. As for the concerns expressed by some submitters that they wished to continue their horticultural activities on their larger allotments the report writer pointed out existing use rights provided the protection the submitters desired.

Consideration

169. The Panel was concerned to ensure that physical limitations which had historically restricted the ability of these areas to develop had been properly addressed in the PMEP. The Panel is satisfied that the policies referred to by the report writer when coupled with the site specific controlled approach in the policies and rules applying to the Appendix 23 areas enables use for future residential purposes of land relatively close to the town centre.
170. The Panel has heard evidence on the high level of demand for residential land close in to the centre of town in Blenheim and the rapid rate at which existing residentially zoned land has been developed over the last one to two years. This is a large area of land which given proper development methods can be utilised for residential purposes, with existing users having existing use rights at law to continue their horticultural activities.

Decision

171. The Urban Residential 2 zoning provisions coupled with Appendix 23 as notified in the Plan are to be retained as notified.

Zoning Map 140 - Opihi Bay

Section 42A Report

172. A submission had been made by New Zealand Forest Products Holdings Limited opposing the Coastal Living zoning on the basis that the present use of the land was for commercial forestry. The submission also sought removal of protection for a significant ecological area which the report assumed related to the identification of W1044 on the overlay maps. The report drew attention, however, to the fact that the land owner held a subdivision consent granted in 2016 (U160023.1) which enabled subdivision of the property into 25 allotments one of which was intended to protect the wetland area as a reserve.
173. The report writer did not recommend the deletion of the wetland identification, but did recommend a change in zoning from Coastal Living to Coastal Environment zone.

Consideration

174. The Panel was concerned that when an active subdivision consent was still extant, (lapse date being 10 June 2021), the change in zoning would mean lesser standards would apply if the subdivision proceeded under the new zoning requested. The Panel, therefore, issued Minute No. 60 on 2 May, 2019 requesting that the submitter make it clear if it intended to surrender the subdivision consent and if so when. No response was forthcoming.
175. The Panel was not satisfied that appropriate controls would exist for the allotments on the subdivision if a rezoning occurred. Given the fact that the Council could not compel the surrender of that consent, and given its continued existence, the Panel decided the only way to control effects for each allotment on the subdivision was to retain the proposed zoning.

Decision

176. The requests for rezoning from Coastal Living Zone to Coastal Environment Zone on Lot 1 DP467695 and for removal of W1044 are rejected.

Definitions

Key Matter – General

177. The Section 42A Report identifies that the Ministry for the Environment was in the process of preparing mandatory National Planning Standards which Councils will be required to adopt. The National Planning Standards came into effect on 3 May 2019, however these have not been adopted by the PMEP Panel because a major alignment exercise is required. This will need to take into account the decisions of the Panel.
178. Instead the Panel has relied on evidence from submitters on the notified definitions which were notified prior to the proposed National Planning Standards. Where the definitions in the

PMEP are different to those in the NPS the Council will have to align those definitions to the standards within the next 10 years.

179. NZTA requested that in every case the National Planning Standard definitions be adopted.

Decision

180. Except to the extent recorded in particular topic decisions by the Panel, it decided not to adopt in every case the National Planning Standard definitions and leave that to the alignment process which, as a matter of statute, Council will be required to follow over the next ten years.
181. Defined terms are hyperlinked to the appropriate definition in the MEP EPlan.

Key Matter – Height

182. Spark and Chorus disagree with the Section 42A Report recommendation on height and seek that GPS and lightning rods be excluded from its definition.³⁹
183. The report writer considers that amending the definition so that GPS units and lightning rods will enable consistency for situations when GPS units and lightning rods are placed on structures in situations not covered by the NES for telecommunications. He is satisfied that the additional information provided by Mr McCarrison demonstrates that these units are small and will not give rise to any adverse effects on the environment, and in many cases will be indiscernible. The Panel agrees.

Recommendation and decision

184. 'Height' is amended as follows:

Height in relation to a building or structure, means the vertical distance between the natural ground level at any point and the highest and best use part of the building or structure immediately above that point as shown in Figure 2 of Appendix 26. This definition does not apply to lightning rods or GPS equipment units affixed to the highest and best use part of a network utility or radiocommunication or meteorological or telecommunication building or structure.

185. The definition of 'Telecommunication facility' is amended as follows:

...facility, ~~or apparatus,~~ GPS equipment units and lightning rods intended for the purpose...

³⁹ Spark (1158.68) and Chorus (464.76), Graeme McCarrison, Joint Statement of Evidence, paragraph 3.3.

186. Insert new standards in network utilities 2.39.X as follows:

2.39.1.15. Any GPS unit associated with the network utility infrastructure must not exceed 300mm in height or 130mm in diameter

2.39.1.16. Any lightening rod associated with the network utility infrastructure must not exceed:

(a) In residential zones, 650mm in height or 60mm in diameter; or

(b) In all other zones, 1500mm in height and 60mm in diameter.

187. The definition of telecommunication facility is amended to read:

Telecommunication facility means any telephone exchange, telephone booth, telephone cabinet or pay phone, or any other structure, facility or apparatus intended for the purpose of effecting telecommunication, and includes any associated GPS unit or lightening rod.

Key Matter – Site

188. Several submitters have all submitted in relation to the definitions of 'Site', and seek that there only be one definition, rather than the four which were notified in the MEP. The submitters generally all seek the rationalisation of the definitions and that there be one clear and concise definition.⁴⁰

189. Specifically, Fonterra Co-operative Group Limited seek to delete the following definitions of site:

Site - 'where in the context it is appropriate, includes an area or place or river reach.'

Site 'means a place or area where an activity takes place.'

Site 'in relation to frost fans, has the meaning of single land holding.'

Section 42A Report

190. Having reviewed the PMEP and the relevant definitions, the report writer that it is unnecessary to have numerous definitions, when they can be combined.
191. He considers that the definition for 'Site' in relation to frost fans should be deleted and instead, the provisions should refer to 'Single Land Holding'. This is already defined (as shown below), and achieves the intent of the present definition of 'Site' as it relates to frost fans.
192. Single land holding means an area of land held in either:

⁴⁰ Chorus New Zealand Limited (464.81), KiwiRail Holdings Limited (873.182), Spark New Zealand Limited (1158.73), Fonterra Co-operative Group Limited (1251.154, 155, .156 and .157) and Federated Farmers of New Zealand (425.423).

- (a) *One Computer Register; or*
- (b) *More than one Computer Register where*
 - *the land in the various Computer Registers are held in common ownership or leased under the same lease; and*
 - *the land in the Computer Registers or lease are contiguous to each other; or*
 - *the Computer Registers are held together by a covenant under Section 220 RMA.*

Consideration

193. The report writer considers that the remaining definitions of 'Site' can be deleted, and replaced with a single definition that captures the intent of the notified versions. He notes that the definition of 'site' is also included in the draft National Planning Standards, with minor modifications. This definition follows, with an additional clause (f) to capture issues around Right of Way boundaries (which is part of the existing definition of site in the PMEP) and clause (g) to cover situations where there may not be a Title for the property (which is also referred to in existing definitions of site).
194. The report writer acknowledges that this definition has similarities to the PMEP's definition of 'Single Land Holding'. However, that definition is specific to frost fans and he is comfortable that it remains for that purpose.
195. The report writer notes that 'Single Land Holding' is currently only used in two bird scaring device provisions and is not used in Volume 1 of the PMEP. Deleting the use of frost fan 'site' and using 'single land holding' will necessitate changing of six provisions in Volume 2, as follows:

Rural Environment Zone

3.2.4.1 Any new noise sensitive activity located within 300m of any frost fan not within the same site single land holding must be designed and constructed...

3.2.4.4 For the purposes of Standards 3.2.4.1, 3.2.4.2 and 3.2.4.3, 'frost fan' includes any lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted and ~~'site' has the meaning of 'single land holding'~~.

Coastal Environment Zone:

4.2.3.1 Any new noise sensitive activity located within 300m of any frost fan not within the same site single land holding must be designed and constructed...'

4.2.3.4. For the purposes of Standards 4.2.3.1, 4.2.3.2 and 4.2.3.3, 'frost fan' includes any lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted ~~and 'site' has the meaning of 'single land holding'~~.

Rural Living Zone:

8.2.3.1. Any new noise sensitive activity located within 300m of any frost fan not within the same site single land holding must be designed and constructed...

8.2.3.4 For the purposes of Standards 8.2.3.1, 8.2.3.2 and 8.2.3.3, 'frost fan' includes a lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted ~~and 'site' has the meaning of 'single land holding'~~.

Amended definition

196. The proposed definition as contained in the draft National Planning Standards, however, removes references to front and corner sites, as these are not utilised in the PMEP and are commonly understood.

Site means:

- a) *an area of land comprised in a single record of title as per Land Transfer Act 2017; or*
- b) *an area of land which comprises two or more adjoining legally defined allotments in such a way that the allotments cannot be administered separately without the prior consent of the council; or*
- c) *the land comprised in a single allotment or balance area on an approved survey plan of subdivision for which a separate computer freehold register could be issued without further consent of the Council; or*
- d) *in the case of land subdivided under the Unit title Act 1972 or the cross lease system, a site is deemed to be the whole of the subject land to the unit development or cross lease; or*
- e) *an area of land comprised in two or more records of title adjacent to each other where an activity is occurring or proposed; or*
- f) *where a right of way is employed, the line(s) defining the extent of that right of way on a survey plan must be treated as a legal boundary for the purpose of bulk and location controls for buildings; or*

- g) where there is no computer freehold register for a property, the place or area where the activity takes place.*

197. Some other minor amendments are required in the Panel's view which will become clear below in the Panel's decision.

Decision

198. The definition of 'site means' is replaced with the following:

Site means:

- a) an area of land comprised in a single record of title (as per Land Transfer Act 2017); or
- b) an area of land which comprises two or more adjoining legally defined allotments in such a way that the allotments cannot be administered separately without the prior consent of the council; or
- c) the land comprised in a single allotment or balance area on an approved survey plan of subdivision for which a separate record of title could be issued without further consent of the Council; or
- d) in the case of land subdivided under the Unit title Act 1972 or the cross lease system, a site is deemed to be the whole of the land subject to the unit development or cross lease; or
- e) an area of land comprised in two or more records of title adjacent to each other where an activity is occurring or proposed; or
- f) where a right of way is employed, the extent of that right of way on a survey plan shall not be included as the legal boundary but instead the inner boundary of the right of way closest to the building shall be treated as a legal boundary for the purpose of bulk and location controls; or
- g) where there is no record of title for a property, the place or area where the activity takes place.

