



Before the Waimakariri Residential Red Zone Recovery Plan Hearing Panel

Under the Canterbury Earthquake Recovery Act 2011, Schedule 1 of the Greater
Christchurch Regeneration Act 2016

And in the matter of the hearing of comments on the Preliminary Draft Waimakariri
Residential Red Zone Recovery Plan

Waimakariri District Council

Core Project Team

Memorandum in response to Third Minute of the Hearing Panel

31 May 2016





May it please the Hearing Panel:

1. Context

1.1. The purpose of this memorandum is to provide additional information to further respond to the Hearing Panel's request for information outlined in the Minute issued on 13 April 2016. The Core Project Team (CPT) is responding for and on behalf of the Waimakariri District Council.

1.2. The CPT have outlined below and in the attachments the further response to the Panel's specific questions including:

- Further detailed analysis of the preferred options for each of the five regeneration areas, including the Council preference for land ownership and management
- The cost benefit analysis work, and
- Confirmation of the Council's preferred regulatory approach to District Plan changes

1.3. The CPT has prepared this information in collaboration with officials from the Greater Christchurch Group within the Department of the Prime Minister and Cabinet (GCG) and Te Rūnanga o Ngāi Tahu. Three half day workshops were held on 27 April, 11 May and 25 May to assist with developing the attached information. The CPT is of the view that the information provided by this memorandum satisfies the requested information requirements. There is sufficient information for the Hearing Panel to make recommendations on the preliminary Draft Recovery Plan to Waimakariri District Council to progress the Draft Recovery Plan, which the Council must provide to the Minister supporting Greater Christchurch Regeneration by 1 August 2016.

2. Preferred Regulatory Approach to District Plan Changes

2.1. The CPT have now had the opportunity to meet with the Council's Development Planning Manager to confirm his view on the best way to progress District Plan changes that would be required as further actions required by the Recovery Plan.

2.2. The Development Planning Manager agreed that any amendments to the District Plan required within the next five years, especially those required within the next 12-18 months, should be progressed under the process provided for by the Greater Christchurch Regeneration Act 2016 (GCR Act). The Development Planning Manager confirmed the view that any benefits associated with shorter timeframes under the GCR Act are reduced for amendments to the District Plan required to be actioned beyond this period.

3. Detailed Analysis of Regeneration Areas

- 3.1. As outlined in the previous reply, the Crown must consider a broad range of matters in relation to the potential divestment of Crown-owned residential red zone (RRZ) land. The Minister must also take into account multiple considerations when deciding whether to approve, amend or decline the Draft Recovery Plan. Through the workshop process, the GCG provided CPT with a framework to assist with analysing the Council's preferred land use options for each of the five regeneration areas. The intention of this work was to set out in one document all relevant information about the preferred options for each regeneration area, with a clear, compelling explanation. This analysis has been completed for each area and is enclosed as **Attachments A to E**.
- 3.2. In particular, the Council's land ownership and management preferences have been included in the detailed analysis of each regeneration area. It is envisaged that the detailed analysis for each of the five regeneration areas will be included in an appendix to the Draft Recovery Plan. This will assist the Crown and others to thoroughly consider each of the Council's preferred options.
- 3.3. The CPT acknowledges that making recommendations and decisions about the divestment of Crown-owned RRZ land is neither a quick nor easy process for the Crown. This process was outlined in the Joint Memorandum to the Hearing Panel in response to the Second Minute of the Hearing Panel, dated April 2016.
- 3.4. Please refer to **Attachments A to E**.

4. Cost benefit analyses

- 4.1. The CPT, GCG and Te Rūnanga o Ngāi Tahu have worked together, through a series of workshops to develop a high-level cost benefit analysis, in line with the issues raised by the Crown in its written comments on the Preliminary Draft Recovery Plan. This work is a more detailed evaluation of mostly existing information, as suggested by the Panel. The cost benefit analysis includes qualitative as well as quantitative assessment due to the range of matters to be taken into account. The high-level cost benefit analysis is enclosed as **Attachment F**.
- 4.2. The CPT and GCG consider it important that this analysis informs the draft Recovery Plan as supporting information, rather than as an appendix to the draft Recovery Plan.
- 4.3. The CPT's view is that any level of uncertainty that remains is acceptable at this point, as the uncertainty relates to detail that will be clarified through implementation of Recovery Plan actions. For example, potential changes to the objectives, policies and methods of the District Plan to give effect to a re-zoning and reserve master planning / detailed design. The CPT note that further public engagement will be undertaken for such implementation actions and therefore will be subject to robust and transparent processes.

- 4.4. As set out in **Attachment F**, through the series of workshops the CPT and GCG analysed at a high level the key features, issues, costs, benefits and assumptions of the Council's preferred land use scenario (referred to as the Mixed Used Scenario or base option) as well as, theoretical alternative land use scenarios. The alternative scenarios are based on suggestions received during the public engagement on the preliminary draft Recovery Plan, the constraints identified in the Technical Advisory Panel Report, further detailed geotechnical information, and the potential feasibility of remediation and development. All the land scenarios were assessed at a high level against developed criteria and scored. The intention of this work was to be able to compare and contrast the Council's preferred land use scenario, to explore and test alternative scenarios, and to assess the costs and benefits and implications.
- 4.5. The criteria were developed to succinctly capture and balance the multiple considerations for the development of future use land options. These include the objectives and obligations in the Minister's direction, relevant legislation, the vision and goals in the preliminary Draft Recovery Plan, the Council's Long-Term Plan, and relevant statutory planning documents. The Council's preferred land use scenario was assessed as providing the best balance of the regeneration objectives compared with the alternatives, with a focus on optimising value for money, taking a pragmatic approach, and balancing current and future needs of the District and greater Christchurch.
- 4.6. Technical Advisors have prepared more detailed technical assessments to respond to questions raised by the hearing panel and the conclusions have also informed the workshops and preparation of the high-level cost benefit analysis. These include two further valuation reports on residential land that could be leased or sold to adjacent green zone properties and on the value of rural land (the Colliers report); a report on the benefits of Greenspace; and further infrastructure upgrade costings for residential and commercial development options from Council Engineers. These reports are enclosed as **Attachments G, H, I and J**. The CPT also considers these reports to be supporting information to the draft Recovery Plan.

5. Timeframes

- 5.1. As outlined in the Joint Memorandum to the Panel dated April 2016, the Crown's view is that there needs to be a clear understanding of timeframes throughout the draft Recovery Plan, and specific suggestions were provided about how this clarity could be achieved. The CPT's initial thinking is that short-term and medium-term remains as 'short' being within the next two years and 'medium' the following ten years, and that the Council would clarify 'long-term' would be the following 20 year period. This would be consistent with the Council's annual and long-term planning cycles.

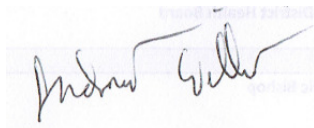
6. Conclusion

- 6.1. In conclusion, the CPT have provided a further analysis of the preferred land use for each regeneration area, as well as a high level cost benefit assessment of the Council's preferred options and alternative development scenarios. In addition, we have also

clarified the Council's position on the preference to use GCR Act powers to progress plan changes. In doing so we have sought to make it clear which analysis we consider should form part of the draft Recovery Plan and what should be considered as supporting information.

- 6.2. The assessments were completed through a collaborative series of workshops between the CPT, GCG and Te Rūnanga o Ngāi Tahu.
- 6.3. The CPT considers that the Hearing Panel request for further information has now been fulfilled.

DATED this 31st day of May 2016

A handwritten signature in black ink, appearing to read 'Andrew Willis', written over a light blue grid background.

Andrew Willis

Reporting Officer for the Waimakariri District Council

A handwritten signature in black ink, appearing to read 'Rachel McClung', written in a cursive style.

Rachel McClung

Project Lead for the Core Project Team, Waimakariri Residential Red Zone Recovery Plan, Waimakariri District Council



ATTACHMENTS

Attached to this response are the following:

- A. Detailed Analysis of Kaiapoi West
- B. Detailed Analysis of Kaiapoi South
- C. Detailed Analysis of Kaiapoi East
- D. Detailed Analysis of The Pines Beach
- E. Detailed Analysis of Kairaki
- F. High Level Cost / Benefit Assessment of Development Scenarios
- G. Colliers Valuation Report 18 May – Marginal Land. Kaiapoi, The Pines Beach and Kairaki
- H. Colliers Valuation Report 19 May – Rural land
- I. WDC – Value of Greenspace
- J. WDC – Residential and Commercial Infrastructure Costs



Attachment A

Detailed Analysis of Kaiapoi West

PRELIMINARY DRAFT WAIMAKARIRI RESIDENTIAL RED ZONE RECOVERY PLAN – DETAILED ANALYSIS OF OPTIONS – KAIAPOI WEST

Description of Area: Kaiapoi West is a relatively small rectangle of approximately 2.6 hectares, next to the town centre’s business-zoned land. The area is close to Kaiapoi Borough Primary School and Murphy Park (a sport and recreation reserve). The Kaiapoi West Regeneration Area contains a wastewater pump station, includes one remaining private property, and is zoned Residential 1, which allows for relatively high residential densities. For the purposes of the Preliminary Draft Recovery Plan, the Kaiapoi West Regeneration Area has been divided into two sub areas (Area 1 and Area 2), reflecting the preferred land uses within these areas.

A. PREFERRED OPTION AND PROPOSED IMPLEMENTATION

Briefly describe the preferred option and outline the key reasons why it is preferred.	Area 1 (the NE two thirds) is proposed to be a new sport and recreation reserve which would operate in coordination with the adjacent Murphy Park. Area 2 (the remaining third) is proposed to be rezoned from residential to business, to enable suitable commercial activities (which could include car parking and retail) to take place. The business area would complement and extend the existing business areas on Raven Quay to the town centre. Residential development would also be enabled in the business area to provide for a mix of activities. These land use proposals are considered the best fit for this area given the geotechnical constraints and neighbouring activities associated with this location and the requirements for more business activities in Kaiapoi in the future. These proposals were broadly supported by the community.
How does the preferred land use take into account long-term projections and plans , such as demographic projections?	The proposed land uses for these areas reflect the projected demand for more business activities in future years, alongside responding to the increased use of neighbouring Murphy Park.
Is the preferred option the intended long-term use of the area? If no, what is the intended long-term use and why is it different from the short term use?	The proposal is the intended medium and long term use for this area, subject to, amongst other things, interest from and development by the private sector to implement business activities within Area 2.
How does the preferred land use option support and align with existing and planned local and national infrastructure ? E.g. roads, schools and health services	The preferred option is complementary to the existing road network, and provides additional recreation space for the neighbouring primary school and Murphy Park, which is at capacity. The Hilton Street wastewater pump station and Dudley Drain will retain their functions and Dudley Drain will be landscaped appropriately to complement the proposed land uses. There are no other significant infrastructure implications and consequences that have been identified at this stage.
What are the proposed ownership and management arrangements of the preferred option? Why are these favoured? <i>Note whether vesting is being requested.</i>	The Council will discuss with the Crown the possibility of the Crown agreeing to vest the land in Area 1 in the Council as a reserve, including the Dudley Drain and Hilton Street wastewater pump station. The reserve land would be subsequently managed by the Council’s Greenspace and Three Waters Teams. It is proposed that Area 2 remains under Crown ownership, with the Crown considering options for development, including but not limited to expressions of interest from the private sector to develop appropriate business activities, including potential purchase of the land.
What is the proposed implementation of the preferred option? Why is this approach preferred?	If the Council’s land use proposals for Kaiapoi West are supported as part of an approved final Recovery Plan, the Council will discuss options for vesting the land in Area 1 with the Crown. Should vesting take place the Council will develop plans for the area as part of a master plan for Murphy Park. For Area 2 it is proposed that the Council will consider the most appropriate zoning, and will consider options for development of the area including but not limited to seeking expressions of interest from the private sector.
How does the Plan provide for the necessary statutory amendments to enable the preferred option? What are they?	District plan changes may be required to enable the proposed activities in Kaiapoi West; depending on implementation, these actions these will be progressed under the Greater Christchurch Regeneration Act/Recovery Plan process or, if necessary, under the district plan review. These are described as further actions to be completed after and subject to Ministerial approval of the draft Recovery Plan.