199. As a consequential change amend the rules 3.2.4.1, 3.2.4.4, 4.2.3.1, 4.2.3.4, 8.2.3.1 and 8.2.3.4 as follows:

3.2.4.1 Any new noise sensitive activity located within 300m of any frost fan not within the same site single land holding must be designed and constructed....

3.2.4.4 For the purposes of Standards 3.2.4.1, 3.2.4.2 and 3.2.4.3, 'frost fan' includes any lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted and ~~'site' has the meaning of 'single land holding'~~.

Coastal Environment Zone:

4.2.3.1 Any new noise sensitive activity located within 300m of any frost fan not within the same ~~site~~ single land holding must be designed and constructed...

4.2.3.4. For the purposes of Standards 4.2.3.1, 4.2.3.2 and 4.2.3.3, 'frost fan' includes any lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted and ~~'site' has the meaning of 'single land holding'~~.

Rural Living Zone:

8.2.3.1. Any new noise sensitive activity located within 300m of any frost fan not within the same ~~site~~ single land holding must be designed and constructed...

8.2.3.4 For the purposes of Standards 8.2.3.1, 8.2.3.2 and 8.2.3.3, 'frost fan' includes a lawfully established frost fan, and includes a proposed frost fan for which a resource consent has been granted and ~~'site' has the meaning of 'single land holding'~~.

Record Number: 18183279
File Ref: M100-05-01
Date: 05 October 2018

Memo To: Pere Hawes

Copy To: Paul Whyte, Richard Coningham, Stuart Donaldson, Steve Murrin and Brett Walker

From: Stephen Rooney

Subject: Requests for rezoning - Riverlands, Cloudy Bay and Omaka - Servicing Comments

The following are comments in relation to three waters services for the zoning requests in Omaka, 15 & 17 Valley's and Riverlands. It is anticipated Marlborough Roads will provide comment for roading infrastructure separately.

Omaka

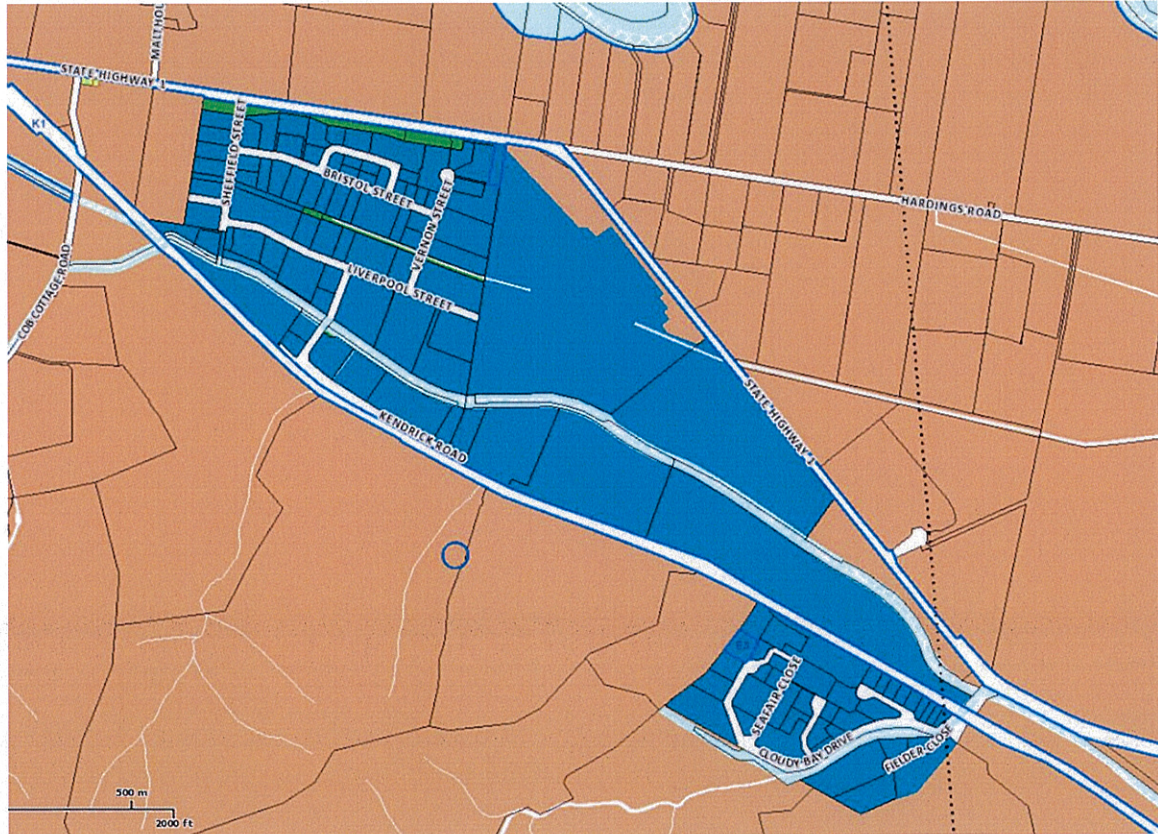
During the growth strategy reviews and more recently the evaluation of sites to accommodate the combined college's proposal this area was considered for extension of services. There is capacity for sewer and water. It will be necessary to undertake some upgrading of these networks "downstream" of the site. The costs of which will be incorporated into development contributions for this area. The sewer pump station recently constructed adjacent to Bishell Lane is planned for upgrading (a capacity increase) as development occurs. If this zoning change is approved this upgrade will need to proceed earlier than currently proposed. It will be undertaken to match growth as it takes place here and elsewhere.

There isn't a stormwater drainage system serving this land currently which has the capacity for a residential development. It will be for the developer to design a stormwater network for any residential development. This will include gaining resource consent for discharge to Doctors Creek with the discharge required to be on the downstream side of the Battys Road bridge, to include stormwater treatment and attenuation if necessary prior to discharge and as part of the residential development for the zone pay all costs associated with the installation of the stormwater network and any treatment facilities required.

15 Valley

Additional land for industrial purposes was zoned during the growth strategy review. The land now available consists of all of the Riverlands and Cloudy Bay Industrial Estates and the additional land – much of which is yet to be developed, see blue shading on the aerial photo below. Providing services for industrial land is a challenge in that the capacity required is often unknown until a specific activity is known for each section. By way of example the difference in the volume of water used by a winery compared to a warehouse is vastly different. Council will only know for certain of the demands on the sewer and water network once a specific activity is determined for a section. Servicing industrially zoned land can therefore be a challenge.

Council has in conjunction with industry made best estimates to ensure the provision of water and sewer services for the land currently zoned is available to match growth. These estimates are regularly reviewed as development occurs to ensure planning for growth is up to date. However it remains a challenge.



Sewer:

At present there is capacity to meet growth within the land currently zoned. This will require upgrades of the sewer treatment plant as the growth occurs. The timing for these upgrades will depend on the demand by specific activities as they develop, for example large or multiple winery developments.

If the land proposed to be re-zoned is approved capacity will be taken away from the current zoning and capacity upgrades will have to be undertaken earlier than predicted.

Water Supply:

The Industrial Estates (IE's) are provided water from two locations, Malthouse Road bore and the Hardings Road bores. The Malthouse Road bore is the primary source and is the only source used to supply the IE's at all times except during the peak of the wine processing season. Both of these sources pump to a large reservoir on the hill above the Cloudy Bay Business Park. The level of this reservoir sets the water pressure supplied to the IE's. It is at a level of 40 metres and with the land in the current area less than 10 metres the average water pressure to the boundary of each property is at 30 to 35 metres. This water pressure is at the lower limit of Councils level of service for water pressure to a property. It also provides water for firefighting purposes at the lower limit for Fire Fighting guidelines.

The land proposed for subdivision is almost entirely above the 10 metre contour and therefore the current water supply network cannot provide water at desirable water pressures (and above the 35 metre contour not at all) nor will it meet the guidelines for Fire Fighting supply. This could only be achieved with the installation of a booster pumping system to supply water to the area. The design and construction of which would be at the developers cost. However any installation such as this will place an additional unplanned operational cost to the water supply. If this proposal were to proceed Council will have to consider if these additional costs were to be a cost to properties within this specific development or if the costs will be spread across all users in the IE's.

Currently neither of these source's meet the requirements of the Drinking Water Standards for NZ and the sources have a higher concentration of manganese than is desirable with the Hardings Road bores having a higher concentration than the Malthouse Bore. Council is currently planning to provide treatment for the IE's water supply. The favoured option for this is to locate a new source of water north of Malthouse Road. A new source is favoured because it is unlikely for it to contain high concentrations of manganese and therefore treatment will be less complex and cheaper. The costs of treatment both capital and operational will be spread across the IE's through user charges.

Stormwater:

Stormwater discharges will be at the developers cost to design and manage including gaining of the appropriate resource consents and treatment.

Development Contributions:

Development contributions for residential zones are charged as development of the land proceeds because the demand on services is known based on average residential populations. However this can't be achieved for industrial zones because the demand is unknown until the type of activity for each section is known for example whether it is a warehouse compared to a winery; each of these has vastly different water and sewer demands. Council therefore collects development contributions for these industrial areas after the activity (demand) has been established. This is achieved through tradewaste charges and in future will also be achieved through increases in metered water charges. This proposed re-zoning will require a second level of development contribution (zone levy) to cover the additional costs to manage increasing the water pressure to acceptable standards for this new zone.

Zoning - Summary:

Services can be supplied to this zoning proposal but additional capacity in both the water and sewer networks will have to be designed into network and treatment upgrades. Specifically for water supply there will need to be additional infrastructure built in to provide adequate water pressure. The costs for these upgrades are unknown until design is complete. These costs will be passed onto the developer or in some instances as user charges to the activity that occupies sites within the development.