PRELIMINARY DRAFT WAIMAKARIRI RESIDENTIAL RED ZONE RECOVERY PLAN – DETAILED ANALYSIS OF OPTIONS – KAIAPOI WEST

B. HOW WOULD THE PREFERRED LAND USE OPTION HELP TO ACHIEVE EARTHQUAKE RECOVERY OBJECTIVES	
Minister's direction: 4.1.1 Promote the well-being of greater Christchurch communities	<p>The proposed land uses will provide additional recreation opportunities for the people of Kaiapoi and visitors to the area in an accessible location near to the town centre, and will integrate well with the neighbouring Murphy Park and riverside areas. The specific recreation facilities which will be put in place are yet to be determined but additional recreation facilities will boost people's health and wellbeing, enhance community cohesion, encourage community engagement with the town, and reflect the broad wishes of the community. Similarly, the proposed business areas integrate well with the existing business areas on Raven Quay which link to the town centre, and are supported by the community. The detailed design and layout of the public spaces within Kaiapoi West will be undertaken through a master planning process to ensure that the design of these areas is consistent with the principle of good urban design, encompassing the provision of safe and secure environments for residents and visitors.</p>
4.1.2 Result in resilient and enduring outcomes	<p>The proposed business area will provide an ongoing financial return to the landowner (depending on the final ownership arrangements). The proposed recreation areas reflect Council's level of service for greenspace facilities for a growing population and will enable the community to have long term recreational facilities close to the town centre. The land uses within this area have been heavily influenced by the flooding and geotechnical conditions and hazards associated with the location, which is close to the Kaiapoi River. As such, it is considered that the location, design, and function will ensure a sustainable development pattern that is robust and resilient.</p>
4.1.3 Support economic development and growth	<p>Careful consideration of the business activities identified within Area 2 will be undertaken to ensure that any future commercial activities within these areas do not detract from the function and viability of the existing Kaiapoi town centre, and support rather than detract from the economic growth of the town centre area. Most long established town centres/business areas are highly constrained by surrounding older residential development; by contrast the opportunity presented here is for well-planned integrated development of the Kaiapoi town centre in a way which is sympathetic to and enhances the local area.</p>
4.1.4: Be affordable and consistent with the government's commitment to principles of responsible fiscal management	<p>The proposed business activities will provide a long term financial return to the landowner (depending on the final ownership arrangements). The proposed recreation areas will be funded from within the agreed financial parameters of the Council's Long Term Plan, with costs being transparent to Waimakariri ratepayers.</p>
Council's vision and goals: How would the preferred option deliver the vision outlined in the Preliminary Draft Recovery Plan?	<p>The proposed land uses in Kaiapoi West will ensure that the regeneration area will be returned to active use relatively quickly, and will develop and support the economic vibrancy of the Kaiapoi town centre. The area will provide open recreation spaces and facilities that will be "rewarding and exciting places for residents and visitors", meeting the expectations and aspirations of the community as expressed through various consultation exercises during the development of the Preliminary Draft Recovery Plan.</p>
How would the preferred option help to achieve the goals 1, 2, 3, 4, 5 and 6 outlined in the Preliminary Draft Recovery Plan?	<p>1) Returning the regeneration areas to active use in a timely and efficient and economic manner: The proposed uses can be implemented relatively quickly and will help ensure that Kaiapoi West, which is close to the town centre, will provide a boost to the town's economic health (responding to the forecast need for more business activities in future as identified in the Property Economics report), and will support and encourage community recreation, both active and passive.</p>
<u>Note that this should include details about how the goal, vision or objective would be achieved and why this is important. It is not sufficient to merely state 'Land use option X would contribute significantly to goal Y.'</u>	<p>2) Significantly enabling Kaiapoi's journey towards becoming a prosperous and innovative centre to live, work and play: The proposed business uses will provide a coherently-developed enhancement to the economic health of the town centre. The proposed greenspace will enable more effective use of Murphy Park with consequential health and wellbeing, and social cohesion benefits, which are described more fully in Section D below.</p>
	<p>3) Providing a safe, inspiring and attractive environment for residents and visitors, with public access to and opportunities for recreation, cultural, social and economic activities: Kaiapoi West is close to the town centre and is easily accessible. The proposed activities will be developed taking full account of the location close to the river, ensuring that the design of these areas is consistent with the principles of good urban design, leading to attractively designed green spaces available for a wide range of uses that will be popular with residents and visitors alike.</p>
	<p>4) Ensuring land use proposals are resilient and built for the future drawing on relevant sound assessment: The area is subject to flooding risk. The proposed land uses within Kaiapoi West have been heavily influenced by the flooding and geotechnical hazards associated with the location, while reflecting the objectives of the Minister's Direction and the Council's goals for the Recovery Plan. Given the location, flooding risk and community's aspirations for the future of this area, the proposed business and recreation uses are considered appropriate for the long term.</p>
	<p>5) Enabling opportunities to restore the natural environment to support diversity as well as economic prosperity: While not explicitly a focus of the proposed activities in Kaiapoi West, the proposed land uses will be developed and implemented to ensure coherence with the local environment. It is proposed that Dudley Drain will be restored to enhance the natural environment including by providing landscape planting and widening the drain for enhanced capacity. Any business activities put in place will be developed to ensure there will be no adverse impact on the waterways and no degradation of the environmental health of the area.</p>

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	<p><i>6) Recognising and enhancing Ngāi Tūāhuriri and Ngāi Tahu values, aspirations and the important cultural history of the area:</i> The proposals for Kaiapoi West have been developed in collaboration with representatives from Ngāi Tūāhuriri and Ngāi Tahu, who have indicated broad support for the proposals. This specific area has not been identified for any specific use or treatment by Ngāi Tahu and Ngāi Tuahuriri. During the development of the Preliminary Recovery Plan, the Council has worked in partnership with Ngāi Tūāhuriri and Te Rūnanga o Ngāi Tahu to ensure that: decision-making reflects the aspirations of Ngāi Tūāhuriri and Ngāi Tahu; the cultural presence of Ngāi Tūāhuriri and Ngāi Tahu is visible and enhanced; shared cultural and natural heritage is respected; and key public spaces are designed and named in collaboration with Ngāi Tūāhuriri. These principles will continue to be applied during the implementation of the future land uses in Kaiapoi West.</p>
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C. EVIDENCE AND ENGAGEMENT	
<p>What are the key geotechnical, flooding and other findings about this area and how have they informed the development of the preferred option for this area?</p> <p>Are there any geotechnical, flooding and other uncertainties? If yes, what further analysis is required?</p>	<p>The Technical Advisory Panel (TAP) <u>report</u> notes that this area is assessed as F6 – the highest level of flood risk (return period for extensive flooding less than every 50 years and exceeding probability of 1 in 200). The TAP report states that the flood risk cannot be mitigated without worsening the impact of flooding in the neighbouring green zones. There are no other major geotechnical considerations that impact of potential land use. The TAP report states that the flooding risk precludes residential development, but that business activities that are flood-tolerant are appropriate. As such the pDRP proposes greenspace and flood tolerant yard based business activities for this area. If development could be designed to avoid transposing flood risk to neighbouring green-zone properties then residential and non-flood tolerant business activities could be undertaken. As such, the Officer's report recommends that these other types of development are not foreclosed, as the market may produce new techniques/technologies that could mitigate these impacts.</p> <p>The only uncertainty relates to soil contamination - there is a limited risk of some contamination from the demolition of properties. However this is considered a low risk. LINZ is currently undertaking initial investigations with further information due in mid-June 2016.</p>
<p>What short, medium and long-term economic projections and market information is available on this area? How has this information informed the development of the preferred option?</p> <p>Are there any uncertainties related to the information on economic/market conditions? If yes, what further analysis is required?</p>	<p>The relevant economic analysis for this area has been based on economic projections for business activities for the Kaiapoi area as a whole. The Property Economics <u>report</u> (which was peer-reviewed by Market Economics) notes that there will be "increased demand and land provision requirements for business activities in Kaiapoi" for the period up to 2043. In particular, there is demand for industrial land, which includes yard-based and large format retailing. The Colliers <u>report</u> notes that yard-based business activities (which would be potentially appropriate in Kaiapoi West given the flooding risk and other considerations) would be potentially viable from a financial return perspective. Similarly, the forecast population growth has been used to assess "best practice" provision of green space recreation areas within the Kaiapoi Ward and wider district, with more land needed for this purpose in the future in Kaiapoi.</p> <p>The Property Economics report and Colliers report both note that there are wide variations in the potential population growth forecasts. These variations could affect the demand for and financial return from business land. However, the location of Area 2 of Kaiapoi West, which borders the Kaiapoi Town Centre, is likely to be a strong drawcard for potential business developers compared to some other potential land further away from the town centre. It is not anticipated that any further analysis is required at this stage. The Council will undertake a "refresh" of the Town Centre Strategy for Kaiapoi to ensure that the additional business land forms a key component of that strategy.</p>
<p>What other evidence has been used to inform the development of the preferred option? E.g. research on psychosocial or health issues.</p>	<p>No additional specific analysis has been undertaken as part of the Preliminary Draft Recovery Plan development process. Research into the benefits of greenspace has been used to inform the proposed land uses. Greenspace provides a variety of direct and indirect benefits to individuals, the community and the economy. Greenspace has benefits for health and wellbeing (enhancing physical and mental health); social cohesion (bringing people together); place-making (providing a local identity); development and learning (providing a variety of experiences); and economic value (contribution to the local and national economy). These benefits are discussed further in Section D below.</p>
<p>What other uncertainties are there about the preferred option? What further analysis is required?</p>	<p>One uncertainty relates to the nature of potential business activities within the area. There was some disquiet expressed by the community in relation to the stated examples in the preliminary draft, in particular some commenters were strongly opposed to some possible yard-based activities. However, enabling core town centre commercial and retail activities may undermine the function and viability of the existing Kaiapoi Town Centre. The final commercial mix should be considered in combination with the Kaiapoi Town Centre Strategy review and District plan change.</p>
<p>What are the key themes of community feedback received on the preferred option? Were any</p>	<p>There was strong support for the development of more recreation space within this area, with some commenters making specific suggestions about types of activities that could or should not be included. A handful of people disagreed with the recreation proposals, noting that Kaiapoi is already well-served with</p>

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D. BENEFITS AND WHOLE OF LIFE COSTS

alternatives suggested and why were these progressed/not progressed?	recreation spaces that are not always well-used at present. The proposed business uses received broad support but some commenters were concerned about potential for unsightly appearance, depending on the nature of business activities, with for instance, car yards being considered undesirable by a number of people. A minority of commenters opposed business use, favouring green space/recreation for the whole of Kaiapoi West. There was only very limited support for residential development, which as indicated above, is unlikely to be suitable for this area because of the flooding risk.
Outline the views of each of the Strategic Partners on the preferred option. Include whether alternative options have been suggested or supported.	The Strategic Partners have been involved throughout the development of the Preliminary Draft Recovery Plan, including the initial TAP work referred to above. There is broad agreement from all for the future use proposals in Kaiapoi West.
What would be the social benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	The main social benefits relate primarily to the proposed provision of greenspace to support the efficient operation of Murphy Park. The design of these areas will be consistent with the principle of good greenspace and urban design, and will therefore encompass the provision of safe and secure environments for residents and visitors. The proposed recreation opportunities and ecological developments will have benefits in terms of well-being (through physical activities) and social cohesion (through providing community space close to the town centre). The proposed sport and recreation reserve will also provide land use certainty for the surrounding community. The following research by Lincoln University, while undertaken specifically to assess potential recreation activities in the Avon corridor as opposed to Kaiapoi, provides evidence about the value of recreation spaces to communities. In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage “ <i>recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities</i> ”. Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour. In addition, business land that further strengthens the town centre and provides job opportunities will add vitality to the town.
What would be the economic benefits of the preferred option to the Waimakariri and greater Christchurch communities, New Zealand taxpayers and the Crown (as landowner)?	The proposed business area within Kaiapoi West is proposed to be managed to ensure that the activities within these areas support the function and viability of the existing Kaiapoi town centre. This may be achieved by introducing a bespoke business zone as part of the plan change to the District Plan. A vibrant Kaiapoi town centre, which would be enabled in part through the additional business areas in Area 2, will contribute to the economic well-being of Kaiapoi, the wider Waimakariri District and greater Christchurch and Canterbury. The proposed business activities are anticipated to provide an economic return to the Crown. The Lincoln University research referenced above provides evidence of the economic value of recreation spaces. In addition, a 2011 report into the “Economic and Social Value of Sport and Recreation to New Zealand” demonstrated that there is a net economic benefit from participation in sport and recreation activity.
What would be the cultural benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	The proposed enhancement of Dudley Drain and opportunities for best practice stormwater management will support the mauri and mahinga kai values within the Kaiapoi River. In addition, the design of the greenspace will be developed through a master-planning process which will consider cultural and heritage issues.
What would be the environmental benefits of the preferred option to Waimakariri, greater Christchurch and New Zealand?	The key environmental benefit in Kaiapoi West is the opportunity to enhance Dudley Drain. With best practice stormwater management water quality can also be improved in the catchment, contributing positively to the water quality and aquatic communities within the Kaiapoi River.
Are there any other benefits for Waimakariri, greater Christchurch, New Zealand as a whole and/or the Crown?	The proposals for Kaiapoi West need to be considered holistically with the other proposals for the regeneration areas, which will provide a range of benefits in the future including supporting recovery from the Canterbury earthquakes.
What would be the financial costs of implementing the preferred option, including the approximate on-going management and operational costs?	The Council estimates it will incur infrastructure costs of \$223,000 to enhance Dudley Drain (currently there is a shortfall of \$24,000 in the Council’s LTP Budget for this work). The Area 1 (Sport and Recreation Reserve) Design and Build costs for the Council are estimated at between \$1,370,000 and \$1,790,000, with ongoing yearly maintenance costs of between \$16,000 and \$22,000.

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Specify whether these costs would be for the Council, Crown or a private owner, and ensure timeframes are clearly stated. Include all potential processes e.g. vesting, remediation if applicable.	Area 2 (Business Area) could be on-sold “as is”, in which case any enhancement/remediation costs would sit with the new owner. Development costs would be borne by third parties to prepare the land for business use. These have been estimated for the yard-based commercial scenario, the “over-and-above” cost of land improvement works is estimated to be approximately \$50 to \$80 per square metre of total site area for Kaiapoi West. For the large-format retail scenario, the “over-and-above” cost of land improvement works is estimated to be approximately \$220 to \$370 per square metre of total site area for Kaiapoi West. The Crown will incur ongoing maintenance costs until implementation of the proposed land uses is underway.
What are the other costs (e.g. environmental, health and/or social) of the preferred option?	There could be social and environmental costs associated with disruption during the development of Area 2 for business use, and longer term through a less attractive appearance depending on the nature of business activities that are implemented (e.g. car parking, some yard-based retail and business activities). The main opportunity costs include the loss of amenity/attractive areas through the inclusion of business uses at the expense of green zone in Area 2.
Are there any uncertainties about the anticipated costs? If yes, what do these relate to and could further analysis be undertaken?	The main uncertainties relate to the detailed financial implications of the proposed business activities. In particular, while we have information about what developers are likely to be prepared to pay to lease or purchase the land, there is uncertainty about when will could happen. There are also uncertainties over the required land repair and flooding requirements. These may have an impact on the eventual cost of development. Further analysis could be undertaken for flood mitigation; however it is likely that any further geotechnical analysis would need to be very detailed to confirm costs. If appropriate and required, this further analysis could be undertaken as part of the implementation process.
What are the anticipated financial returns?	Financial returns will accrue from the business activities once underway in Area 2. The beneficiaries of the returns will depend on implementation arrangements (e.g. whether the land is sold to a developer or leased by the Crown/Council).

E. RISKS – IDENTIFICATION AND MITIGATION

How have current and future needs/requirements been balanced from the Council’s perspective?	Consideration has been given to the future needs of the community in terms of greenspace recreation areas (including the Sport and Recreation Reserves Management Plan (2015)) and the need to ensure the ongoing economic vibrancy of the town through the proposed development of business activities in line with future predicted population growth as set out in pages 13 and 14 of the Property Economic report referred to in Section D above.
What would be the environmental risks associated with the area and preferred option? (e.g. natural hazards and future events). How would these be mitigated?	There are no major environmental risks likely through the proposed land uses in Kaiapoi West although the nature of the business activities in Area 2 would need to be assessed to ensure that there would be no adverse environmental implications from the development, nor the ongoing activity. This can be done through the resource consenting process, once a plan change has been undertaken to rezone the land within the District Plan for appropriate business use.
What would be the potential implementation risks of the preferred option? (e.g. unforeseen costs). How would these be mitigated?	The Council considers the main risk to be uncertainty about the nature and timing of the development of appropriate business activities in Area 2. At present it is not certain how much interest there would be from developers in developing this land for business use, and how soon therefore the area would start to provide a financial return, as opposed to the ongoing costs of maintaining the land in its current state. This risk will be mitigated through the Kaiapoi Town Centre Strategy “refresh” and District Plan Change, if and when the Minister approves the final Recovery Plan. The other uncertainty relates to the possible financial implications of any decision by the Crown about whether it may vest the land in Area 1 in the Council, and if so, whether this will be at no charge or not. This issue is being discussed between the Council and Crown with processes underway to seek the Crown’s formal decision about vesting the land in Area 1 prior to final agreement of the Recovery Plan.
What would be the risks relating to community and/or stakeholder buy in? How would these be mitigated?	There remains a residual risk for this area (as with all the regeneration areas) that some in the community oppose the proposed land uses. This risk has been mitigated through the consultation and community engagement processes undertaken so far, and future opportunities for consultation. These have so far demonstrated broad support for the proposals for this area. Many of the issues raised through consultation can be mitigated through the design process which would be subject to further community engagement.

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What would be the risks relating to Council and Crown expenditure ?	The main risks and mitigation are essentially the same as the implementation risks identified above, i.e. how much and when would the financial returns start to accrue from the proposed activities, and the potential financial considerations associated with vesting the land in Area 1.
How would these be mitigated?	

F. ALTERNATIVES	
For the <u>preferred option</u> , what, if any, are the alternative ownership and management options?	The main issue is whether the land (or parts of the land) in Kaiapoi West should continue to be owned by the Crown or vested in the Council. The Crown could consider options for developing Area 2 by seeking expressions of interest from private developers to lease or purchase areas of land directly from the Crown, or could vest the land in the Council for the Council to undertake appropriate implementation activities with developers. The arguments are finely balanced but the preferred option is for the Crown to maintain the land and then consider on-selling to a 3 rd party, rather than going through a two-stage (including vesting) process to potentially arrive at the same end outcome, but with additional administrative expenditure and delays. The preferred option would provide a financial return to the Crown.
What are all of the land use options that could be considered for this area?	Other land use options include: <ul style="list-style-type: none"> a) Residential development on repaired building platforms or pile housing over the entire area. b) Development of the entire area as green space (recreation reserve) c) Development of the entire area for flood-tolerant business activities for potential industrial
What would be the key benefits of progressing each alternative option? <i>Add a new row for each option.</i>	Key benefits include: <ul style="list-style-type: none"> a) Residential development - Opportunity for people to live close to the CBD and the river, with a potential financial return available to ratepayers. b) Greenspace - Additional greenspace area which would create a larger sport and recreation reserve with associated health and wellbeing benefits (through physical activity) and social cohesion (bringing people together). c) Business activities - Potential economic benefits from further planned expansion of the Kaiapoi town centre, whereas industrial activities could provide a financial return without being part of the town centre expansion.
What would be the key risks of progressing each alternative option? <i>Add a new row for each option.</i>	Key risks include: <ul style="list-style-type: none"> a) Unacceptably high probability of frequent flooding, which could only be mitigated (with potentially high-cost and disruptive remediation) most likely at the expense of flooding being shifted to adjacent green zone residential areas. b) Additional greenspace is not required to meet Council's levels of service for Kaiapoi. Additional greenspace would require financial expenditure from Council to develop and maintain. Furthermore, it is proposed to create a recreation cluster in the Kaiapoi East Regeneration Area (including sport and recreation reserve). c) Alienating much of the community with a number of commenters opposing business activities in this area. There is also the risk that potential market appetite for developing this land would be magnified and that therefore this development may not be economically feasible. Any business development in this area could compete with the existing Town Centre to the detriment of the town's overall economic health and vitality. Rezoning the area as Business 2 to enable industrial activities would strongly alienate much of the community, and the area as a whole is also considered too small for viable industrial development.
Why was each alternative land use option discounted ? <i>Add a new row for each option.</i>	Each alternative land use option has been discounted because: <ul style="list-style-type: none"> a) Residential development has been discounted because of the unacceptable flooding risk. b) Additional greenspace has been discounted as Council's level of service in Kaiapoi is met and additional sport and recreation reserve is being proposed as part of a recreation cluster in Kaiapoi East.

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	<p>c) Industrial activities have been discounted because of the geotechnical considerations and the proximity of this area to residential neighbours.</p> <p>The other options are essentially under consideration, but have been proposed as a balanced package including elements of each. This meets a range of goals and objectives, rather than the whole of Kaiapoi West being proposed for one particular use (with the consequential risks and disadvantages identified).</p>
What are the opportunity costs (economic, social, cultural and/or environmental) of not pursuing each alternative option? <i>Add a new row for each option.</i>	There are no major further opportunity costs further to the issues discussed above, given the range of uses proposed in relatively small area, and the flooding risks and location constraints which preclude other land uses.

G. OTHER RELEVANT LEGISLATION AND PLANNING OBLIGATIONS

To what extent and how is the preferred option consistent with other Recovery Plans ?	The proposals have been developed taking into account the other Recovery Plans (where relevant), in particular the LURP and other key planning documents. The proposals are aligned in particular with the LURP goals to “meet the land use needs of residential and business activities in existing communities and in greenfield areas to accommodate rebuilding and growth”; and “support recovery and rebuilding of central city, suburban and town centres”. It should be noted however that the Residential Red Zone is outside the scope of the LURP.
What would be the implications of the preferred option on relevant local planning instruments ?	These land use proposals can align with the Waimakariri District Long Term Plan 2015-2025 and the Kaiapoi Town Centre Plan 2011. It is likely that a bespoke set of district plan provisions will be required for the business area, therefore a plan change is required.
<p>Are there any implications for, or as a result of the:</p> <ul style="list-style-type: none"> • New Zealand Coastal Policy Statement 2010; • Canterbury Regional Policy Statement; • Mahaanui Iwi Management Plan; • Ngāi Tahu Claims Settlement Act 1988; • Resource Management Act 1991? <p>If yes, what are these implications and how will they be dealt with?</p>	<p>The proposals have been assessed as a whole against these key documents, and all are considered to be aligned with the relevant parts of all these documents.</p> <p>There are no significant implications resulting from the future use proposals for Kaiapoi West.</p>



Attachment B

Detailed Analysis of Kaiapoi South

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Description of Area: Kaiapoi South is a large 'L' shaped area of land of approximately 24.2 hectares. It borders the Kaiapoi Town Centre to the west, the Kaiapoi River to the north, existing green-zone residential areas to the west and the Courtenay Drive Drainage and Esplanade Reserves, and Oaks Reserve to the east and south. It is zoned Residential 1 over the majority of the area and Rural at the south eastern end. The area contains four remaining private properties. It contains two proposed wastewater pump stations. For the purposes of the preliminary Draft Recovery Plan, the Kaiapoi South Regeneration Area has been divided into five sub areas (Areas 3, 4, 5, 7, and 8), reflecting the preferred land uses within these areas.

A. PREFERRED OPTION AND PROPOSED IMPLEMENTATION

Briefly describe the preferred option and outline the key reasons why it is preferred.	<p>The preferred option contains a mix of business (Area 3), heritage and mahinga kai (Area 4), rural (Area 5) and recreation and ecological linkages (Area 7). Area 8 covers the road option.</p> <ul style="list-style-type: none"> • Business Area (Area 3): This area is proposed to be used for suitable commercial activities, which could include yard based and large format retail. Residential development would also be enabled in the business area to provide for a mix of activities. It is also possible that a public car park and public transport interchange will be provided in this area by WDC, subject to further analysis. This use is preferred as it would complement and extend the existing business areas to the west of the Red Zone and could provide a financial rerun to the Crown as landowner. • Heritage and Mahinga Kai Area (Area 4): This area will provide opportunities for mahinga kai, natural habitat restoration, natural play and education, and heritage recognition. This area recognises the strong relationship of Ngāi Tahu and Ngāi Tūāhuriri with this area. Geotechnical and flooding risks makes more intensive activities uneconomic. • Rural Area (Area 5): This area will provide opportunities for rural activities either on a sale or lease basis. Rural activities are preferred in this location given the significant geotechnical and flooding risks, and the opportunity to provide a return to the Crown. • Recreation and Ecological Linkage (Area 7): This linkage area will be used to provide key public access to Kaiapoi River and enhanced links between existing Council reserves and proposed new green spaces. • Roding (Area 8): This area covers the existing Courtenay Drive alignment. Retaining the existing road alignment is preferred as the existing horizontal infrastructure services run along this road corridor and alternative roading alignments are more expensive. <p>Overall, these activities are preferred because they respond to the geotechnical and flood hazard risks, the identified heritage and mahinga kai opportunities, and Kaiapoi Town Centre support opportunities. They are also broadly supported by the community and can integrate with the neighbouring activities.</p>
How does the preferred land use take into account long-term projections and plans , such as demographic projections?	The proposed land uses for these areas reflect the need for more business activities in future years. The business area also provides the opportunity for a car park and public transport interchange for Kaiapoi, should these activities prove feasible (which will depend in part on the proposed Kaiapoi Town Centre Strategy refresh).
Is the preferred option the intended long-term use of the area? If no, what is the intended long-term use and why is it different from the short term use?	The proposal is the intended medium and long term use for this area, subject to, amongst other things, interest from, and development by, the private sector to implement business activities within Area 3. In the long term the activities in the rural areas may alter as technology and market economics evolve to include residential activities. Residential development is currently not economically viable.
How does the preferred land use option support and align with existing and planned local and national infrastructure ? E.g. roads, schools and health services	The proposed land uses and roading alignment are complementary to the existing road network and other existing infrastructure. The proposed car park and public transport interchange will support the roading network, should these be progressed. The proposed uses align with and make use of the existing Courtenay Drive Drainage Reserve. There are no other significant infrastructure implications and consequences that have been identified at this stage.
What are the proposed ownership and management arrangements of the preferred option? Why are these favoured?	<ul style="list-style-type: none"> • Business area (Area 3): Potential Council ownership and management of the public transport interchange area as this is a suitable Council function; private ownership or lease from the Crown for the remaining area is preferred to enable divestment and development. • Heritage and Mahinga Kai area (Area 4): Ownership and governance arrangements to be confirmed in consultation with the Crown and Ngāi Tahu. The preferred

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<p><i>Note whether vesting is being requested.</i></p>	<p>option is vesting this land as a reserve with ownership and management via a trust of which the Council is a key partner, similar to Te Kohaka o Tuhaitara Trust. While the Council supports this land use option, and the cultural, social and environmental benefits associated with it, the Council would prefer not to own or manage this area as it is not needed to meet the green space levels of service for Kaiapoi, or the wider district. It is acknowledged however, that there will be benefits for Kaiapoi and the district.</p> <ul style="list-style-type: none"> • Rural area (Area 5): This area will be owned and maintained by the Crown in the short term, although the Council could also undertake this role should the Crown decide to vest this land, although the preferred option provides a return for the Crown which otherwise may not occur if the land is vested at little or no cost (the Council would not necessarily have funding for this land). Under the preferred option, the Crown may call for expressions of interest to lease or buy the land. • Recreation and Ecological Linkages (Area 7): It is proposed that these areas are vested in the Council as a reserve. This is favoured as the proposed activities are better managed as a reserve for the community. • Road (Area 8): This will remain a road reserve vested in the Council. • Infrastructure: The land required for the Wyber Place and Charter Street wastewater pump stations is proposed to be vested in the Council as the Council will provide these services.
<p>What is the proposed implementation of the preferred option? Why is this approach preferred?</p>	<ul style="list-style-type: none"> • Business area (Area 3): For the proposed car parking the Council will seek to acquire this land from the Crown. For the public transport interchange, the Council will undertake further work assessing the merits of the proposed interchange and, if viable, seek to acquire the land from the Crown. Should either of these proposals progress it is anticipated that further design work and consultation will be required in the short to medium term. This will enable the Council to plan and manage the developments in a cost-effective way which will align to other relevant Council-led initiatives for Kaiapoi (e.g. the Kaiapoi Town Centre Strategy refresh). • Heritage and Mahinga Kai area (Area 4): Implementation arrangements are to be confirmed in consultation with the Crown and Ngāi Tahu. The preferred approach is the establishment of a trust, followed by the preparation of a joint management plan for the area (between the Council and the trust). The Trust would then be responsible for implementation of the joint management plan. Council would remain as a partner on the trust (similar to Te Kohaka o Tuhaitara Trust). This approach is preferred as the appropriate means of implementing a well-established model. • Rural area (Area 5): The Council proposes that this area will be owned and maintained by the Crown in the short term. The Crown may call for expressions of interest to lease or buy the land. Detailed implementation arrangements will then be confirmed. This approach is preferred as it will be a cost-effective and straightforward approach to implementing this option. • Recreation and Ecological Linkages (Area 7): The Council will discuss options for vesting the land in Area 7 with the Crown, and should vesting take place will develop plans for the area as part of a reserve masterplan, involving community consultation. This approach aligns to existing well-established Council processes.
<p>How does the Plan provide for the necessary statutory amendments to enable the preferred option? What are they?</p>	<p>District plan changes may be required to enable the proposed activities in Kaiapoi East; depending on implementation, these actions these will be progressed under the Greater Christchurch Regeneration Act/Recovery Plan process or, if necessary, under the District Plan review. These are described as further actions to be completed after and subject to Ministerial approval of the Recovery Plan.</p>