Allocation and use of Freshwater:

It's noted the submitter makes comment about Assets and Services not allowing a pipe to be installed in Council land to convey water from the river to the submitters land to be used for the irrigation of vineyard. The land referred to forms part of the Blenheim Wastewater Treatment Plant and specifically is the land to which treated effluent is being irrigated to the land. Council as the landowner and operator of this facility has declined numerous applications for use of the land by other parties, including providing a corridor for the laying of irrigation pipe to convey water to other properties. The reason for not approving these is due to the interruption which will be created when other persons or organisations need to have access to this land. Council and the community has invested many millions of dollars to develop this facility and do not want to compromise its operation through conflicting use of it by others.

There is no reason why the applicant could not seek to obtain a licence to occupy road reserve and place the pipe in the road corridor or alternatively approach other landowners seeking their permission to convey the pipes across their land in the same way he has sought permission from Council.

In the section "decisions sought" paragraph 6, there is reference to introducing a policy to recognise contracts for the full period of water allocation consent. We think this refers to the Riverlands irrigation contracts which Council holds with various landowners in the Riverlands area.

Council some years ago recognised that it held resource consents to take water from the Riverlands Aquifer for which not all of the water was being utilised. It was considered necessary to hold these resource consents so as to provide sufficient water for current industrial users and to provide certainty for the zoned land yet to be developed that water will be available in future.

Council entered into "short term contracts" with landowners enabling them to utilise this water for irrigation until it was required for industrial purposes within the industrially zoned land. Initially these contracts were for five years with the latest renewal being for ten years. These terms generally match the term of the resource consent held by Council to take the water. In all instances the contracts show the water is only available until it will be utilised for industrial purposes.

Applicants comments re Zoning:

The applicant states there is a requirement for more heavy industrial land in Blenheim. We are unsure how he comes to this conclusion given there is a large tract of land zoned industrial for which Council has plans for servicing as development takes place.

17 Valley

Sewer:

Council has not planned to extend the sewer network beyond the current area zoned industrial at Riverlands and Cloudy Bay Business Park. If sewer was extended to the 17 Valley re-zoning proposal for rural living it would require the installation and operation of a specific sewer pump station and gravity network within the zone. The capital and operational costs for which have not been budgeted in Council's long term plans or asset management plans. There are existing semi urban locations that would benefit from the installation of sewer and which should be given

priority ahead of a re-zoning such as this; for example Burleigh, St Andrews (Riverlands), Portage and Okiwi.

Water:

The same comments for 15 Valley apply to 17 Valley particularly in reference to water pressure. This land is also about the 10.0 metre contour.

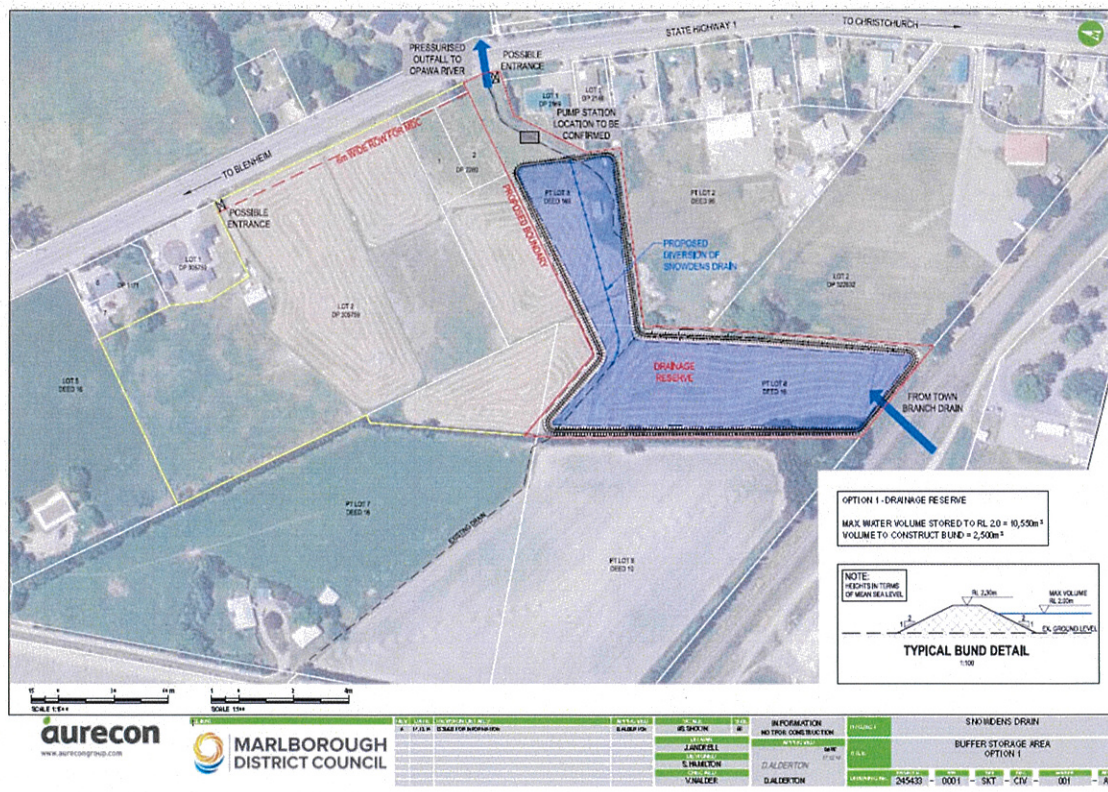
Stormwater:

Stormwater discharges will be at the developers cost to design and manage including gaining of the appropriate resource consents and treatment.

Riverlands

Stormwater:

If this re-zoning were approved stormwater drainage from this land will have to be via a drainage facility (storage pond) to be constructed in the next three to four years. This pond will be on the southern boundary of the zoning proposal. Development will not be able to proceed until this drainage pond construction is complete. See photo below for the concept design of the pond:



Sewer:



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October 18th 2018

Report on soils of 15th and 16th Valleys, Wither Hills Blenheim

Summary

This report outlines the soil investigation undertaken for Livide Capital Ltd from five pit sites at 15th and 16th Valleys, Wither Hills. It summarizes the nature of known existing soil information for the two areas, gives a background to the conditions for soil formation and details the properties of the soils found in the field examination.

The soils are formed on landscapes that are different from most of the Wither Hills or terrace lands elsewhere. The soils are varied and reflect the cumulative environment in which the soil forming materials have been deposited. Essentially, the soils at the pit sites have properties that differ from those nearby that are formed from loess and they have a limited or negligible potential for tunnel gully erosion.

Some minor surface rilling was noted on the higher surfaces with slopes greater than 10° and may be indicative of the presence of under-runners, but overall, the level of risk for significant erosion is considered to be small. The soils in the application area of 15th and 16th Valleys present less of a hazard to site modification for commercial or residential developments than some other sites on the Wither and Redwood Hills where residential development has previously occurred.

Introduction

At the request of Livide Capital Ltd, an examination of the soils of the lower slopes of 15th and 16th Valleys, Wither Hills was undertaken to assess the soils within the areas of land shown in Figure 1 (Appendix). This examination was made in relation to the proposal by Livide Capital Ltd for future commercial and residential land use in these valleys.

An initial review of the landforms of the area was made from satellite photographic imagery, after which a field examination of the soils of both areas was undertaken on October 12th 2018. This field examination included a detailed inspection and description of soils at five inspection pit sites (Figure 1) which were excavated to around 1.3-1.5m depth. Ground surface conditions over a broader area were also observed, noting the extent of surface stoniness and surface unevenness along with slope angle measurements. Soil samples from each of the inspection pits were collected for soil dispersion assessment.

Previous Soil Assessments

The first published soil report of Wither Hills soils was by *Gibbs* (1945) who undertook an investigation to ascertain the causes for the extensive tunnel-gully erosion that characterise the area.

Wither Hills soils were mapped at a generalised scale (1:250,000 or 4 miles to the inch) by *Soil Bureau Staff* (1968), but this soil map is not relevant in respect of the lower surfaces of 15th and 16th Valleys as the scale is too broad. In that report, an area of soils on the 16th Valley floor was shown as Temuka soils, one of the soils shown as occurring on alluvial sediments the floor of Wairau Valley, while the soils on the lower slopes of 15th Valley were not demarcated.

Laffan (1973) undertook a detailed examination of Wither Hills soils within a small catchment to ascertain the mechanisms of the tunnel gully erosion and the nature of the soil pattern on the hill slopes and *Laffan and Cutler* (1977) reported the results of analytical examinations. Three soil units were recognised, Wither soils on loess deposits, Waihopai soils on the gravel material of the Wairau Conglomerate and Vernon soils on mixtures of loess and gravel materials. The soils on the lower valley surfaces were not investigated.

An assessment of the suitability of soils of the Lower Wairau region for a variety of uses, was made in a Nelson-Marlborough Regional Council report by *Rae and Tozer* (1990). This was based on the earlier 1968 1:250,000 mapping (*Soil Bureau Staff*) and the 1986 Land Use Capability assessment (*NWASCA* 1986) and provided no specific information relating to 15th and 16th Valley soils. This 1990 report identified Wither, Sedgemere and Jordan soils as occurring on older terrace or sloping land (up to 15°) and with class 1 suitability for pastoral use, class 2 suitability for forestry, class 4 suitability for irrigation and class 2 in respect of potential for sediment producing potential. In detailed soil mapping in Awatere Valley (*Campbell* 1987), neither Sedgemere nor Jordan soils exhibited signs of tunnel gully erosion.

A land use capability assessment of the Wither Hills area was published in the nation-wide (1:63,360 mile to the inch scale) LUC assessment (*NWASCA* 1986) and was based on the existing 1:250,000 soil map and it likewise provided no new soil information. A later addition of the LUC map (*Lynn* 1996) showed the soils on the floor of 15th Valley as Wither soils and part of the floor of 16th Valley as Sedgemere soils. The soil classification shown in the Marlborough District Council Smart Map for 15th Valley has Wither soils on the lower valley surfaces and Wither and Sedgemere soils on the lower surfaces of 16th Valley.

The designations of the soil types on the lower surfaces of 15th and 16th Valleys in all of the above published maps do not appear to have been made on the basis of ground truth surveys or recorded soil observation data, but have most likely been derived from soil landscape modelling, extended from data obtained at other locations.

A small study of 220 ha of land near the southern urban boundary on the Wither Hills was undertaken by *Vincent* (1992) to assess the suitability of land there for urban development. Five landscape units were recognised. Of these, the hillside and foot-slope surfaces had characteristic features of loess soils with fragic horizons and dispersible soils. The fan surface soils had no fragic horizon and were non dispersive.

A soil survey of part of the Wither Hills and Redwood Hills area was undertaken by *Campbell* (2011). This study confirmed the existence of the three soil units previously identified as occurring on hill slopes of the Wither Hills and their extremely patchy distribution and also provided some insights into the depositional and erosional conditions involved in the formation of these soils. This survey excluded examination of the lower slope and valley floor areas (e.g. 15th and 16th Valleys) because of budget constraints on the survey.

The assessment of 15th and 16th Valley soils

General background

The identification and recognition of soils is intimately related to the materials from which they are formed, to the landscapes and landscape processes that shape the area (e.g. plains, terraces or hills etc. and mode of deposition of the earth materials), to the age of the land surface and deposited materials and to the climate and environment of deposition for soil formation.

The landscapes and landscape process that formed the lower surfaces of 15th and 16th Valleys differ from the surrounding hill lands and the older terrace lands in nearby valleys, so it can be expected that the soils there will likewise be different. The main differences lie in the nature of the soil materials and the topography. The lower surfaces of 15th and 16th Valleys are primarily moderately sloping to flat foot-slopes (Figure 7) with soil materials derived from erosion on the adjacent hills. These materials are the Tertiary Wairau Conglomerate gravels and the loess cover material that was deposited during the last cold climate glacial period. The foot slope deposits (termed colluvium) have originated largely from the numerous gullies on the south sides of 15th and 16th Valleys. The sloping lower valley sides largely represent a coalescing of the fans formed at the mouths of the numerous gullies on the south side of both 15th and 16th Valley. In 15th Valley, the valley floor comprises a narrow strip of recent stream sediment deposits (Figure 2) with a broader expanse towards the east. In 16th Valley, there is also a narrow strip of recent stream sediments but at the eastern end of the valley, there is a prominent terrace of Post Glacial alluvial gravels (Figure 5).

Summary of 15th and 16th Valleys soils

A brief outline of the soil features observed in the soil pits is given in the Appendix in Figures 2-6.

Pit 1 (Figure 2). The soil at this site is a recent soil formed from multiple layers of stream alluvium. The major flood intervals are marked by periods of soil formation demarcated by the development of the dark coloured bands of former topsoil and subsequently buried by a later sediment deposition. The partly weathered gravelly sediments below the 1 m of recent sediments possibly equates with the terrace sediments recorded at Pit 4 (Figure 5). Borehole testing by ENGEO Ltd (BHO1) indicated that the thickness of infill sediments near Pit site 1 was 9.2 m thick.

Pit 2 (Figure 3). This pit was located toward the upper/middle part of the 16th Valley area and is probably a good example of soils on the lower valley surfaces. The deposit is typical for lower slope colluvial sediments with fine and coarse textured layers representing differing phases of erosion and sedimentation over time. Stony soil material at the base of the profile (90-140 cm) may represent former soil weathering with a later influx of stones, silt loam with stones then a more recent addition of 20 cm of stony sediment. As the predominantly silty matrix at 20-90 cm depth includes a scattering of coarse stones, it is unlikely that this material is loess. Absent from this soil is a compact subsoil pan (fragic horizon) characteristic of older terrace soils such as Sedgemere and Jordan soils or the soils from loess on the hills (Wither soils).

Pit 3 (Figure 4.) This pit was located at the western end of 16th Valley and although the soil material resembles that of a loess deposit, it unlikely that it is. Over its depth 170 cm, the soil colour is more or less uniform although the texture of the material varies at different depths and there are small stones present between 100-170 cm. Absent in this soil is a compact fragic horizon or development of prismatic structure typical of older loessial soils. It seems likely that this soil is derived from colluvial accumulation of reworked loess deposits, perhaps with some addition of air-fall loess during the deposition process. A sample of this soil was weakly dispersive.

Pit 4 (Figure 5). The soil at this site occurs on a flat intermediate aged terrace of gravelly alluvium, which judged by the depth of soil weathering, may represent early Holocene aged sediments that were widely deposited at the end of the Last Glacial period (circa 12,000 yrs). The soil profile at this site is similar to that of Renwick series which occurs in similar topographic situations in the river valleys west of Blenheim.

Pit 5 (Figure 6). The soil at this site is located near the top of a fan surface and has a 17 cm surface layer of younger colluvium over a buried topsoil, 50 cm of silty sediment on coarse angular stony sediment. This soil resembles that observed at pit site 2. A sample of the silty sediment was weakly dispersive and may include some air-fall loess. No features were present that are characteristic of the older soils that are derived from loess.

Discussion and conclusions

As suggested by the topographic features of 15th and 16th Valleys, the land surface characteristics and the soil observations in the pits, there is no widespread loess covering on the lower sloping and valley floor surfaces. The soils therefor are not grouped with Sedgemere or Wither series.

Foot-slope deposits on lower valley side surfaces are inherently variable, have intermittent layers of coarse or fine sediment and are younger than the soils on the slopes above since they are subject to periodic accumulation. This is illustrated here by the absence of a compact fragic horizon and the presence of more recently deposited surface materials. Earlier soil surveys have not been of a scale that would have allowed these foot-slope soils to be recognised as a separate entity.

Tunnel gully erosion in foot-slope deposits is not likely to be common owing to the conditions of deposition of the soil materials. Loess was deposited on the Wither Hills in cold and arid conditions which favoured the accumulation of soluble salts within the soil. High levels of dispersible sodium are believed to have facilitated soil dispersion (*Laffan and Cutler 1977*) and led to the initiation of tunnel gully erosion. Loessial material that has been redeposited as colluvium by fluvial processes are likely to have had soluble salts removed and therefore have a lower susceptibility to tunnel gully erosion.

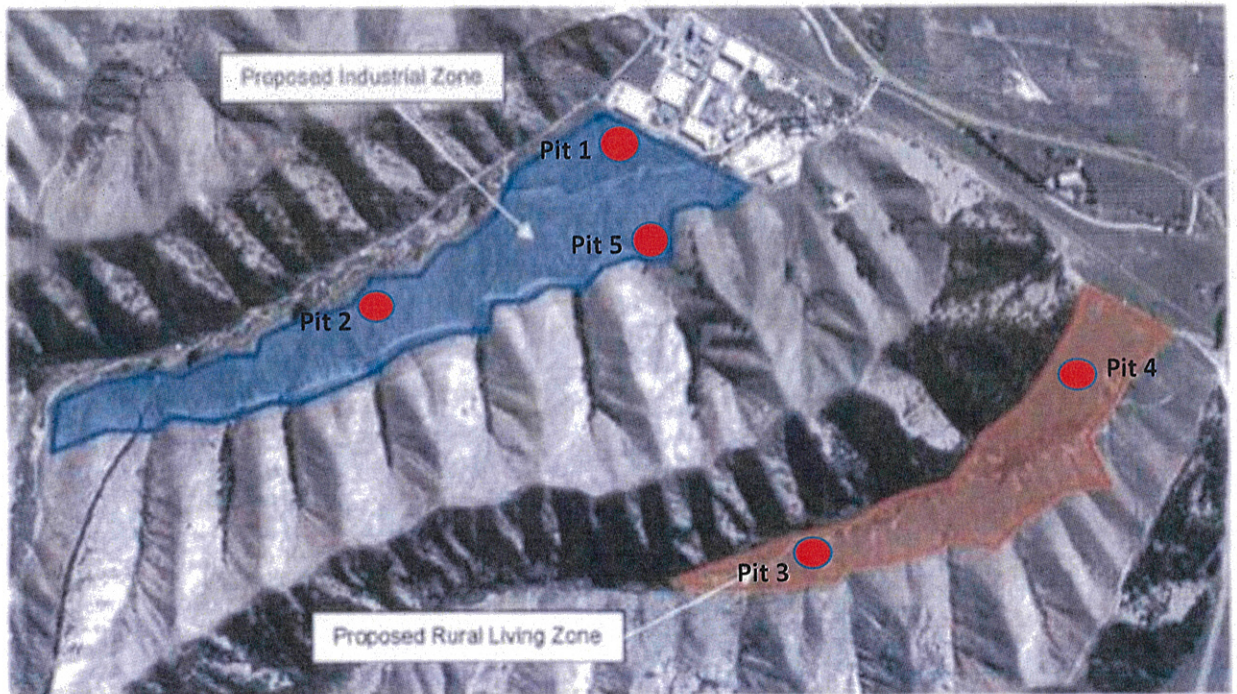
Observations made in sections along benched surfaces near the southern border of the 15th Valley property indicate the presence of Vernon soils which probably extend down slope on spur faces but judged by surface stoniness within vineyard rows, they may be of limited extent.

Notwithstanding the occurrence of recent large earthquakes, (Marlborough 1894, Wairarapa 1855, Kaikoura 2016) no surface features (boils, earth flows or scarplets) are evident in 15th and 16th Valleys that indicate evidence of past tectonic-related soil instability. The physical conditions in these valleys conditions are unfavourable for liquefaction.

On land surfaces that have a significant component or covering of erodible loess soils, building sites have been established in several locations on the Wither and Redwood Hills, the loess materials having been removed to create a suitable building platform (Figure 8). Greater downslope stability is then achieved through the interception and diversion of water flows from the up-slope channels.