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B. HOW WOULD THE PREFERRED LAND USE OPTION HELP TO ACHIEVE EARTHQUAKE RECOVERY OBJECTIVES	
Minister's direction: 4.1.1 Promote the well-being of greater Christchurch communities	<p>The preferred land use option will recognise and provide enhancement opportunities for heritage and mahinga kai for Ngāi Tahu and Ngāi Tūāhuriri, the Kaiapoi community and visitors to the area. It will provide recreation and ecological linkages that support access to existing reserves (e.g. NCF Park and the Kaiapoi riverbanks).</p> <p>The Heritage and Mahinga Kai Area will support health and wellbeing (through enhancing physical and mental health, and nourishing the body); social cohesion (through supporting different cultures and bringing people together in public green space); place-making (by contributing to the local identity and conserving cultural landscapes and history, and enhancing biodiversity); development and learning benefits (through providing a variety of experiences and education opportunities) and economic benefits (through ecosystem services and contributing to the local economy as a visitor destination).</p> <p>These land uses will support healthy lifestyles, provide opportunities for more community engagement with the river environment and cultural heritage, and reflect the broad wishes of the community. The proposed business areas integrate well with the existing business areas on Williams and Hilton Streets, which link to the town centre, and are broadly supported by the community. The detailed design and layout of the public spaces within Kaiapoi South will be undertaken through a master planning process, which will ensure that the design of these areas is consistent with the principles of good urban design, encompassing the provision of safe and secure environments for residents and visitors.</p>
4.1.2 Result in resilient and enduring outcomes	The proposed land uses within Kaiapoi South have been heavily influenced by the flooding and geotechnical hazards associated with the location. As such, it is considered that the type, location, design, and function of the proposed activities will ensure a sustainable development pattern that is robust and resilient.
4.1.3 Support economic development and growth	<p>Careful consideration of the appropriate business activities within Area 3 will be undertaken to ensure that any future commercial activities within this area do not detract from the function and viability of the existing Kaiapoi Town Centre, and support rather than detract from the economic growth of the town centre area. Most long established town centres/business areas are highly constrained by surrounding older residential development; by contrast the opportunity presented here is for well-planned integrated development of the Kaiapoi Town Centre in a way which is sympathetic to and enhances the local area.</p> <p>The Heritage and Mahinga Kai Area could act as a destination attraction bringing visitors to Kaiapoi and encouraging them to stay, thereby supporting the adjacent town centre. The rural areas could support a variety of activities. They could also be used for commercial recreation (subject to any necessary resource consents).</p>
4.1.4: Be affordable and consistent with the government's commitment to principles of responsible fiscal management	It is anticipated that the proposed Business and Rural Areas will provide a financial return to the Crown, which will benefit taxpayers. The proposed recreation and ecological linkages and Heritage and Mahinga Kai Areas will be funded from within the agreed financial parameters of the Council's Long Term Plan, with costs being transparent to Waimakariri District ratepayers. These costs will be set out in the preliminary Draft Recovery Plan.
Council's vision and goals: How would the preferred option deliver the vision outlined in the preliminary Draft Recovery Plan?	<p>The proposed land uses in Kaiapoi South will ensure that the regeneration area will be returned to active use and will support the economic vibrancy of the Kaiapoi Town Centre by bringing locals and visitors to the area.</p> <p>The proposed uses are resilient, being heavily influenced by the identified geotechnical and flooding hazards.</p> <p>The area will provide recreation spaces and facilities that will be "rewarding and exciting places for residents and visitors", meeting the expectations and aspirations of the community as expressed through various consultation exercises during the development of the preliminary Draft Recovery Plan. The Heritage and Mahinga Kai Area will recognise and celebrate the significant cultural values of Ngāi Tahu and Ngāi Tūāhuriri. . This green space celebrates the strong relationship Ngāi Tahu and Ngāi Tūāhuriri have with this area through opportunities for mahinga kai, habitat restoration, enhanced biodiversity, education and learning. The area will also provide a different green space experience for the community and visitor recreation, with walking and cycling tracks, interpretive and heritage trails, and natural play and education.</p>
How would the preferred option help to achieve the goals 1, 2, 3, 4, 5 and 6 outlined in the preliminary Draft Recovery Plan?	<p><i>1) Returning the regeneration areas to active use in a timely and efficient and economic manner:</i> The implementation of the proposed uses has been carefully scheduled, with the majority of actions occurring in the short and medium term. The proposed package of uses is considered to be pragmatic and economic (by securing a financial return where this is feasible), and will support and encourage community recreation, and ecological awareness.</p> <p><i>2) Significantly enabling Kaiapoi's journey towards becoming a prosperous and innovative centre to live, work and play:</i> The proposed car park, public transport</p>

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<p><u>Note that this should include details about how the goal, vision or objective would be achieved and why this is important. It is not sufficient to merely state 'Land use option X would contribute significantly to goal Y.'</u></p>	<p>interchange and business uses will support the economic health of the town centre. The heritage and mahinga kai, and recreational and ecological linkage areas, will provide play opportunities with consequential health and wellbeing, and social cohesion benefits, which are described more fully in Section D below. Combined, these provide enhanced opportunities for those living in and visiting the Kaiapoi community.</p> <p>The Heritage and Mahinga Kai Area is in close proximity to the town centre and Kaiapoi River. It could extend the recreation experience from the town centre, building on proposed riverbank improvements at the Williams Street Bridge. The area could encourage longer stay uses in Kaiapoi which will benefit the town centre through use of local services (e.g. hospitality services).</p> <p>3) Providing a safe, inspiring and attractive environment for residents and visitors, with public access to and opportunities for recreation, cultural, social and economic activities: The proposed business, heritage and mahinga kai, and recreational and ecological linkage areas, will provide opportunities for recreation, cultural, social and economic activities. The design of these areas will be consistent with the principles of good urban design, leading to attractively designed green spaces available for a wide range of uses that will be popular with residents and visitors alike. The proposed Heritage and Mahinga Kai Area provides a key space for cultural and social activities from mahinga kai through to natural play, education and learning. The area will also provide a different recreation experience for locals and visitors with walking and cycling tracks, interpretive and heritage trails.</p> <p>4) Ensuring land use proposals are resilient and built for the future drawing on relevant sound assessment: The proposed land uses within Kaiapoi South have been heavily influenced by the flooding and geotechnical hazards associated with the location. The type, location and design of development will ensure a sustainable development pattern that is resilient as they reflect long term considerations such as demographic projections and economic forecasts.</p> <p>5) Enabling opportunities to restore the natural environment to support diversity as well as economic prosperity: The Heritage and Mahinga Kai, and Recreational and Ecological Linkage Areas, will provide opportunities to restore the natural environment. The Heritage and Mahinga Kai Area will focus on natural habitat restoration and biodiversity enhancement. Given the area's location between the Kaiapoi River and Courtenay Stream these activities will have wider water quality benefits.</p> <p>6) Recognising and enhancing Ngāi Tūāhuriri and Ngāi Tahu values, aspirations and the important cultural history of the area: The proposals for Kaiapoi South have been developed in collaboration with representatives from Ngāi Tahu and Ngāi Tūāhuriri. In particular, the proposed Heritage and Mahinga Kai Area recognises and enhances Ngāi Tahu and Ngāi Tūāhuriri values, and aspirations, and recognises the important cultural history of the area.</p>
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C. EVIDENCE AND ENGAGEMENT	
<p>What are the key geotechnical, flooding and other findings about this area and how have they informed the development of the preferred option for this area?</p> <p>Are there any geotechnical, flooding and other uncertainties? If yes, what further analysis is required?</p>	<p>The Technical Advisory Panel (TAP) report identifies different flooding and geotechnical constraints for Kaiapoi South depending on area. The geotechnical assessments range from 1- 4. For flooding, these range from 2 to 6. Based on these findings the TAP report describes different types of activities as: not feasible; technically feasible but not advisable; and technically feasible and suitable. For the Courtenay South area the TAP report concludes the following:</p> <ul style="list-style-type: none"> • Business uses which are flood tolerant are technically feasible in Area 3, where they have been proposed). Business demand is anticipated in Area 3 but care is required to avoid undermining the Kaiapoi Town Centre. Elsewhere business uses are technically feasible but not advisable, and are not proposed. • Cultural interests are technically feasible in northern Area 4 and suitable in the eastern Area 4, both where they are proposed. Elsewhere they are technically feasible but not advisable, except for the south eastern part of Area 5 where they are suitable but not proposed due to the already significant area proposed for this purpose. • Recreation is technically feasible but not advisable throughout Courtenay South principally due to lack of demand / levels of service benefits and is therefore only proposed in small recreation and ecological linkages to provide connectivity. • Rural use is technically feasible but not advisable in the majority of Kaiapoi South and not feasible in the northern part of Area 4, principally due to it being a less efficient and integrated form of development. This use has been proposed in Area 5 however, given the economic viability findings. • Residential uses are technically feasible in the inner Courtenay Drive loop (Area 5), but not expressly proposed given the economic viability findings. However, the preliminary Draft Recovery Plan recognises that residential uses could become economically viable in the future and as such are not foreclosed in this location. Elsewhere they are not feasible and are not proposed. <p>The geotechnical analysis completed is only Stage 1. As such there are uncertainties over the most efficient and effective land repair strategies and therefore costs. T&T has proposed a Stage 2 assessment; this has not been undertaken at this time but more detailed geotechnical analysis might be required as part of implementation.</p> <p>The flooding analysis has not considered minimum floor level requirements as, when undertaken, there were no specified requirements in the Waimakariri District Plan. A natural hazards plan change is being prepared by the Council which will provide further guidance on required minimum floor levels.</p> <p>Another uncertainty relates to land contamination - there is a risk of some contamination from the demolition of properties. Further work is being undertaken on this by the Crown. This information is anticipated to be available by mid-June 2016.</p>
<p>What short, medium and long-term economic projections and market information is available on this area? How has this information informed the development of the preferred option?</p> <p>Are there any uncertainties related to the information on economic/market conditions? If yes, what further analysis is required?</p>	<p>The preferred option has been based on economic projections for business activities for the Kaiapoi area as a whole. The Property Economics report (which was peer-reviewed by Market Economics) notes that there will be “increased demand and land provision requirements for business activities in Kaiapoi” for the period up to 2043. In particular, there is demand for industrial land, which includes yard-based and large format retailing. The Colliers valuation report notes that yard-based business activities (which would be potentially appropriate in Kaiapoi South given the flooding risk and other considerations) would be potentially viable from a financial return perspective.</p> <p>The Property Economics assessment and Colliers report both note that there are wide variations in the potential population growth forecasts. These variations could affect the demand for and financial return from business land. However, the location of Area 3, which borders the Kaiapoi Town Centre, is likely to be a strong drawcard for potential business developers compared to some other potential land further away from the town centre. Further analysis on potential impacts on the existing Kaiapoi Town Centre is required.</p> <p>In terms of residential demand and market value, these have been assessed in the Colliers valuation report. The findings conclude that residential development is not currently financially viable. The preferred option for Kaiapoi South is consistent with this advice.</p>

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	In terms of rural activity demand, this has been assessed in the Colliers valuation report, which concludes that there is current demand for this activity in Kaiapoi South. The preferred option for Kaiapoi South is consistent with this advice.
What other evidence has been used to inform the development of the preferred option? E.g. research on psychosocial or health issues.	<p>Reports on the geotechnical and flooding constraints and land repair costs (TAP and T&T reports) have informed the preferred option.</p> <p>Research into the benefits of greenspace has been used to inform the proposed land uses. Greenspace provides a variety of direct and indirect benefits to individuals, the community and the economy. Greenspace has benefits for health and wellbeing (enhancing physical and mental health); social cohesion (bringing people together); place-making (providing a local identity); development and learning (providing a variety of experiences); and economic value (contribution to the local and national economy). These benefits are discussed further in Section D below with references to relevant research included.</p>
What other uncertainties are there about the preferred option? What further analysis is required?	<p>An identified uncertainty relates to the nature of potential business activities within the area. There was some disquiet expressed by the community in relation to the stated examples in the preliminary draft Recovery Plan, in particular some commenters were strongly opposed to some possible yard-based activities. However, enabling core town centre commercial and retail activities in the proposed locations may undermine the function and viability of the existing Kaiapoi Town Centre. The final commercial mix should be considered in combination with the proposed Kaiapoi Town Centre Strategy review.</p> <p>There is uncertainty identified in the T&T report about land repair options and costs. The need for additional work is identified in the report but advice received indicates that it would have to be detailed to be of meaningful additional use.</p> <p>The demand for commercial recreation is uncertain and therefore none has been proposed in the preferred option for Kaiapoi South (although it could be developed further in part of Area 5 (Rural) if there is interest from commercial operators).</p>
What are the key themes of community feedback received on the preferred option? Were any alternatives suggested and why were these progressed/not progressed?	<p>There was general support for the preferred land use options. In particular, the proposed business uses (Area 3) received broad support, but some commenters were concerned about potential for unsightly appearance, depending on the nature of business activities, with for instance, car yards being considered undesirable. Some commenters sought residential development in the business area. Given these comments the Officer's Report suggested enabling mixed-use business activities in Area 3. A handful of people disagreed with the proposed neighbourhood park and this is now proposed to be removed.</p> <p>There was general support for the Heritage and Mahinga Kai Area (Area 4). Some commenters were concerned about the restriction of public access, and wanted greater clarity on what a heritage and mahinga kai area might look like. It is intended that public access be maintained through the area, and walking and cycling tracks will support this. Clarity on the design details of this greenspace will be part of the joint management plan for this area which will be subject to community consultation.</p> <p>A minority of commenters opposed business use, favouring green space/recreation activities. This option has not been progressed as additional green space is not considered required to achieve the desired levels of service for Kaiapoi and the wider district now and in the future. More greenspace would place an additional financial burden on Council in terms of development and maintenance.</p> <p>A number of commenters sought to re-establish residential development, whereas others opposed residential development. Residential development has not been proposed in the preferred option given the community feedback and because it is not currently economically viable. However some residential development may be feasible as part of the mixed use business activities proposed in Area 3.</p>
Outline the views of each of the Strategic Partners on the preferred option. Include whether alternative options have been suggested or supported.	The Strategic Partners have been involved throughout the development of the Recovery Plan, including the initial TAP assessment. There is broad agreement from all for the future use proposals in Kaiapoi South now that residential development is proposed to be included in the Business area (Area 3) and not foreclosed in the Rural area (Area 5).

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D. BENEFITS AND WHOLE OF LIFE COSTS

What would be the social benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	<p>The key social benefits relate to the proposed provision of greenspace. The proposed Heritage and Mahinga Kai Area will have benefits in terms of health and wellbeing, through the provision of passive recreation opportunities such as walking and cycling, and the restorative effects of being in and experiencing nature. The area will also have benefits in terms of social cohesion through supporting different cultures, with joint management bringing people together and encouraging community and cultural links. The Heritage and Mahinga Kai Area makes a key contribution to place-making through the conservation of cultural landscapes and history, through biodiversity and natural habitat enhancement, and creation of a distinct local identity that builds on the river and its surrounds. The area will provide opportunities for development and learning through the development, management and use and understanding of mahinga kai. Certainty over activities in Kaiapoi South will also be appreciated by the nearby community, contributing to their social wellbeing.</p> <p>The following research by Lincoln University, while undertaken specifically to assess potential recreation activities in the Avon River corridor as opposed to Kaiapoi, provides evidence about the value of recreation spaces to communities. In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage “<i>recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities</i>”. Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour.</p>
What would be the economic benefits of the preferred option to the Waimakariri and greater Christchurch communities, New Zealand taxpayers and the Crown (as landowner)?	<p>The proposed business area within Kaiapoi South is proposed to be managed to ensure that the activities within these areas support the function and viability of the existing Kaiapoi Town Centre. This may be achieved by introducing a bespoke business zone as a plan change to the Waimakariri District Plan. A vibrant Kaiapoi Town Centre will contribute to the economic well-being of Kaiapoi, the wider Waimakariri District and greater Christchurch and Canterbury. The proposed business activities are anticipated to provide an economic return to the Crown. The proposed Rural Area could also provide an economic return to the Crown.</p> <p>The proposed Heritage and Mahinga Kai Area (Area 4) could act as a destination activity, supporting the town centre through bringing visitors to the town centre and providing recreation opportunities that encourage them to stay. The Lincoln University research referenced above provides evidence of the economic value of recreation spaces. In addition, a 2011 report into the “Economic and Social Value of Sport and Recreation to New Zealand” demonstrated that there is a net economic benefit from participation in sport and recreation activity. The preferred option will result in a reduction or removal of the ongoing maintenance costs to the Crown.</p>
What would be the cultural benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	The proposed Heritage and Mahinga Kai Area (Area 4) will provide significant cultural benefits through the development, management and use and understanding of mahinga kai. Joint management of this greenspace also provides opportunity for developing cross-cultural networks. Additional cultural benefits accrue through water quality improvements, arising from more environmentally sensitive stormwater management. This will positively impact on the mauri of the Kaiapoi River.
What would be the environmental benefits of the preferred option to Waimakariri, greater Christchurch and New Zealand?	The key environmental benefit in Kaiapoi South is the opportunity to improve water quality in the catchment through best practice stormwater management, contributing positively to the water quality and aquatic communities within the Kaiapoi River.
Are there any other benefits for Waimakariri, greater Christchurch, New Zealand as a whole and/or the Crown?	The proposals for Kaiapoi South need to be considered holistically with the other proposals for the regeneration areas, which will provide a range of benefits in the future including supporting recovery from the Canterbury earthquakes.
What would be the financial costs of implementing the preferred option, including the approximate	<i>WDC Costs¹</i>