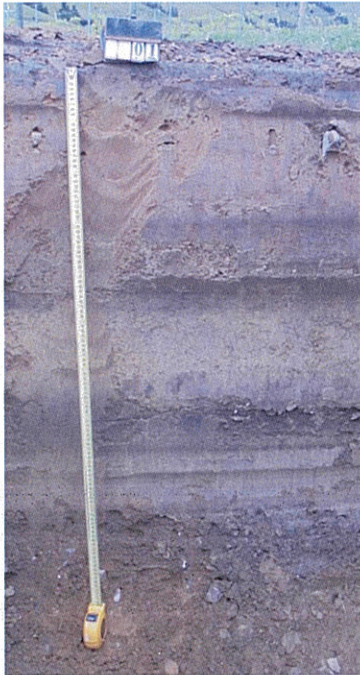
APPENDIX Figures 1-8

Figure 1. Location of soil examination pits on Livide Capital Ltd property



Soil exposures at pit investigation sites in 15th and 16th Valleys

Figure 2



Pit site 1

Soil name: Gibsons series

Landform: valley floor floodplain

Soil material: young flood-layered sandy stream alluvium with buried topsoils over alluvial gravel

Stones: nil to 95 cm

Fragic horizon: absent

Soil Depth: 1m to gravel

Soil drainage class: well

Soil roots: to 95 cm

Dispersion test: nil

Erosion/stability: not susceptible to tunnel gully erosion but may be subject to sediment accumulation in a major storm event

General comments: a weakly developed young soil formed from multiple intermittent layers of alluvium

Figure 3



Pit site 2

Soil name: no identifiable name

Landform: foot slope/fan

Soil material: colluvium, slope wash materials deposited in a foot slope/fan location. The upper 20cm is more recently deposited stony sediment

Stones: 30% at 0-15 cm and 1m with 5% elsewhere

Fragic horizon: absent

Soil depth: 140 cm to pit base

Soil drainage class: moderately well drained

Soil roots: to 65cm

Dispersion test: slight for material at 80cm

Erosion/stability: tunnel gully nil on slopes less than 10°, possible slight tunnel gully on 10-15° slopes

General comments: the layered nature of the soil material with stones indicates a dominantly fluvial mode of deposition but possibly with some loess input

Figure 4

**Pit site 3**

Soil name: no identifiable name

Landform: foot slope/fan

Soil material: colluvium, slope wash materials and deposited in a foot slope/fan location. The upper 15cm is recently deposited colluvium

Stones: 5% stones between 100-170 cm

Fragic horizon: absent

Soil depth: 170 cm to pit base

Soil drainage class: moderately well drained

Soil roots: to 100 cm

Dispersion test: slight for material at 80 cm

Erosion/stability: tunnel gully nil on slopes less than 10°, possible slight tunnel gully on 10-15° slopes

General comments: a buried soil may be present at 100cm with the material below having differing textural characteristics. Some loess may be present at 70 cm

Figure 5

**Pit site 4**

Soil name: Renwick series

Landform: intermediate aged terrace

Soil material: gravelly alluvium overlying sandy sediments

Stones: 45-45% stones between the surface and 80cm

Fragic horizon: absent

Soil depth: 170cm to pit base

Soil drainage class: well drained

Soil roots: to 60cm

Dispersion test: nil

Erosion/stability: a stable surface not subject to tunnel-gully erosion

General comments: this soil is similar to soils on older un-dissected terraces mapped in the river valleys to the south and west of Blenheim

Figure 6

**Pit site 5**

Soil name: no identifiable name

Landform: fan surface, upper slope

Soil material: colluvium/slope-wash material with recent addition between 0-20 cm

Stones: 5% stones to 80 cm, 35% between 80-130 cm

Fragic horizon: absent

Soil depth: 130 cm to pit base

Soil drainage class: moderately well drained

Soil roots: to 80 cm

Dispersion test: slight for material at 65 cm

Erosion/stability: slight tunnel gulley on slopes greater than 12°

General comments: the stones in the soil below 90cm are medium to large and the material poorly sorted and typical of slope detritus

Figure 7. landscape view of lower slope surfaces in 15th Valley

Figure 8: example of a house site bench that has been cut into Wither hill Soils, where the loess deposit is thick and tunnel gully formation is active.



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The Prospects for Increasing Industrial Land Supply in Blenheim

Extending the Cloudy Bay Business Park

Preliminary Report:

Prepared for Levide Capital
and

Terra Nova Consultants

March 12, 2020

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The information in this report is presented in good faith using the best information available to us at the time of preparation. It is provided on the basis that McDermott Consultants Ltd, and its associates are not liable to any person or organisation for any damage or loss which may occur in relation to that person or organisation taking or not taking action (as the case may be) in respect of any statement, information, or advice conveyed within this report.

SUMMARY

1. **This report** describes recent investment in industry in Marlborough, Blenheim, and Riverlands as a basis for assessing prospects for demand for further industrial land. Activities most likely to locate in Industrial 2 zoned land are manufacturing, transport and storage, building components and supplies and construction depots, and associated office space.
2. The report presents the results of a desk-based analysis of available data. It does not go into detail regarding recent decisions on the proposed Marlborough Environmental Plan, the economics of alternative land uses, or the comparative costs of land development on the proposed and existing zoned land in the area.
3. **The Issue:** Levide Capital has appealed against a decision by Marlborough District Council to disallow rezoning 43ha of 15thValley west of the Cloudy Bay Business Park Industrial 2. Topic 21 Hearing Report indicates that little consideration was given to the recent and prospective drivers of demand for industrial land in the Marlborough Region, or to the suitability of the site for industrial use.
4. **The evidence** presented in this report regarding the nature of recent growth in Marlborough, the role of Blenheim's land in catering for it, and the prospect for further large-scale investment to quickly absorb any land that may be available and suitable in the Riverlands Industrial Estate suggest that the decision has been made without sufficient regard for the economic setting and prospects. A consequently conservative decision to reject the proposal may be self-fulfilling in so far as it limits opportunities for extending recent industrial investment in an area suited for it.
5. **Context:** The New Zealand and global economies are undergoing significant structural change. It is not possible to predict precise outcomes for the uptake of industrial land in and around Blenheim, but several tendencies appear important.

First:

- Industrial investment has played a large part in the post-GFC recovery in the northern South Island, dominated in Marlborough by food and beverage (wine) production and distribution.
- Primary exports have been strong nationally through the Covid downturn and this can be expected to continue as the global recovery picks up.

Second:

- A greater emphasis is being placed on "connectedness" to streamline international trade and to reinforce domestic supply chain relationships as governments, producers, and economies react to the vulnerabilities associated with globalisation.
- The emergence of freight hubs and inland ports, the growing sophistication of transport and storage operations , and the changing nature of distribution to final demand via new warehouse-based direct delivery services are creating new land use and transport infrastructure configurations.

Such developments offer opportunities to a location like Blenheim which sits virtually at the crossroads of the North and South islands and is well placed to service producers in the northern South Island.

6. **Within the region** industry has become increasingly centralised in Blenheim. Within Blenheim, Riverlands has become the dominant industrial area¹. The Riverlands industrial landscape is, in turn, dominated by large scale, relatively low-density wine processing and distribution and food processing, supplemented by engineering services, storage and transport depots, locally oriented building suppliers, and general service industries.
7. **Riverlands Industrial Area:** Within Riverlands there are differences between the Riverlands Industrial Estate (RIE), lying between the South Island Main Trunk Railway and SH1, and Cloudy Bay Business Park (CBBP). The former is of a lower density and includes a large undeveloped area. CBBP is fully occupied, with higher site coverage.
8. **Potential:** The vacant area of RIE is compromised to some extent by drainage issues and greater vulnerability to flooding because of climate change-related events. Some shape and access limitations could constrain development in the southern-most sector. Nevertheless, based on current occupancy and density ratios in Riverlands, the vacant area could theoretically accommodate around 60,000sqm of built structures and perhaps 2,000 employees. This compares with between 1,800 to 1,900 employees in the Riverlands Statistical Area (excluding retail) in 2020.
9. **The precedent:** From 2000 to 2020 60,000sqm of industrial buildings were consented for Riverlands, with two thirds of consents issued in just the seven years to 2007, and 15,000sqm in 2015thalone. These figures raise the possibility similar large large-scale, “lumpy” investments could quickly take up large parts of remaining capacity within a relatively short time.
10. **Additional capacity?** The decision whether to consent a further 56 hectares of industrial land on the western side of CBBP within comes down to whether possible future conditions will see a small number of significant investments absorb much of current undeveloped capacity.
11. While it is impractical, and quite likely to be misleading, to project future demand in any detail, the rationale for providing additional capacity includes:
 - The prospect that one or two large-scale ventures absorb the bulk of vacant industrial 2 land, especially as much of it is in a small number of large titles;
 - The likelihood that as existing vacant land is taken up, the residual will offer less flexibility and fewer opportunities for medium to large scale investment;
 - Drainage constraints on existing capacity may limit the long-term coverage, development, and employment density that can be achieved on it.

¹ The industrial area, zoned Industrial 2, falls entirely within Statistics New Zealand’s Riverlands Statistical Area

12. **Supporting development:** In any case, a decision to allow an increase in investment capacity in 15thValley comes down to the question of having sufficient supply to provide potential investors with choice, giving them the capacity to assess alternative sites for suitability, resilience in the face of climate change, and costs.
13. **Promoting development,** or at least not unduly limiting it, makes it desirable to sustain a competitive market. Not only does this allow for the possibility that future demand reflects the growth of the past, with a small number of major investors absorbing large shares of remaining capacity. Rezoning may also be justified if the community seeks to adopts a proactive approach to development, opting for an environment in which investment in processing and distribution is encouraged and maintaining a positive approach to population growth and an active housing market.

1. Purpose

This note assembles information to help assess the prospects for development of the proposed extension to the 15thValley industrial area, the Cloudy Bay Business Park (CBBP).

The note first places the issue of potential demand in the context of regional industrial² development, the role which Riverlands industrial area plays in that role, and the prospects for future growth in the demand for industrial land generally. This is done primarily through reference to recent trends in employment by sector and locality.

It then discusses issues of availability, occupancy, use, and suitability of the currently zoned land and the site proposed for rezoning to Industrial Zone 2.

2. The Issue

The proposed site sits within 15th Valley effectively as an extension to the almost completely built-up behind the CBBP. It offers the possibility of large, easily developed sites (although subject to some prior benching and consolidation). It lies between around 600m and 1km from the intersection of Cloudy Bay Drive and SH1, and 7.5km from Blenheim Central. As a continuation of the CBBP it is largely screened from public view and has the advantage of building on an established mix of producer and service industries. As such, it offers the opportunity to the community to consolidate on an existing commitment to well-located heavy industry. To the investor it offers choice in industrial sites in an easily-accessed quasi-urbanised rather than rural area, and the comfort of an existing complex with the services and infrastructure it offers.

The reasons for rejection of the application to rezone 43ha³ of land in 15thValley relate primarily to concerns around soil suitability and the capacity to provide adequate infrastructure, particularly by way of water supply.

Little attention appears to have been paid to demand for and supply of industrial land or the suitability of the site for industrial use, except for a reference 56ha of “unutilised land” in the south and west of the RIE. The 2018 Report *Submissions and Further Submissions on Topic 21 Zoning* for the proposed MEP states:

- 18 The number of building consents issued for new commercial buildings shows an overall decreasing trend. An analysis of aerial photograph identified approximately 56.4 ha of unutilised industrial zoned land available in the Riverlands Industrial Estate and Cloudy Bay Industrial Estate although this land is not necessarily available or suitable for development.

No evidence is presented to support the inference that investment in industrial (not “commercial”) development is slowing down or that there will not be pressure on industrial

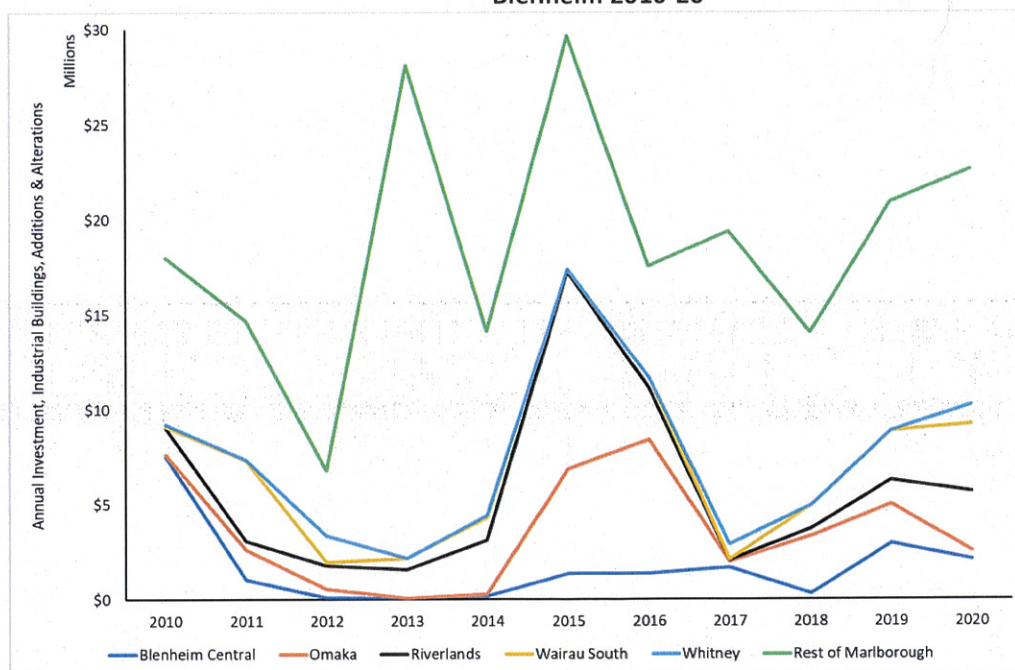
² For this note, the entire area zoned Industrial 2 is referred to as the Riverlands Industrial Area, and the zoned industrial area, between SH1 and Kendrick Rd as the Riverlands Estate (RE).

³ This was erroneously stated to be 56.4ha in the S42A Topic Report, para.108, which may include the surrounding hillsides

land as a result.⁴ Taking a broader view, industrial investment has been substantial, although cyclical, over the past decade (Figures 1 and 2).

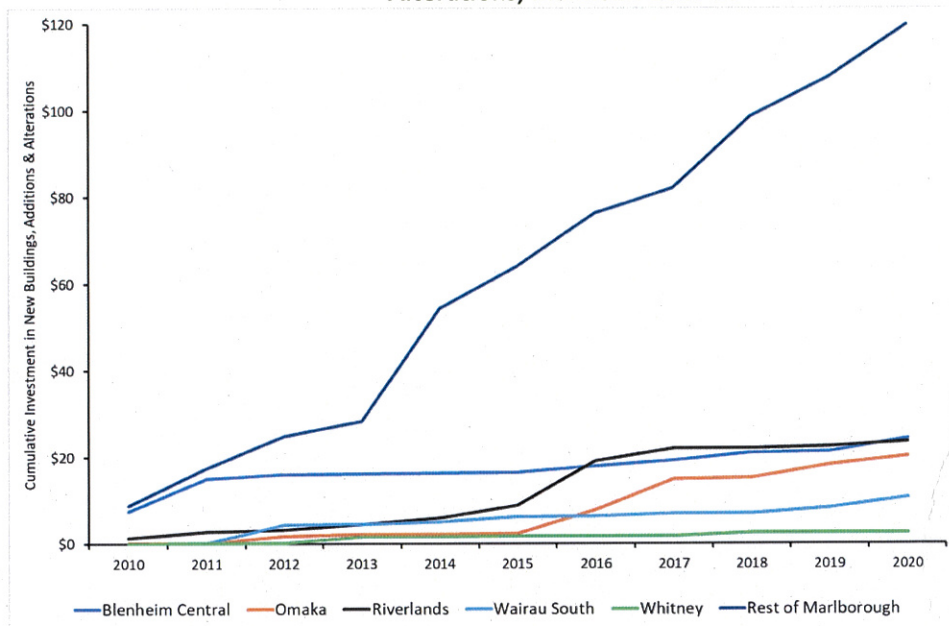
One issue that may obscure the significance of the \$206m (2000 dollars) invested in industrial premises over the decade is that much of it has taken place outside Blenheim, primarily it is assumed, in support of the expanding wine industry. Hence, 23% of investment took place in Rapaura Statistical Area north of Blenheim and another 12% in Weld Pass Statistical Area (which takes in the Awatere) south of Blenheim. It is questionable how far this dispersed investment might be encouraged in sensitive rural environments in the future, especially considering concerns about the impact of climate change on water availability, among other things.

Figure 1: Annual Value of Consents for Industrial Buildings, Additions, & Alterations, Blenheim 2010-20



⁴ Activities on the Standard Industrial Classification that can be expected to locate in industrial land include: SIC C Manufacturing, D Electricity, Gas, Water and Waste Services (utilities), E Construction, F Wholesale Trade, and I Transport

Figure 2: Cumulative Value of Consents for Industrial Buildings, Additions, & Alterations, Blenheim 2010-20



It is interesting, though, that investment in the Riverlands area accelerated after 2013 and more or less stalled after 2017, given reference to the existing vacant land. The reason for this land not being taken up since then given the significant investment that took place outside the Blenheim is worth investigating. Certainly, a more informed view of land availability and suitability than that used to dismiss the prospects for the proposed 52ha extension of Industrial 2 land west of CBBP.

In fact, the same report introduces an alternative estimate of vacant land without comment on the differences:

257 I note that the site was not identified as suitable in the GMSF [Growing Marlborough Strategy] with the document noting that there is 64ha available in the Riverlands Industrial Estate. The memorandum from MDC Assets (**Appendix 1**) notes that "The applicant states there is a requirement for more heavy industrial land in Blenheim. We are unsure how he comes to this conclusion given there is a large tract of land zoned industrial (at Riverlands) for which Council has plans for servicing as development takes place." The NPS-UDC encourages a sufficient supply of appropriately zoned land and while the MDC monitoring report (refer para 18 of Section 42A report) notes a lack of data it nevertheless refers to the undeveloped area at Riverlands.

No consideration appears to have been given to suitability, availability, or medium-term demand possibilities in this dismissal, nor to possible preferences of investors.

The balance of this note deals with issues relating to the possible future demand for industrial land and the role, if any, that the proposed extension to CBBP might play in meeting it.

3. Overview

Blenheim provides commercial and industrial services to Marlborough Region, its people and producers. Riverlands contains the key concentration of industry in Blenheim.

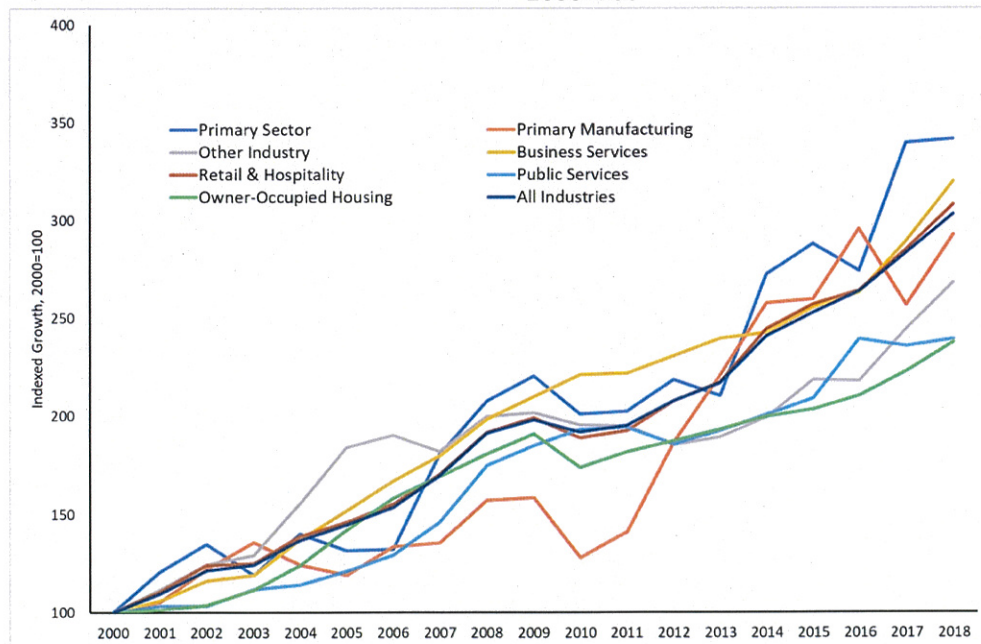
Demand for industrial land is determined by their needs: the former for housing and household goods and the services and distributors servicing them, the latter for storage, processing, and transport services, equipment supply, and maintenance. The level of Marlborough-based production and consumption, then, are the first drivers of demand for industrial land. At its simplest, the greater the number of regional households and the higher the output of the primary sector, the greater the need for industrial land.