¹ These costs (except other staff costs) are taken from the pDRP, Section 6, Table 5, page 68. The utilities and roading costs are apportioned according to the Council / Crown cost share agreement: Council – 40%, Crown - 60%

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<p>on-going management and operational costs?</p> <p><i>Specify whether these costs would be for the Council, Crown or a private owner, and ensure timeframes are clearly stated. Include all potential processes e.g. vesting, remediation if applicable.</i></p>	<ul style="list-style-type: none"> • Utilities replacement: \$2,731,000 (capex) • Roading (Area 8): \$1,091,000 (capex) • Heritage and Mahinga Kai area (Area 4): Design and Build \$1,240,000 - \$1,600,000: yearly maintenance \$38,000 – \$50,000 • Recreation and Ecological Linkage (Area 7): Design and Build \$430,000 – \$560,000: yearly maintenance \$10,000 – \$13,000 • Other staff costs (implementation, liaison, monitoring, reporting, plan changes): allow 1 FTE (\$150,000 p.a.) till 2028 <p>Totals Capex: \$3,822,000 + \$1,420,000 + \$495,000 = \$5,737,000 Opex till 2028: \$44,000 + \$11,500 + \$150,000 = \$205,500 p.a. (suggest apply until 2021)</p> <p><i>WDC Potential Costs (Area 3) – for the car park and public transport interchange should these proceed</i></p> <ul style="list-style-type: none"> • Land purchase from the Crown: assumed nominal amount • Land repair costs: from T&T report - unknown at this time (depends on proposed activities and facilities) • Design and construction of facilities: not determined at this time <p><i>Crown</i></p> <ul style="list-style-type: none"> • Maintenance costs (LINZ): approximately \$160k p.a. for whole red zone (89ha). Kaiapoi South (24.2 ha) share is \$43,500 p.a. (assume costs apply until 2019) • Land disposal: (vesting / tendering / sale): unknown at this time • Staff costs (implementation, liaison, monitoring, reporting, oversight): unknown at this time <p><i>Ngai Tahu (for Area 4)</i></p> <ul style="list-style-type: none"> • Capex: unknown at this time • Opex: anticipated to be absorbed in current operating budgets <p><i>Private Owner – Area 3 (assuming the land is sold and the developer undertakes the land repair)</i></p> <ul style="list-style-type: none"> • Land repair costs: depends on proposed activities and structures. <ul style="list-style-type: none"> ○ For yard based activities land repair costs are estimated as \$1,700,000 for the whole area² ○ For large format retail activities land repair costs are estimated as \$8,800,000 for the whole area³ • Other costs, such as: providing utilities on site; stormwater management; site preparation and build costs - unknown at this time <p><i>Note: utilities will be provided to the boundary by Council and are already costed in WDC Utilities costs above.</i></p>
<p>What are the other costs (e.g. environmental, health and/or social) of the preferred option?</p>	<p>There could be social and environmental costs associated with disruption during the development of the various areas, particularly those proposed for business use, and longer term through a less attractive appearance depending on the nature of business activities that are implemented (e.g. car parking, some yard-based retail and business activities).</p>
<p>Are there any uncertainties about the anticipated costs? If yes, what do these relate to and could further analysis be undertaken?</p>	<p>There are uncertainties about the nature and timing of the proposed business activities in Area 3. In particular, while we have information about what developers are likely to be prepared to pay to lease or purchase the land, there is uncertainty about when this would happen. There are also uncertainties over the required land repair and flooding requirements. These may have an impact on the eventual cost of development and therefore the financial return to the Crown from sale or lease. Further analysis could be undertaken for flood mitigation; however it is likely that any further geotechnical analysis would need to be very detailed to confirm costs. If appropriate and required, this further analysis could be undertaken as part of the implementation process.</p>

² Tonkin and Taylor Kaiapoi Red Zones Engineering Feasibility of Potential Land Uses – Stage 1 Report January 2016. Section 8.5, page 60

³ Ibid

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What are the anticipated financial returns?	<p>The anticipated financial return depends on such things as: the activities undertaken; sale vs lease; actual cost of land repair; expected market value.</p> <p><i>Area 3 (Business)</i></p> <ul style="list-style-type: none"> Large format retail option: gross realisation = $\\$280 / \text{m}^2 \times 31,300\text{m}^2 = \\$8,764,000^4$, less anticipated remediation costs of $\\$8,800,000$ for the block⁵ = $\\$-36,000$ (excluding developer and sale costs). Colliers advised return for the block including developer and sale costs is $\\$-3,290,000^6$ Yard-based option: = $\\$150 / \text{m}^2 \times 31,300\text{m}^2 = \\$4,695,000^7$, less anticipated remediation costs of $\\$1,700,000$ for the block⁸ = $\\$2,995,000$ (excluding developer and sale costs). Colliers advised return for the block including developer and sale costs is $\\$1,410,000^9$ <p><i>Areas 4 (Heritage and Mahinga Kai) and 7 (Recreation and Ecological Linkage)</i></p> <ul style="list-style-type: none"> Vesting land in the Council: assumed to be vested at nominal value therefore no meaningful financial return. <p><i>Area 5 (Rural)</i></p> <ul style="list-style-type: none"> Lease option: $\\$500$ per ha, p.a.¹⁰ = $\\$500 \times 11 \text{ ha} = \\$5,500$ p.a. financial return Sale as 4 ha rural lots: $\\$375,000$ per 4 ha lot¹¹ = $\\$375,000 \times 3 = \\$1,125,000$, less anticipated remediation costs of $\\$380,000$ per building platform¹² = $\\$380,000 \times 3 = \\$1,140,000$. Total sale financial return: $\\$1,125,000 - \\$1,140,000 = \\$-15,000$ (excluding developer and sale costs)¹³ Inner Courtenay Loop - Sale as 5000m^2 large residential lots: $\\$325,000$ per lot¹⁴ $\times 11$ lots¹⁵ = $\\$3,575,000$, less anticipated remediation costs of $\\$380,000$ per building platform¹⁶ = $\\$380,000 \times 11 = \\$4,180,000$. Total sale financial return: $\\$3,575,000 - \\$4,180,000 = \\$-605,000$ (excluding developer and sale costs). Colliers advised return for the Courtenay Inner Loop area including developer and sale costs is $\\$-2,230,000^{17}$
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⁴ Colliers International Valuation Consultancy Report: WDC Residential Red Zone Recovery Plan Kaiapoi December 2015. Section 7.4, page 34

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ Ibid

⁹ Ibid

¹⁰ Colliers International Valuation Consultancy Report: Waimakariri District Residential Red Zone Kaiapoi May 2016. Paragraphs 32, 46 and 47, pages 9 and 10

¹¹ Colliers International Valuation Consultancy Report: Waimakariri District Residential Red Zone Kaiapoi May 2016. Paragraph 28, page 8

¹² Tonkin and Taylor Kaiapoi Red Zones Engineering Feasibility of Potential Land Uses – Stage 1 Report January 2016. Section 9.8, page 68 (Inner Courtney Loop estimates)

¹³ These are documented in the Colliers December 2015 report

¹⁴ Colliers International Valuation Consultancy Report: WDC Residential Red Zone Recovery Plan Kaiapoi December 2015. Section 5.4, page 23

¹⁵ Colliers International Valuation Consultancy Report: WDC Residential Red Zone Recovery Plan Kaiapoi December 2015. Section 7.4, page 33

¹⁶ Tonkin and Taylor Kaiapoi Red Zones Engineering Feasibility of Potential Land Uses – Stage 1 Report January 2016. Section 9.8, page 68 (Inner Courtney Loop estimates)

¹⁷ Colliers International Valuation Consultancy Report: WDC Residential Red Zone Recovery Plan Kaiapoi December 2015. Section 7.4, page 33

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E. RISKS – IDENTIFICATION AND MITIGATION	
How have current and future needs/requirements been balanced from the Council's perspective?	Consideration has been given to the future needs of the community in terms of greenspace recreation areas (including the Sport and Recreation Reserves Management Plan (2015)) and the need to ensure the ongoing economic vibrancy of the town through the proposed development of business activities in line with future population growth and business land demand.
What would be the environmental risks associated with the area and preferred option? (e.g. natural hazards and future events). How would these be mitigated?	There are no major environmental risks likely through the proposed land uses in Kaiapoi South although the nature of the business activities in Area 3 and also potentially the rural activities in Area 5, would need to be assessed to ensure that there would be no adverse environmental implications from the development nor the ongoing activity. This can be done through the resource consenting process, once a District Plan Change has been undertaken to rezone the land for appropriate business use.
What would be the potential implementation risks of the preferred option? (e.g. unforeseen costs). How would these be mitigated?	<p>The main risk is uncertainty about the nature and timing of the development of appropriate business activities in Area 3. At present it is not certain how much interest there would be from developers in developing this land for business use, and how soon therefore the area would provide a financial return as opposed to the ongoing costs of maintaining the land in its current state. This risk will be mitigated through the development of the implementation phase if and when the Minister approves the final Recovery Plan.</p> <p>If the Crown undertook the land repair works this could result in implementation risks if equipment, specialists, fill, etc. are unavailable or more costly than anticipated.</p> <p>The Heritage and Mahinga Kai Area is agreed in principle with Ngāi Tahu and Ngāi Tūāhuriri; however, the development, management, governance and ownership arrangements for this area have not yet been determined. This should be further explored with the relevant parties.</p> <p>The other uncertainty relates to the possible financial implications of any decision by the Crown about whether it may vest in the Council the land in Area 7 and the land under the proposed infrastructure, and if so, whether this will be at no charge. This issue is being discussed between the Council and Crown with processes underway to seek the Crown's formal decision about vesting the land, ideally prior to final agreement of the Recovery Plan.</p>
What would be the risks relating to community and/or stakeholder buy in? How would these be mitigated?	There remains a residual risk for this area (as with all the regeneration areas) that some in the community oppose the proposed land uses. This risk has been mitigated through the consultation and community engagement processes undertaken, and will be further mitigated through future opportunities for consultation. These have so far demonstrated broad support from the proposals for this area. Many of the issues raised through consultation can be mitigated through the design process which would be subject to further community engagement.
What would be the risks relating to Council and Crown expenditure ? How would these be mitigated?	<p>The main risks are essentially the same as the implementation risks identified above, i.e. how much and when would any financial returns start to accrue from the proposed activities, and the potential financial considerations associated with vesting the land in Area 7 and under the proposed infrastructure. Also, there could be a financial risk if the Crown undertook the land repair works, if this resulted in no development or demand or a poor return for the remediation investment.</p> <p>The Council also has potential expenditure risk (in part because of cost uncertainties) relating to the proposed car park and public transport interchange, should these proceed.</p>

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F. ALTERNATIVES	
For the <u>preferred option</u> , what, if any, are the alternative ownership and management options?	<p>There are no viable alternative ownership or management options for the infrastructure, and Recreation and Ecological Linkage Area (Area 7) other than Council ownership and management as there would be unlikely to be any commercial interest in owning/managing this land for these purposes.</p> <p>For the Business Area (Area 3), this area could be Crown, Council, privately owned or a combination of these depending on the Council's assessment of car parking / public interchange needs and the Crown's desire to maintain ownership. The Crown could consider options for developing Area 3 by seeking expressions of interest from private developers to lease or purchase areas of land directly from the Crown, or could vest the land in the Council for the Council to undertake appropriate implementation activities with developers.</p> <p>For the Heritage and Mahinga Kai Area (Area 4), this area could potentially be owned and managed by the Crown, the Council, Ngai Tahu or a Trust (similar to Te Kohaka o Tuhaitara Trust). This matter is listed as a further action.</p> <p>For the Rural Area (Area 5), this area could be owned and maintained by the Crown and leased, or sold to the private sector. Again the Crown could call for expressions of interest to lease or buy the land.</p>
What are all of the land use options that could be considered for this area?	<p>Other land use options include:</p> <ul style="list-style-type: none"> a) Residential Focus Scenario: replacing rural activity with residential activity in the inner Courtenay loop (Area 5) b) Business Focus Scenario: extending business activity into the Heritage and Mahinga Kai Area (Area 4) and the inner Courtenay loop (Area 5) c) Rural Focus Scenario: extending rural activities into the Heritage and Mahinga Kai Area (Area 4) d) Commercial Recreation scenario: replacing the Rural Area (Area 5) with commercial recreation e) Greenspace (Recreation) Focus Scenario: converting some of the Rural Area (Area 5) to greenspace f) Heritage and Mahinga Kai and Coastal Park Focus Scenario: extending the Heritage and Mahinga Kai Area westwards into the Business Area (Area 3) and Rural Area (Area 5).
What would be the key benefits of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key benefits include:</p> <ul style="list-style-type: none"> a) The key benefits of additional residential development would be an opportunity for people to live close to the town centre and the river, with social/mental health/economic benefits related to accessibility and increased greenspace/riverfront accessibility. There would be a potential financial return available to taxpayers (however, this is not supported by identified financial information). b) The key benefits of additional business development would be a potential financial return available to taxpayers (however, this is only supported by identified financial information for yard based activities), providing an opportunity to support the existing Kaiapoi Town Centre, and providing additional business land in response to the identified demand. c) The key benefit of additional land for rural activities is a potential financial return available to taxpayers through lease fees.