Strong Primary Sector Growth

In practice, primary production and associated processing industries have enjoyed gains ahead of business services and well ahead of final (household) demand-oriented sectors since 2010 (Figure 3). This appears to have sustained significant growth in manufacturing and other industry. This primary sector-driven growth, most likely due largely to the booming wine industry, also reflected in a one third increase in grape plantings (to 26,00ha) from 2009, saw primary output approaching that of all business services by 2018.

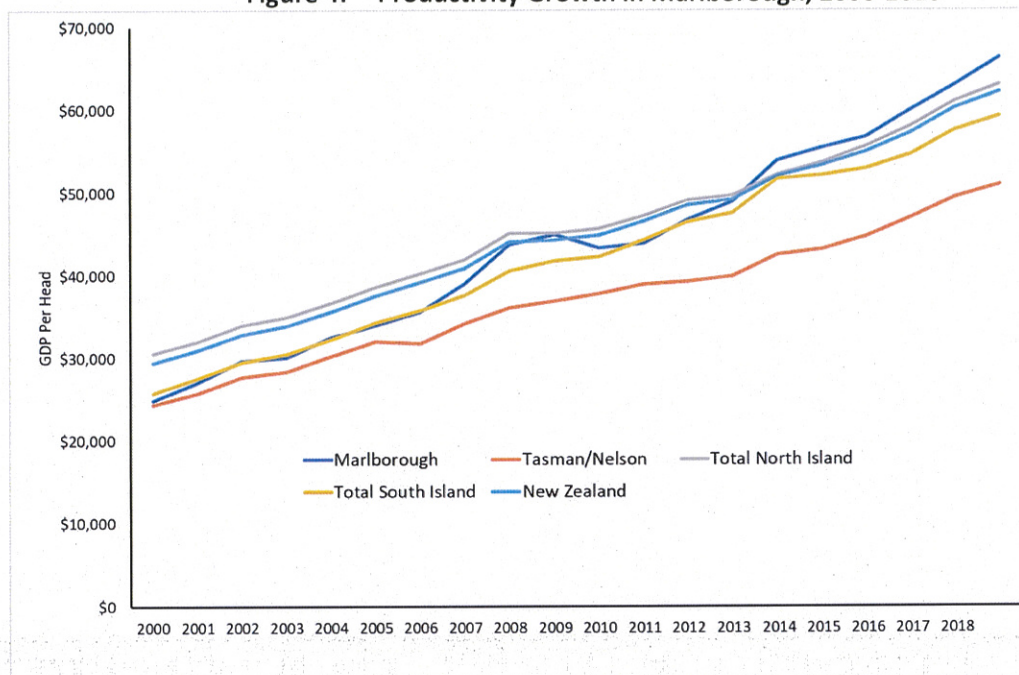
(Interestingly, in growth terms retail and hospitality tracked close to total GDP, above the household and local service sectors but behind the primary and processing sectors. This may well have slipped with the fall in the international visitor numbers in 2020).

Figure 3: Marlborough GDP Growth by Sector Grouping, 2000-2018
2000=100



One consequence of significant investment in primary production and processing over the past decade has been the strengthening of productivity in Marlborough over that period, relative to the remainder of the country (Figure 4)

Figure 4: Productivity Growth in Marlborough, 2000-2018



These shifts reflect increasing added value in food and beverage production chains. In the future, they may need to be sustained by developments in IT and electronic sectors. Primary production will shape future demand for industrial land in Marlborough. In the face of labour constraints, however, the latter may be the key to increasing production through investment in on-the-land monitoring and land-based and factory-based automation.

It appears important, then, that large-scale investment in handling primary output, and food and beverage processing should not crowd out, but rather encourage parallel investment in the research, development, and production of automated systems to support the sector.

A Potential Freight Hub?

Putting aside the strong performance of the local primary sector, there is a shift underway in the “connected economy”. Traditional international and domestic connections are being supplemented by more, and more sophisticated, local connectivity, exemplified by the emergence of inland ports and freight-hubs.

The distribution of goods to consumers is also changing, with the merging of retail and wholesale functions in the form of large, strategically located collection and distribution centres displacing elements of traditional retailing.

Given such structural changes, Blenheim could potentially service much of the output of the northern South Island. It lies at the crossroads of the North and South Islands and could be, potentially, a processing and freight hub for producers in Nelson and Tasman regions, a

prospect that could readily absorb a large area of industrial land, servicing the Wellington and Lyttelton ports.

Based on both the relative buoyancy of the primary sector and its strategic location, Blenheim could be the location for significant investment as a domestic and international production and distribution centre servicing local, regional, and domestic producers and regional consumer markets through major warehousing facilities and, potentially, inland port capacity. Such activities substantially lift the demand for large industrial sites.

The prospects for industrial investment certainly appear stronger than implied in the Hearings Report which raises the risk that a conservative approach to provisions for continuing industrial investment becomes self-fulfilling.

While we cannot predict with certainty what investment (or disinvestment) might take place in Marlborough, consideration of recent shifts in economic activity lead to the expectation that the demand experienced over the past ten years will continue, the key issues being where, when, and in what form.

The following sections provide a little more detail.

4. The Regional Setting

Since 2010 employment has seen industrial activity pick up across the upper South Island, although coming later to Marlborough than elsewhere (Table 1), accounting for a large share of all jobs gained (39% in Marlborough since 2015).

Table 1. Employment Growth, Upper South Island, 2010-2020

	Tasman	Nelson	Marlb'h	Upper SI
Total Employment				
2010	18,500	24,100	22,000	64,600
2015	20,300	25,400	22,300	68,000
2020	23,100	27,700	24,700	75,500
Growth				
2010-2015	1,800	1,300	300	3,400
2015-2020	2,800	2,300	2,400	7,500
Industrial Employment				
2010	4,639	5,967	6,400	17,006
2015	4,815	6,341	6,255	17,411
2020	6,096	7,213	7,185	20,494
Industry Growth				
2010-2015	176	374	-145	405
2015-2020	1,281	872	930	3,083
Industry Share of All Employment Growth				
2010-2015	10%	29%	-48%	12%
2015-2020	46%	38%	39%	41%

There was a recovery in the primary sector following a sharp downturn early in the decade (a hang-over from the 2008 GFC). Major drivers were fishing out of Nelson (590 additional jobs), forestry and horticulture in Tasman (390 and 300 jobs), and aquaculture in Marlborough (100). Marlborough also added 150 jobs in associated service activities.

Table 2. Primary Production Employment, Northern South Island 2010-2010

	2010	2020	Shift 2010-20	Share 2020
Ag. & Hort.				
Marlborough	2,050	2,050	0.0%	19%
Nelson	80	35	-56.3%	0%
Tasman	3,800	4,100	7.9%	38%
Total	5,930	6,185	4.3%	57%
Forestry				
Marlborough	65	85	30.8%	1%
Nelson	15	30	100.0%	0%
Tasman	360	390	8.3%	4%
Total	440	505	14.8%	5%
Aquaculture				
Marlborough	200	300	50.0%	3%
Nelson	65	65	0.0%	1%
Tasman	35	21	-40.0%	0%
Total	300	386	28.7%	4%
Hunting and Fishing				
Marlborough	70	85	21.4%	1%
Nelson	760	1,350	77.6%	12%
Tasman	30	15	-50.0%	0%
Total	860	1,450	68.6%	13%
Primary Sector Services				
Marlborough	1,700	1,850	8.8%	17%
Nelson	45	130	188.9%	1%
Tasman	310	370	19.4%	3%
Total Primary Sector				
Marlborough	4,085	4,370	7.0%	40%
Nelson	965	1,610	66.8%	15%
Tasman	4,535	4,896	8.0%	45%
Total	9,585	10,876	13.5%	100%

Consideration of the composition of manufacturing in Marlborough demonstrates the importance of primary processing (Table 3). In February 2020, the food product and beverages (wine) processing sectors jointly accounted for 67% of manufacturing employees (2,390, up from 2,140 in 2010), a figure attributable in large part to the expansion of the beverage sector as employment growth in food processing stalled. Wood products remain important, while the transport equipment and fabricated metals sectors presumably support both primary production and processing activity in the area.

Table 3. Manufacturing Employment, Marlborough 2000-2020

	Employees			Growth 2010-2020		Shares	
	2000	2010	2020	Number	2010	2020	
Food Products	1500	1500	1400	-100	-7%	45%	39%
Beverages	1250	640	990	350	55%	19%	28%
Wood Products	200	230	180	-50	-22%	7%	5%
Transport Equipment	320	470	450	-20	-4%	14%	13%
Fabricated Metal Products	230	160	240	80	50%	5%	7%
Other Manufacturing	350	350	340	-10	-3%	10%	9%
Total Manufacturing	3850	3350	3600	250	7%	100%	100%

The balance of industrial activities is those typically found in a small manufacturing complex with small to medium-size operators, engineering, joiner, aluminum fabricators, and the like meeting local business and household (including building) needs.

5. Industrial Activity in Blenheim

The figures show that industrial activities have been becoming more concentrated in Marlborough over the past ten years (partly offsetting the opposite movement during the previous decade), particularly in manufacturing and transport (Table 4).

Table 4. Industrial Activity 2010-2020 – Consolidating in Blenheim

	Blenheim			Rest of Marlborough			% Growth 2010-2020		Blenheim Share	
	2000	2010	2020	2000	2010	2020	Blenheim	Rest Marl.	2010	2020
Manufacturing	1,400	1,240	1,680	1,950	2,360	2,170	35%	-8%	34%	44%
Utilities	90	160	250	0	10	10	56%	0%	94%	96%
Construction	610	1,040	1,240	200	360	460	19%	28%	74%	73%
Wholesale	250	410	410	60	160	160	0%	0%	72%	72%
Transport	290	380	470	210	350	370	24%	6%	52%	56%
	2,640	3,230	4,050	2,420	3,240	3,170	25%	-2%	50%	56%

Turning to Blenheim, a parallel process is evident, with a growing share of industrial activity in Riverlands, particularly in manufacturing, construction, and wholesaling. Increasing concentration is consistent with recovering since the post-GFC downturn, reflecting a tendency for firms to contract “on the fringes” and subsequently consolidate at the centre.

Table 5. Industrial Activity 2010-2020 - Consolidating in Riverlands

	Riverlands			Rest of Blenheim			Riverlands Share		
	2000	2010	2020	2000	2010	2020	2000	2010	2020
Manufacturing	450	700	1,100	950	540	580	32%	56%	65%
Utilities	5	5	10	80	150	240	6%	3%	4%
Construction	5	90	140	600	950	1,100	1%	9%	11%
Wholesaling	10	30	110	240	380	300	4%	7%	27%
Transport	80	140	150	210	240	320	28%	37%	32%
Total	550	965	1,510	2,080	2,260	2,540	21%	30%	37%

The employment figures for just the leading industrial sectors in Blenheim over the seven-year recovery (post 2013) clearly reveal the expanded role of Riverlands associated with the food and beverages growth sectors.

Table 6. Riverland Key Industrial Sectors

	Riverlands		Rest of Blenheim		Riverlands Share	
	2013	2020	2013	2020	2013	2020
Food Products	490	620	114	79	81%	89%
Beverages	190	350	18	24	91%	94%
Wood Products	0	21	21	82	0%	20%
Fabricated metal Products	35	45	167	172	17%	21%
Grocery Wholesaling	3	65	119	34	2%	66%
Road Transport	60	140	149	172	29%	45%
Building Construction	3	9	271	313	1%	3%
Heavy & Civil Engineering	40	90	213	223	16%	29%
Construction Services	21	40	376	553	5%	7%

Looking to the Future

There is little point in undertaking a quantitative projection of likely demand for industrial land given the uncertain domestic and global economies. It does appear, though, that food

primary production and some recovery in domestic demand will sustain at least modest growth and minimise any medium-term post- Covid downturn.

Mass tourism is likely to remain subdued even with extensive international vaccination, if only because a fractured aviation sector will take some time to recover capacity and achieve the sorts of air fare and levels of international travel prevailing before the pandemic. This may place more pressure to export on the wine and specialised food product sectors which could flow through to industrial investment in Marlborough.

Looking to activity in primary production, increased grape plantings in Marlborough, could support continuing growth in large scale export operations. On the forestry front, a contraction in regional planting between 2001 and 2007 may suppress growth in the wood products sector for some time. Similarly, a slowdown in new plantings and problems with labour supply may restrain growth in output from orchards for a several years. On the other hand, the recent expansion in areas committed to vegetable production should be reflected in food processing sector and help sustain demand in the service sectors.

Overall, the prospect remains subdued for primary processing for perhaps five years, although a higher profile for New Zealand food, fibre, and associated products in the aftermath of Covid should see some additional investment in processing for export.

6. Land Use in Riverlands

An assessment of current land occupancy in Riverlands has been undertaken by estimating the areas of occupied sites, the area of structures (buildings and fixed storage structures such as vats, gas tanks, and shelters, but excluding containers), and vacant sites.⁵ This enables an assessment of the current land up-take.

Significant under-utilised sites with structures on them are treated as unavailable for new development, although many have capacity for on-site expansion. Sites that are unoccupied may not be available, either. They may be held in reserve for development by existing owners, or are being land banked, or be vacant simply because of unrealistic (premature) price expectations on the part of existing owners. However, for present purposes, vacant land is all treated as offering additional capacity for future development.

The following estimates of area are based on aerial imagery and therefore approximate only. They are nevertheless indicative of utilisation and useful for comparative purposes (over time and between localities).

The results of this survey are presented for the Cloudy Bay Business Park (CBBP) and the Riverlands Industrial Estate (RIE) in Table 7.

⁵ This is a preliminary exercise based on measurements made using Google Earth 2020 aerial images.

Table 7. Land Use – Riverlands Industrial Area

	Riverlands (RIE)	Cloudy Bay (CBBP)	Total
Occupied (ha)	47	17.8	64
Structures (ha)	10	5.4	16
Coverage	22%	30%	24%
Vacant (ha)	64	0	64
Total (ha)	110	17.8	128

There are 64ha or thereabouts currently vacant⁶. Coverage by structures (including storage facilities) of occupied sites averages 24% across the entire Riverlands industrial area, the balance being largely committed to hard stand for temporary storage (containers, pallets, and the like), and parking.

The coverage figure is higher in CBBP (at 30%) where there is less land overall, subdivision appear coarser grained, and several large enterprises dominate. These coverage estimates may be slightly on the low side for a fully developed industrial precinct but are consistent with the nature of development based on large factories with significant covered and open storage and smaller operations in the interstices.

Site coverage tends to be less in the large-scale operations in RIE that spread over several sites. Nevertheless, there are sites that are more intensively developed. Two exceed 40% building coverage and one approaching 50%.

The vacant 64ha lies mainly in the wedge between SH1 and the SIMTL in the south of RIE.

RIE and CBBP are both dominated by extensive wine processing, storage, and distribution facilities, complemented in CBBP by food-based operations. There are also smaller scale operations with engineering workshops likely to provide services to the local producers, interspersed with the usual range of light industrial, building services and suppliers, transport, and storage businesses.

The most distinctive feature overall is the extensive nature of many of the occupants. This places the vacant land in context: a small number, perhaps two or three such business, could occupy the bulk, leaving limited capacity for small scale fabrication, service, or specialist manufacturing operations.

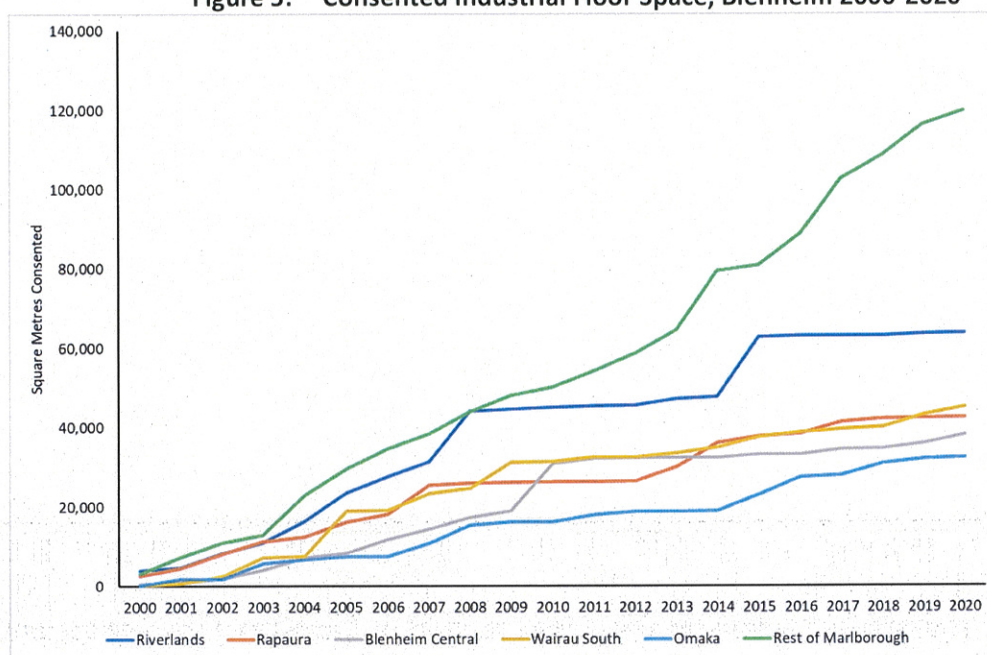
Omitting retailing employment (concentrated, presumably in Riverlands Roadhouse and camping area) there were an estimated 1,850 employees in the Riverland Statistical Area. Assuming they are employed within the industrial zone, this yields 29 persons per occupied hectare, and one employee for every 80sqm of built structure (including storage).

Based on these ratios the estimated 64ha vacant, if available and occupied, could support between 14,000sqm (at 22% coverage) and 19,000sqm (at 30% coverage) and between 1,750 and 2,400 additional employees.

⁶ This aligns with one of the Marlborough District Council estimates.

In comparison, almost 60,000sqm of industrial floorspace was consented in Riverlands over the twenty years to March 2020 (Figure 5). Growth was lumpy, though, reflecting the large-scale nature of key investments. In just the seven years to 2007 40,000sqm was consented, and 15,000sqm in 2015thalone. The apparent plateauing of investment after 2017 may reflect a decline in demand or issues of land availability. in this respect, it is interesting that demand has been sustained outside Blenheim, elsewhere in Marlborough.

Figure 5: Consented Industrial Floor Space, Blenheim 2000-2020



7. Conclusion

While it can be confirmed that there is substantial vacant land available in RIE, this alone is no reason for denying the expansion of the CBBP. The latter has clearly been a successful and sought-after development. Like the RIE, the CBBP has accommodated large scale primary processing operations and a variety of industrial services and storage facilities.

Industrial development has been strong in the last seven or eight years, and although Covid has slowed investment down, it may have strengthened the long-term prospects for new Zealand's food and beverage sectors. In addition, it has reinforced the ongoing reorganisation and integration of transport, storage, handling, and distribution activities. Both of these developments call for the availability of extensive, flexible sites of the sort that have underpinned the past growth of Riverlands.

What Covid has shown is that rather than trying to cater for a predicted future, provision should be made for sufficient flexibility in land use to accommodate whatever may come about, or alternatively, more actively seek to influence it. On this basis, increasing the capacity of the Riverlands area to continue to cater for a variety of potentially large-scale investments and provide a land market with as much capacity in 2020 as has been historically available would be the most reasonable way to cater for future possibilities.

To the extent that if taken up, industrial activity on the proposed extension would be a substantially more economic use of the land than its current use (as a vineyard), and given that its development may be more cost effective and raise less issues around drainage and climate change than the vacant land in RIE (for investors, if not the council), it is argued that approving the extension would be a wise use of a limited resource – an extensive site of limited gradient, elevated and drained, accessible to Blenheim, easily serviced, screened, and without the threat of future reverse sensitivities.