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	<p>d) The key benefits of additional commercial recreation are a potential financial return available to taxpayers through lease fees and the opportunity to establish new destination activities.</p> <p>e) The key benefits include the health and wellbeing, social cohesions, place-making, development and learning, economic benefits associated with additional green space.</p> <p>f) The key benefits of additional Heritage and Mahinga Kai Area are the opportunity for expanded native habitat restoration, and increased recreation and education opportunities. This has health and wellbeing, social cohesion, place-making, development and learning and potential economic value benefits.</p>
What would be the key risks of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key risks include:</p> <p>a) The key risks of additional residential development would be the potential financial loss to the taxpayer if the Crown undertook remediation, and development was subsequently not financially viable, with the area remaining undeveloped in the medium term. If undeveloped and still owned by the Crown, the Crown will be liable for ongoing maintenance costs. Any development would need to manage flooding risk to avoid flooding adjacent green-zone areas.</p> <p>b) The key risks of additional business development would be the potential to undermine the Kaiapoi Town Centre if the activities are not managed, and the potential for adverse effects on existing residences from business operations. There were also comments received during consultation in opposition to business activities in Kaiapoi South. Based on current analysis there is also a financial risk if the area is developed for large format retail activities as these activities are assessed as not financially viable.</p> <p>c) The main risks associated with additional rural area are potential adverse environmental effects, and from a community perception the loss of further recreation opportunities and a perception that the use would not be facilitating recovery.</p> <p>d) The key risks of additional commercial recreation are additional adverse effects on the existing residences, and if there is no demand, the area remaining underutilised.</p> <p>e) The key risk of additional greenspace is financial, including additional costs to the ratepayer for development and management and, if the area is not required to achieve levels of service and/or underutilised, these additional costs will be unjustifiable.</p> <p>f) There key risk of additional Heritage and Mahinga Kai Area is financial including additional costs to the ratepayer and potentially taxpayer and, if the area is underutilised, these additional costs will be unjustifiable.</p>
Why was each alternative land use option discounted and what are the opportunity costs (economic, social, cultural and/or environmental) of not pursuing each alternative option? <i>Add a new row for each option.</i>	<p>Each alternative land use option has been discounted for the following main reasons:</p> <p>a) Additional residential development was discounted because this activity is not financially viable (see the above costings) in Kaiapoi South. In addition, there were mixed community views on reinstating residential activity in the red-zone. There are no opportunity costs of not pursuing this additional development as there are other residential development opportunities available in Kaiapoi and residential development is not currently financially viable in Kaiapoi South.</p> <p>b) Additional business development was discounted because of the potential to undermine the Kaiapoi Town Centre if the activities are not managed, the potential for adverse effects on existing residences from business operations and the lack of support from the community for this activity during the</p>

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	<p>consultation. The opportunity cost of not pursuing this option is that industrial land will need to be provided elsewhere to meet the projected industrial land demand through to 2043.</p> <p>c) Additional rural development was discounted because the proposed mix of activities better meets the recovery plan goals and provides an appropriate level of opportunity for heritage and mahinga kai activities. The opportunity costs from not pursuing this alternative would be the loss of opportunity to receive a return from leasing the land.</p> <p>d) Additional commercial recreation area was discounted because there is uncertain demand for this type of activity. If located too close to existing residential areas these activities can create adverse effects. The opportunity costs of not having this additional area are that if a suitable activity was proposed for this area it could not establish if it was inconsistent with the Recovery Plan.</p> <p>e) Additional green space was discounted because it will result in additional costs to the ratepayer and, if the area is not required to achieve levels of service and/or is underutilised, these additional costs will be unjustifiable. The main opportunity costs from not pursuing this alternative would be the loss of opportunities to develop an attractive greenspace area in Kaiapoi South and forfeiting potential mental health benefits associated with living close to greenspace, and potentially forfeiting the opportunity to “landbank” significant amount of greenspace land for the longer term (e.g. next 100 years); however substantial greenspace is proposed in the preferred option.</p> <p>f) Additional Heritage and Mahinga Kai Area was discounted because an extension into the Rural Area (Area 5) was not sought by Ngāi Tahu. Regarding the extension into the Business Area (Area 3), it was considered that this area was better utilised for business activities given its location immediately adjacent to the existing Kaiapoi Town Centre, the identified need for public parking in this location, the opportunity to provide a public transport interchange and the potential financial return to the Crown from business development. The main opportunity cost from not pursuing this alternative are the loss of opportunity to extend Heritage and Mahinga Kai Areas more widely as a key driver in the regeneration of the Waimakariri regeneration area; however there is already a sufficiently large Heritage and Mahinga Kai Area proposed within the Kaiapoi South Regeneration Area.</p>
G. OTHER RELEVANT LEGISLATION AND PLANNING OBLIGATIONS	
To what extent and how is the preferred option consistent with other Recovery Plans ?	The proposals have been developed taking into account the other Recovery Plans (where relevant), in particular the LURP and other key planning documents. The proposals are aligned in particular with the LURP goals to “meet the land use needs of residential and business activities in existing communities and in greenfield areas to accommodate rebuilding and growth”; and “support recovery and rebuilding of central city, suburban and town centres”. It should be noted however that the Residential Red Zone is outside the scope of the LURP.
What would be the implications of the preferred option on relevant local planning instruments ?	These land use proposals can align with the Waimakariri District Long Term Plan 2015-2025 and the Kaiapoi Town Centre Plan 2011. It is likely that a bespoke set of district plan provisions will be required for the Business Area.
<p>Are there any implications for, or as a result of the:</p> <ul style="list-style-type: none"> • New Zealand Coastal Policy Statement 2010; • Canterbury Regional Policy Statement; • Mahaanui Iwi Management Plan; • Ngāi Tahu Claims Settlement Act 1988; • Resource Management Act 1991? <p>If yes, what are these implications and how will they be dealt with?</p>	The proposals have been assessed as a whole against these key documents, and all are considered to be aligned with the relevant parts of all these documents. There are no significant implications resulting from the future use proposals for Kaiapoi South.



Attachment C

Detailed Analysis of Kaiapoi East

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Description of Area: Kaiapoi East is a large area of approximately [53.5] hectares, located to the north of the Kaiapoi River and to the east of the Kaiapoi Town centre. It borders Council-owned reserve land to the south (bordering the river), rural land to the east, residential areas to the north and a business area to the west. It is zoned Residential 1 over the majority of the area, with two Council-owned neighbourhood parks (Kirk St Reserve and Gray Crescent Reserve) and a newly-constructed wastewater pump station at the corner of Moore Street and Shields Place. The area contains six remaining private properties. For the purposes of the preliminary draft Recovery Plan, the Kaiapoi East Regeneration Area has been divided into [ten] sub areas (Areas 9 to 18), reflecting the preferred land uses within these areas.

A. PREFERRED OPTION AND PROPOSED IMPLEMENTATION

Briefly describe the **preferred option** and outline the key reasons why it is preferred.

The preferred option contains a mix of: recreation and ecological linkages (Area 9); sport and recreation reserve (Area 10); a memorial garden (Area 11); rural (Areas 12 and 13); an access link (Area 14); and business, including parking and a campervan park (Areas 15, 16 and 17). Area 18 covers the road connections.

- **Recreation and Ecological Linkage (Area 9):** this reserve creates walking and cycling links, from the residential areas to the north to the Kaiapoi River and the Town Centre. Linkage to the east supports a circular route around the regeneration area, particularly with the suggested addition of linkage between Moore Street and Feldwick Drive. Recreation and ecological linkages provide opportunities to develop walking and cycling paths, passive recreation spaces, community events space, native planting areas, and edible landscapes (e.g. food forests and community gardens). These linkages also act as buffer between existing green zone residences and the proposed recreation, rural and business activities in the regeneration area. This is a preferred land use for this area due to strong community support for walking and cycling links, passive recreation, event space and edible landscapes. Within the Kaiapoi East Regeneration Area there is also a lack of realistic alternatives given that alternative activities such as business, rural and sports and recreation can be located elsewhere and better integrated with surrounding activities and (where appropriate) existing land uses.
- **Sport and Recreation Reserve (Area 10):** the area north of Cass St could provide up to four full-sized playing fields, space for other sporting facilities, junior or warm-up fields, a pavilion/ changing rooms, onsite car parking, and space for informal play. The area south of Cass Street could provide a community BMX track and a dog park; these features could be integrated with a stormwater management area proposed for this location. The provision of additional sport and recreation facilities within the regeneration area received some community support, and reflects the future needs of the District (to uphold the Council level of service for sport and recreation reserve). The sport and recreation reserve creates a flexible recreation “cluster” in an easily-accessible location close to the Kaiapoi Town Centre and Kaiapoi River.
- **Memorial Gardens (Area 11):** The Council proposes that this area be developed (in the long term) into a memorial garden cemetery (for cremation interment only). This responds to the need for additional interment space in the district’s cemeteries in the future. In the interim, the area could be leased for grazing. This original proposal for a cemetery received mixed feedback from the community with more opposition than support. However, it is considered this was in part due to a lack of clarity about the proposal, with some commenters envisaging a traditional cemetery rather than a memorial garden type setting. The area is subject to lateral spread and flooding risk and therefore alternative uses, other than for reserve or rural land uses are limited.
- **Rural Area (Areas 12 and 13):** this area could provide opportunities for rural activities either on a sale or lease basis. Rural activities are preferred in this location given the significant geotechnical and flooding risk, and the opportunity to provide a return to the Crown. Area 13 is the existing Kirk Street Reserve. The reserve is located fully within Area 12, and it is proposed that the Reserve classification be uplifted and the area be used for rural activities. An additional stormwater management area is proposed in Area 12 to the south east.
- **Access Link (Area 14):** this link would provide walking and cycling access through to Beach Road. It is subject to a land swap agreement being reached with the adjacent property owner for a section of the regeneration area (proposed for rural use) east of Askeaton Drive.
- **Business Areas (Areas 15, 16 and 17):** suitable commercial activities are proposed for these areas. These could include yard based and/or large format retail. Residential development could also be enabled in the business area to provide for a mix of activities. Area 16 is proposed to be a car parking area to support the use of a boat-ramp being constructed by the Coastguard on Charles Street. Area 15 is proposed to be a campervan park

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	<p>for self-contained, short stay vehicles. These uses are preferred as they complement and extend the existing business areas to the north east of the Town Centre, and could provide a financial return to the Crown.</p> <ul style="list-style-type: none"> • Roading (Area 18): these are proposed new road links to improve connections through the regeneration area. New links are proposed between Feldwick Drive and Bracebridge Street, Oram Place and Cass Street, and an extension of Charles Street to Askeaton Park. <p>Overall, these land uses are preferred as they are based on judicious assessment of the geotechnical and flood hazard risks, they reflect the need to provide additional sport and recreation facilities for the district in the future, and support the Kaiapoi Town Centre. The proposed activities are also broadly supported by the community and can integrate with the neighbouring activities and land uses.</p>
How does the preferred land use take into account long-term projections and plans , such as demographic projections?	<p>The proposed land uses for these areas reflect the need for more business activities (as set out in the analysis by Property Economics and Colliers International). The business area also provides the opportunity for additional facilities to support more tourism and Town Centre support activities within Kaiapoi through the provision of the campervan park.</p> <p>The proposed sport and recreation reserve and memorial gardens will enable the Council to meet future potential district shortfalls for these land uses. Council analysis indicates that to meet the current levels of service for sport and recreation reserves additional space will be required in the district in the long-term (by 2020). Similarly, the district's cemetery has a finite capacity with additional interment space likely to be required in approximately 30 years' time.</p>
Is the preferred option the intended long-term use of the area? If no, what is the intended long-term use and why is it different from the short term use?	<p>The proposal is the intended medium and long term use for this area, subject to, amongst other things, interest from and development by the private sector to implement business activities within Area 17. In the long term the activities in parts of the rural areas may evolve as technology and market economics evolve, to include residential activities. Residential development is currently not economically viable in Kaiapoi East (although it may become viable in future) except potentially as part of a package of mixed use activities within Area 15.</p>
How does the preferred land use option support and align with existing and planned local and national infrastructure ? E.g. roads, schools and health services	<p>The preferred option is complementary to the existing road network and other existing infrastructure, and the need to provide additional stormwater management areas north of the Kaiapoi River in appropriate low-lying areas. The proposed car parking in Area 16 will support the roading network, should these be progressed. The proposed uses align with and make use of the existing Courtenay Drive Drainage Reserve. There are no other significant infrastructure implications and consequences that have been identified at this stage.</p>
<p>What are the proposed ownership and management arrangements of the preferred option? Why are these favoured?</p> <p><i>Note whether vesting is being requested.</i></p>	<ul style="list-style-type: none"> • Recreation and Ecological Linkage Area (Area 9), Sport and Recreation Reserve (Area 10) and Memorial Gardens (Area 11): it is proposed that these areas are vested in the Council as reserves, This approach is favoured, as the proposed activities are better managed as reserves for the community, although Area 10 and 11 could be grazed in the interim, providing a potential return to the Crown. • Rural area (Areas 12 to 14): the Council proposes that these areas will be owned and maintained by the Crown in the short term although the Council could also undertake this role should the Crown decide to vest this land, although the preferred option provides a return for the Crown which otherwise may not occur if the land is vested at little or no cost (the Council would not necessarily have funding for this land). Under the preferred option, the Crown may call for expressions of interest to lease or buy the land. Discussion will take place with the adjoining land owner about a potential land swap for the link to Beach Road. • Business Areas (Areas 15, 16 and 17): For Area 15, the Council will discuss appropriate ownership/management options with the Crown to enable development of this land as a campervan park. For the proposed car parking in Area 16 the Council will seek to acquire this land from the Crown, while the proposal for Area 17 is private ownership or lease from the Crown, to enable divestment and development. • Rooding (Area 18): this will remain a road reserve vested in the Council. New roads may entail vesting as road reserves.

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	<ul style="list-style-type: none"> Infrastructure: the land required for the stormwater management areas is proposed to be vested in the Council as the Council will provide these services.
What is the proposed implementation of the preferred option? Why is this approach preferred?	<ul style="list-style-type: none"> Recreation and Ecological Linkages (Area 9) and Sport and Recreation Reserve (Area 10): the Council will discuss with the Crown, options for vesting these areas. Should vesting take place the Council will develop a reserve master plan for these areas. Preparation of this master plan will involve community consultation, with construction taking place in the medium term. Memorial Gardens (Area 11): the Council will discuss options with the Crown for vesting this land in the long term, with the Crown potentially leasing the land in the interim for rural uses. Rural area (Areas 12 to 14): this area will be owned and maintained by the Crown in the short term. The Crown may call for expressions of interest to lease or buy the land. Discussion will take place with the adjoining land owner about a potential land swap for the link to Beach Road. Business Areas (Areas 15, 16 and 17): For Area 15, the Council will discuss appropriate options with the Crown to enable development of this land as a campervan park, then will work with the NZMCA to implement the proposals over the next two years. For the proposed car parking in Area 16 the Council will seek to acquire this land from the Crown. Vesting discussions will take place in the next two years, with construction potentially taking place in the medium term. The Crown could consider options for leasing/selling the land in Area 17 to developers.
How does the Plan provide for the necessary statutory amendments to enable the preferred option? What are they?	District plan changes may be required to enable the proposed activities in Kaiapoi East; depending on implementation, these actions these will be progressed under the Greater Christchurch Regeneration Act/Recovery Plan process or, if necessary, under the District plan review. These are described as further actions to be completed after and subject to Ministerial approval of the final Recovery Plan.

B. HOW WOULD THE PREFERRED LAND USE OPTION HELP TO ACHIEVE EARTHQUAKE RECOVERY OBJECTIVES

Minister's direction: 4.1.1 Promote the well-being of greater Christchurch communities	<p>The preferred greenspace land uses in Kaiapoi East will provide sport and recreation opportunities in an accessible location near to the town centre. The greenspaces will link existing residential neighbourhoods with the town centre and river, and will integrate with neighbouring existing reserves. The greenspace will provide opportunities for active recreation (e.g. sports) and passive recreation (e.g. walking); formal and informal recreation (e.g. club games versus playing with friends). The proposed greenspaces will provide health and wellbeing benefits (through enhancing physical and mental health); social cohesion benefits (bringing people together through the provision of physical links, community space, opportunities for establishing social networks); place-making benefits (through the creation of a sport and recreation cluster); and potential economic benefits through links with the town centre.</p> <p>The proposed business areas integrate well with the existing business areas on Williams St, Cass St and Charles St, which link to the town centre area north of the Kaiapoi River and are broadly supported by the community. The detailed design and layout of the public spaces (including the memorial garden) and recreation areas within Kaiapoi East will be undertaken through a master planning process which will ensure that the design of these areas is consistent with the principle of good urban design, encompassing the provision of safe and secure environments for residents and visitors.</p>
4.1.2 Result in resilient and enduring outcomes	The proposed land uses within Kaiapoi East have been heavily influenced by the flooding and geotechnical hazards associated with the location. As such, it is considered that the type, location, design, and function of the various activities will ensure a sustainable development pattern that is robust and resilient.
4.1.3 Support economic development and growth	Careful consideration of the appropriate business activities within Area 17 will be undertaken to ensure that any future commercial activities within this area do not detract from the function and viability of the existing Kaiapoi Town Centre, and support rather than detract from the economic growth of



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	<p>the town centre area. Most long established town centres/business areas are highly constrained by surrounding older residential development; by contrast the opportunity presented here is for well-planned integrated development of the Kaiapoi Town Centre in a way which is sympathetic to and enhances the local area. The greenspaces provide an opportunity to develop walking and cycling networks that connect surrounding neighbourhoods to the town centre. The greenspaces could also act as a destination attraction thereby supporting the adjacent town centre. The proposed campervan park will also encourage tourists to stay close to the town centre, thereby boosting economic activity. The rural areas could support a variety of activities including commercial recreation (subject to resource consents).</p>
4.1.4: Be affordable and consistent with the government's commitment to principles of responsible fiscal management	<p>It is anticipated that the proposed business and rural areas will provide a financial return to the Crown, which will benefit taxpayers. The proposed recreation and ecological linkages will be funded from within the agreed financial parameters of the Council's Long Term Plan, with costs being transparent to Waimakariri District ratepayers. These costs are set out in the preliminary draft Recovery Plan.</p>
Council's vision and goals: How would the preferred option deliver the vision outlined in the preliminary draft Recovery Plan?	<p>The proposed land uses in Kaiapoi East will enable the regeneration area to be returned to active use in a creative and cost effective manner. The proposed greenspace land uses will support the economic vibrancy of the Kaiapoi Town Centre through improved physical links from surrounding residential neighbourhoods. In addition the creation of a recreation cluster (containing a variety of greenspaces) will draw locals and visitors to Kaiapoi and the town centre. Proposed additional activities such as edible landscapes, dog park and community BMX track, will link to existing greenspaces and proposed riverside enhancements (e.g. the Kaiapoi Wharf redevelopment) creating rewarding and exciting places for residents and visitors. The proposed campervan park will encourage tourists to stay close to the town centre with flow-on support for local businesses and activities. The proposed uses are considered resilient, being heavily influenced by the identified geotechnical and flooding hazards.</p>
How would the preferred option help to achieve the goals 1, 2, 3, 4, 5 and 6 outlined in the preliminary draft Recovery Plan?	<p><i>1) Returning the regeneration areas to active use in a timely and efficient and economic manner:</i> The implementation of the proposed uses has been carefully scheduled, with the majority of actions occurring in the short and medium term. The proposed package of uses is considered to be the most economic, and will support and encourage community recreation, and ecological awareness.</p>
<p><u>Note that this should include details about how the goal, vision or objective would be achieved and why this is important. It is not sufficient to merely state 'Land use option X would contribute significantly to goal Y.'</u></p>	<p><i>2) Significantly enabling Kaiapoi's journey towards becoming a prosperous and innovative centre to live, work and play:</i> The proposed car park, campervan area and business uses will support the economic health of Kaiapoi Town Centre, by drawing in more visitors and locals to shop in Kaiapoi. The proposed greenspaces will help make Kaiapoi East and surrounds, an attractive place to live and play with consequential health and wellbeing, and social cohesion benefits, which are described more fully in Section D below. The proposed greenspaces will support the Kaiapoi Town Centre through improved physical links and the creation of a recreation cluster which will draw locals and visitors. The proposed campervan park will encourage tourists to stay close to the town centre with flow on support for local businesses.</p>
	<p><i>3) Providing a safe, inspiring and attractive environment for residents and visitors, with public access to and opportunities for recreation, cultural, social and economic activities:</i> The land use proposals include different greenspaces (active and passive, formal and informal) that provide opportunities for all the community. The greenspaces are flexible and can be used for wide-ranging activities from sport competitions to recreational walking and cycling; community events (e.g. a market day) to family picnics; edible landscapes to native revegetation. Creating opportunities for all these activities will bring people together, creating networks and building social capital. The design of the greenspaces will be consistent with the principles of good greenspace and urban design, particularly Crime Prevention Through Environmental Design. This will enable spaces which are safe, inspiring and attractive which will contribute to health and wellbeing, social cohesion and place-making (evidence for this is discussed more fully in Section D below).</p>
	<p><i>4) Ensuring land use proposals are resilient and built for the future drawing on relevant sound assessment:</i> The proposed land uses within Kaiapoi East have been heavily influenced by the flooding and geotechnical hazards associated with the location. The type, location and design of development will ensure a sustainable development pattern that is resilient.</p>



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	<p>5) <i>Enabling opportunities to restore the natural environment to support diversity as well as economic prosperity:</i> The proposed greenspaces, particularly the recreation and ecological linkages, provide opportunities for native revegetation and environment enhancement. They also link with existing riverside greenspaces (e.g. Corcoran Reserve and Askeaton Park) enabling a network of ecological corridors. The proposed stormwater management areas will contribute to improved water quality. Opportunities to restore the natural environment will have benefits for place-making (providing a local identity, conserving nature and biodiversity, greening our cities); health and wellbeing (enhancing physical and mental health, providing ecosystem services).</p>
	<p>6) <i>Recognising and enhancing Ngāi Tūāhuriri and Ngāi Tahu values, aspirations and the important cultural history of the area:</i> The proposals for the Kaiapoi East Regeneration Area have been developed in collaboration with representatives from Ngāi Tūāhuriri and Ngāi Tahu. They have expressed their broad support for the land use proposals for Kaiapoi East excluding the proposed memorial garden, with which they would like additional discussion with Council.</p>

C. EVIDENCE AND ENGAGEMENT	
<p>What are the key geotechnical, flooding and other findings about this area and how have they informed the development of the preferred option for this area?</p> <p>Are there any geotechnical, flooding and other uncertainties? If yes, what further analysis is required?</p>	<p>The Technical Advisory Panel (TAP) report identifies different flooding and geotechnical constraints for Kaiapoi East depending on area, most notably differentiating between the areas south and north of Cass Street. The geotechnical assessments and flood hazards range from 2 to 4, with the area south of Cass St being assessed at the higher end of the scale, compared to the area north of Cass St. Based on these findings the TAP report describes different types of activities as not feasible, technically feasible but not advisable, technically feasible and suitable. The TAP report notes that there are a wide range of possible land uses and that these are further widened if a comprehensive approach to remediation of land is considered. From a technical perspective, possible options include:</p> <ul style="list-style-type: none"> - Residential at variable densities north of Cass Street. Could locate lower density (lifestyle blocks) to the east. - Large footprint commercial/industrial buildings to the west. - Integrate land for extensive recreation, stormwater mitigation or environmental enhancements in the area south of Cass Street <p>The geotechnical analysis completed is only Stage 1. As such there are uncertainties over the most efficient and effective land repair strategies and therefore costs. T&T has proposed a Stage 2 assessment; this has not been undertaken at this time but more detailed geotechnical analysis might be required as part of implementation.</p> <p>The flooding analysis has not considered minimum floor level requirements as, when undertaken, there were no specified requirements in the district plan. A natural hazards plan change is being prepared by the Council which will provide further guidance on required minimum floor levels.</p> <p>Another uncertainty relates to contamination - there is a risk of some contamination from the demolition of properties. Further work is being undertaken on this by the Crown. This information is anticipated to be available by mid-June 2016.</p>
<p>What short, medium and long-term economic projections and market information is available on this area? How has this information informed the development of the preferred option?</p>	<p>The preferred option has been based on economic projections for business activities for the Kaiapoi area as a whole. The Property Economics report (which was peer-reviewed by Market Economics) notes that there will be “increased demand and land provision requirements for business activities in Kaiapoi” for the period up to 2043. In particular, there is demand for industrial land, which includes yard-based and large format retailing. The Colliers valuation report notes that yard-based business activities (which would be potentially appropriate in Kaiapoi East given the flooding risk and other considerations) would be potentially viable from a financial return perspective.</p>

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<p>Are there any uncertainties related to the information on economic/market conditions? If yes, what further analysis is required?</p>	<p>The Property Economics assessment and Colliers report both note that there are wide variations in the potential population growth forecasts. These variations could affect the demand for and financial return from business land. However, the location of Area 17, which is close to the Kaiapoi Town Centre and an existing business area with a busy supermarket, is likely to be a strong draw for potential business developers compared to some other potential land further away from the town centre. Further analysis on potential impacts on the existing Kaiapoi Town Centre is required.</p> <p>In terms of residential demand and market value, these have been assessed in the Colliers valuation report. The findings conclude that residential development is not <i>currently</i> financially viable. The preferred option for Kaiapoi East is consistent with this advice.</p> <p>In terms of rural activity demand, this has been assessed in the Colliers valuation report, which concludes that there is current demand for this activity, which can sensibly be located in Kaiapoi East. The preferred land uses for Kaiapoi East are consistent with this advice.</p>
<p>What other evidence has been used to inform the development of the preferred option? E.g. research on psychosocial or health issues.</p>	<p>Reports on the geotechnical and flooding constraints and land repair costs (TAP and T&T) have informed the preferred option.</p> <p>No other additional specific analysis has been undertaken as part of the preliminary draft Recovery Plan development process. However there are multiple evidence sources world-wide demonstrating the value of shared active and passive recreation spaces within towns and urban areas, including for psycho-social health and community well-being.</p> <p>Research in to the benefits of greenspace has been used to inform the proposed land uses. Greenspace provides a variety of direct and indirect benefits to individuals, the community and the economy. Greenspace has benefits for health and wellbeing (enhancing physical and mental health); social cohesion (bringing people together); place-making (providing a local identity); development and learning (providing a variety of experiences); and economic value (contribution to the local and national economy). These benefits are discussed further in Section D below with references to relevant research included.</p>
<p>What other uncertainties are there about the preferred option? What further analysis is required?</p>	<p>An identified uncertainty relates to the nature of potential business activities within the area. There was some disquiet expressed by the community in relation to the stated examples in the preliminary draft Recovery Plan, and in particular, some commenters were strongly opposed to some possible yard-based activities. However, enabling core town centre commercial and retail activities may undermine the function and viability of the existing Kaiapoi Town Centre. The final commercial mix should be considered in combination with the proposed Kaiapoi Town Centre Strategy review.</p> <p>There is uncertainty identified in the T&T report on land repair options and costs. The need for additional work is identified in the report which will be considered as appropriate during implementation.</p>
<p>What are the key themes of community feedback received on the preferred option? Were any alternatives suggested and why were these progressed/not progressed?</p>	<p>There was general support for the preferred land use options. In particular, the proposed recreation areas (Area 10) received broad support, although some commenters were concerned about under-utilisation of existing sports fields and the scope for noise and parking disruption at certain times. There were a number of specific suggestions for particular sporting facilities, such as a softball diamond, which can be potentially accommodated during the implementation stage as part of the master planning process.</p> <p>Similarly the business uses proposed for Area 17 were broadly supported, as was the proposal for car parking (Area 16) and the campervan park (Area 15) although some commenters were concerned about the potential for unsightly appearance, depending on the nature of business activities, with for instance, car yards being considered undesirable. Some commenters sought residential development in the business area. Given these comments the Officer's report suggested enabling mixed-use business activities in Area 17.</p> <p>The proposed cemetery (as it was then described) received mixed feedback, with more commenters in opposition than support. In response the Officer's</p>

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D. BENEFITS AND WHOLE OF LIFE COSTS	
	<p>report suggested revising the description of the cemetery to more accurately describe its use and purpose (hence the terminology change to a Memorial Garden) and moving the location.</p> <p>Also in response to feedback, the proposed campervan park location is proposed to be modified. There were a number of generally supportive comments about the proposed ecological linkages but more information sought about location and the potential for a food forest.</p> <p>A minority of commenters opposed business land use, favouring more greenspace /recreation activities. This option has not been progressed as additional greenspace is not considered required to achieve the desired levels of service for Kaiapoi and the wider district now and in the future. More greenspace would place an additional financial burden on Council in terms of development and maintenance. A number of commenters sought to re-establish residential development, whereas others opposed any residential development. Residential development has not been proposed in the preferred option given the community feedback and because it is not currently economically viable.</p>
Outline the views of each of the Strategic Partners on the preferred option. Include whether alternative options have been suggested or supported.	The Strategic Partners have been involved throughout the development of the Recovery Plan, including the initial Technical Assessment Panel assessment. There is broad agreement from all for the future use proposals in Kaiapoi East now that residential development is proposed to be included in the Business area (Area 17) and not foreclosed in the Rural area (Area 12).
What would be the social benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	<p>The key social benefits relate to the proposed provision of greenspace. The sport and recreation reserve will have benefits in terms of health and wellbeing, social cohesion (bringing people together), and place-making (local identity). The recreation and ecological linkage will have benefits in terms of health and wellbeing, social cohesion, place-making, and development and learning.</p> <p>The design of the greenspaces will be consistent with the principle of good greenspace and urban design, and will therefore create vibrant, safe and secure environments for the enjoyment of residents and visitors.</p> <p>The following research by Lincoln University, while undertaken specifically to assess potential recreation activities in the Avon River corridor as opposed to Kaiapoi, provides evidence about the value of recreation spaces to communities. In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage “<i>recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities</i>”. Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour.</p> <p>The provision of greenspace supports the strong desire for recreation space expressed by the community during consultation. The involvement of the community in the design and development of these spaces through the reserve master planning process will further bring people together. The proposed provision of different types, and flexible, greenspace will enable varied recreation opportunities (active and passive, formal and informal). This variety will appeal to a wide cross section of the community (i.e. something for everyone), spread the resulting benefits throughout the community, and support the creation of a positive community.</p> <p>Certainty over proposed land uses in Kaiapoi East will also be appreciated by the surrounding neighbourhoods and the community, further contributing to their social wellbeing.</p>



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What would be the economic benefits of the preferred option to the Waimakariri and greater Christchurch communities, New Zealand taxpayers and the Crown (as landowner)?	The proposed business area within Kaiapoi East is proposed to be managed to ensure that the activities within these areas support the function and viability of the existing Kaiapoi Town Centre. This may be achieved by introducing a bespoke business zone as a plan change to the Waimakariri District Plan. A vibrant Kaiapoi Town Centre will contribute to the economic well-being of Kaiapoi, the wider Waimakariri District and greater Christchurch and Canterbury. The proposed business activities are anticipated to provide an economic return to the Crown. The proposed rural area could also provide an economic return to the Crown. The proposed recreation areas and ecological linkages could act as a destination activity, supporting the town centre. The preferred option will result in a reduction or removal of the ongoing maintenance costs to the Crown. The proposed greenspaces provide key physical links to the Kaiapoi Town Centre and the creation of a recreation cluster will support the town centre and local economy. The Lincoln University research referenced above provides evidence of the economic value of recreation spaces. In addition, a 2011 report into the “Economic and Social Value of Sport and Recreation to New Zealand” demonstrated that there is a net economic benefit from participation in sport and recreation activity.
What would be the cultural benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	<p>There are no significant explicit cultural benefits resulting from the proposed land uses in Kaiapoi East, although cultural benefits accrue through the food forest and water quality improvements, arising from more environmentally sensitive stormwater management. This will positively impact on the mauri of Kaiapoi River.</p> <p>The proposed memorial gardens will provide a local space for remembering loved ones in an easily accessible, high amenity garden setting. It also provides a local option for ash interment in the long-term given the finite capacity of the district’s existing cemeteries.</p> <p>The proposed recreation and ecological linkages provide an opportunity to conserve cultural landscapes and history through native planting, edible landscapes, interpretive trails, sculpture walks, etc.</p>
What would be the environmental benefits of the preferred option to Waimakariri, greater Christchurch and New Zealand?	The key environmental benefit in Kaiapoi East is the opportunity to improve water quality in the catchment through best practice stormwater management, contributing positively to the water quality and aquatic communities within the Kaiapoi River. The proposed recreation and ecological linkages with native revegetation, and the opportunity to develop edible landscapes will encourage a focus on biodiversity and sustainability, and provide further environmental benefits to the local and district community.
Are there any other benefits for Waimakariri, greater Christchurch, New Zealand as a whole and/or the Crown?	The proposals for Kaiapoi East need to be considered holistically with the other proposals for the regeneration areas, which will provide a range of benefits in the future including supporting recovery from the Canterbury earthquakes.
<p>What would be the financial costs of implementing the preferred option, including the approximate on-going management and operational costs?</p> <p><i>Specify whether these costs would be for the Council, Crown or a private owner, and ensure timeframes are clearly stated. Include all potential processes e.g. vesting,</i></p>	<p><i>WDC Costs¹</i></p> <ul style="list-style-type: none"> • Utilities replacement: \$10,700,000 (capex) • Pressure sewer system to new facilities \$356,000 (capex) • On-demand water supply to new facilities \$342,000 (capex) • Rooding (Area 18): \$3,365,000 (capex) • Ecological linkage (Area 9): Design and Build \$1,440,000 to \$1,880,000. Yearly maintenance \$31,000 - \$40,000 • Sports and Recreation (Area 10): Design and Build \$2,650,000 - \$3,460,000. Yearly maintenance \$90,000 – \$117,000 • Memorial Gardens (Area 11): Design and Build \$1,390,000 – \$1,810,000. Yearly maintenance \$33,000 – \$43,000 • Access Link (Area 14, land swap): Design and Build \$120,000 to \$160,000. Yearly maintenance \$31,000 - \$40,000

¹ These costs (except other staff costs) are taken from the pDRP, Section 6, Table 8, page 69. The utilities and roading costs are apportioned according to the Council / Crown cost share agreement: Council – 40%, Crown - 60%

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<p><i>remediation if applicable.</i></p>	<ul style="list-style-type: none"> • Campervan park (Area 15): Design and Build \$120,000 to \$160,000. • Car parking (Area 16): Design and Build \$1,600,000 to \$2,300,000. Yearly maintenance \$9,000 - \$11,000 • Other staff costs (implementation, liaison, monitoring, reporting, plan changes): already covered in the Kaiapoi South Table – 1 FTE for the implementation and maintenance work across the regeneration areas. <p>Totals (assuming middle of estimated ranges) Capex: \$23,308,000 Opex till 2028: \$222,500 p.a. (suggest apply until 2021)</p> <p><i>WDC additional potential Costs (Area 16) – for the car park</i></p> <ul style="list-style-type: none"> • Land purchase from the Crown: assumed nominal amount • Land repair costs: from T&T report - unknown at this time (depends on proposed activities and facilities) • Design and construction of facilities: not determined at this time <p><i>Crown</i></p> <ul style="list-style-type: none"> • Maintenance costs (LINZ): approximately \$160,000 p.a. for whole red zone (89ha). Kaiapoi East (c. half the area) share is c. \$80,000 p.a. (assume costs apply until 2019) • Land disposal: (vesting / tendering / sale): unknown at this time • Staff costs (implementation, liaison, monitoring, reporting, oversight): unknown at this time <p><i>Private Owner – Area 17 (assuming the land is sold and the developer undertakes the land repair)</i></p> <ul style="list-style-type: none"> • Land repair costs: depends on proposed activities and structures. <ul style="list-style-type: none"> ○ For yard based activities land repair costs are estimated as \$1,550,000 for the whole area² ○ For large format retail activities land repair costs are estimated as \$7,000,000 for the whole area³ • Other costs, such as: providing utilities on site; stormwater management; site preparation and build costs - unknown at this time <p><i>Note: utilities will be provided to the boundary by Council and are already costed in WDC Utilities costs above.</i></p>
<p>What are the other costs (e.g. environmental, health and/or social) of the preferred option?</p>	<p>There could be social and environmental costs associated with disruption during the development of the various areas, particularly those proposed for business use, and longer term through a less attractive appearance depending on the nature of business activities that are implemented (e.g. car parking, some yard-based retail and business activities). The creation of the sports and recreation cluster will result in the removal of some trees with a potential adverse impact on birdlife.</p>
<p>Are there any uncertainties about the anticipated costs? If yes, what do these relate to and could further analysis be undertaken?</p>	<p>There are uncertainties about the nature and timing of the proposed business activities in Area 17. In particular, while we have information about what developers are likely to be prepared to pay to lease or purchase the land, there is uncertainty about when will could happen. There are also uncertainties over the required land repair and flooding requirements. These may have an impact on the eventual cost of development and therefore the financial return to the Crown from sale or lease. Further analysis could be undertaken for flood mitigation; however it is likely that any further geotechnical analysis would need to be very detailed to confirm costs. If appropriate and required, this further analysis could be undertaken as part of the implementation process.</p>

² Tonkin and Taylor Kaiapoi Red Zones Engineering Feasibility of Potential Land Uses – Stage 1 Report January 2016. Section 7.5, page 54 (Area D1 and 50% of Area D2)

³ Ibid

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What are the anticipated financial returns?	<p>The anticipated financial return depends on such things as: the activities undertaken; sale vs lease; actual cost of land repair; expected market value. Financial returns will accrue from the business activities once underway in Area 17 and rural activities in Area 12. The beneficiaries of the returns will depend on implementation arrangements (e.g. whether the land is sold to a developer or leased by the Crown/Council).</p> <p><i>Area 17 (Business)</i></p> <ul style="list-style-type: none"> Large format retail option: gross realisation = $\\$280 / \text{m}^2 \times 34,800\text{m}^2 = \\$9,744,000^4$, less anticipated remediation costs of \$7,000,000 for the block⁵ = \$2,744,000 (excluding developer and sale costs). Colliers advised return for the block including developer and sale costs is - \$13.7m for the whole of Areas 15, 16 and 17⁶ Yard-based option: = $\\$150 / \text{m}^2 \times 34,800\text{m}^2 = \\$5,220,000^7$, less anticipated remediation costs of \$1,550,000 for the block⁸ = \$3,670,000 (excluding developer and sale costs). Colliers advised return for the block (all of areas 15, 16 and 18)including developer and sale costs is \$1.41m⁹ <p><i>Areas 9 and 11 (Ecological Linkage and Memorial Gardens)</i></p> <ul style="list-style-type: none"> Vesting land in the Council: assumed to be vested at nominal value therefore no meaningful financial return. <p><i>Area 12 (Rural)</i></p> <ul style="list-style-type: none"> Lease option: \$500 per Ha, p.a. ¹⁰ = $\\$500 \times 20 \text{ Ha} = \\$10,000 \text{ p.a.}$ financial return
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E. RISKS – IDENTIFICATION AND MITIGATION	
How have current and future needs/requirements been balanced from the Council's perspective?	The proposed sport and recreation reserve (Area 10) and memorial gardens (Area 11) will contribute to meeting the Council's level of service for the future provision these land uses. Consideration has been given to the need to ensure the ongoing economic vibrancy of the town through the proposed development of business activities in line with future population growth and business land demand, as set out in pages 13 and 14 of the Property Economic report referred to in Section D above.
What would be the environmental risks associated with the area and preferred option? (e.g. natural hazards and future events).	There are no major environmental risks likely through the proposed land uses in Kaiapoi East although the nature of the business activities in Area 17 and also potentially the rural activities in Area 12, would need to be assessed to ensure that there would be no adverse environmental implications from the development nor the ongoing activity. This can be done through the resource consenting process, once a Plan Change has been undertaken to rezone the land for appropriate business use. Appropriate design would be needed to ensure the effective operation of the proposed stormwater management areas.
How would these be mitigated?	
What would be the potential implementation risks of the preferred	The main risk is uncertainty about the nature and timing of the development of appropriate business activities in Area 17. At present it is not certain how much interest there would be from developers in developing this land for business use, and how soon therefore the area would provide a financial

⁴ Colliers International Valuation Consultancy Report: WDC Residential Red Zone Recovery Plan Kaiapoi December 2015. Section 7.4, page 34

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ Ibid

⁹ Ibid

¹⁰ Colliers International Valuation Consultancy Report: Waimakariri District Residential Red Zone Kaiapoi May 2016. Paragraphs 32, 46 and 47, pages 9 and 10
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<p>option? (e.g. unforeseen costs).</p> <p>How would these be mitigated?</p>	<p>return as opposed to the ongoing costs of maintaining the land in its current state. This risk will be mitigated through the proposed Kaiapoi Town Centre Strategy 'refresh' and the District Plan Change if and when the Minister approves the final Recovery Plan.</p> <p>If the Crown undertook the land repair works this could result in implementation risks if equipment, specialists, fill, etc, are unavailable or more costly or disruptive to the local community than anticipated.</p> <p>The other uncertainty relates to the possible financial implications of any decision by the Crown about whether it may vest in the Council the land in Areas 9 to 11, and if so, whether this will be at no charge. This issue is being discussed between the Council and Crown with processes underway to seek the Crown's formal decision about vesting the land prior to final agreement of the Recovery Plan.</p>
<p>What would be the risks relating to community and/or stakeholder buy in?</p> <p>How would these be mitigated?</p>	<p>There remains a residual risk for this area (as with all the regeneration areas) that some in the community oppose the proposed land uses. This risk has been mitigated through the consultation and community engagement processes undertaken so far, and future opportunities for consultation. These have so far demonstrated broad support from the proposals for this area. Many of the issues raised through consultation can be mitigated through the design process which would be subject to further community engagement.</p>
<p>What would be the risks relating to Council and Crown expenditure?</p> <p>How would these be mitigated?</p>	<p>The main risks are essentially the same as the implementation risks identified above, i.e. how much and when would any financial returns start to accrue from the proposed activities, and the potential financial considerations associated with vesting the land in Areas 9, 10 and 11. Also, there could be a financial risk if the Crown undertook the land repair works.</p> <p>The Council also has potential expenditure risk relating to the proposed car park should this proceed.</p>

F. ALTERNATIVES	
<p>For the <u>preferred option</u>, what, if any, are the alternative ownership and management options?</p>	<p>There are no viable alternative ownership or management options for the recreation and ecological linkages (Area 9), the access link (Area 14), the district sport and recreation reserve (Area 10) and Memorial Gardens (Area 11) other than Council ownership and management.</p> <p>For the business areas (Areas 15, 16 and 17), this area could be Crown, Council, privately owned or a combination of these depending on the Council's assessment of the most appropriate mechanism for managing car parking and the campervan park, and the Crown's desire to maintain ownership. The Crown could consider options for developing Area 17 by seeking expressions of interest from private developers to lease or purchase areas of land directly from the Crown, or could vest the land in the Council for the Council to undertake appropriate implementation activities with developers.</p> <p>For the rural area (Area 12), this area could be owned and maintained by the Crown and leased, or sold to the private sector. Again the Crown could call for expressions of interest to lease or buy the land.</p>
<p>What are all of the land use options that could be considered for this area?</p>	<p>Other land use options include:</p> <ul style="list-style-type: none"> a) Residential Focus Scenario: replacing rural activity with residential activity in the parts of Kaiapoi East north of Cass street b) Business Focus Scenario: extending business activity into the recreation area (Area 10) and the ecological linkages (Area 9) c) Rural Focus Scenario: extending rural activities into the ecological linkage area (Area 9) d) Commercial Recreation Scenario: replacing some or all of the rural activity (Area 12) with commercial recreation

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	<ul style="list-style-type: none"> e) Greenspace (Recreation) Focus Scenario: converting some of the rural area (Area 12) to greenspace f) Heritage and Mahinga Kai and Coastal Park Focus Scenario: providing a heritage and mahinga Kai area which could be located within parts of the business area (Area 17), recreation area (Area 10) ecological linkage areas (Area 9) and/or Rural Area (Area 12)
What would be the key benefits of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key benefits include:</p> <ul style="list-style-type: none"> a) The key benefits of additional residential development would be an opportunity for people to live relatively close to the CBD and the Kaiapoi River, with social/mental health/economic benefits related to accessibility and increased greenspace/riverfront accessibility. There would be a potential financial return available to taxpayers (however this is not supported by identified financial analysis, at this point in time). b) The key benefits of additional business development would be a potential financial return available to taxpayers (however this is only supported by identified financial information for yard based activities), providing an opportunity to support the existing Kaiapoi Town Centre, and providing additional business land in response to the identified future demand. c) The key benefit of additional rural area is a potential financial return available to taxpayers through lease fees. d) The key benefits of additional commercial recreation spaces is a potential financial return available to taxpayers through lease fees and the opportunity to establish new destination activities. e) The key benefits include the health and wellbeing, social cohesions, place-making, development and learning, economic benefits associated with additional greenspace. f) The key benefits of additional Heritage and Mahinga Kai Area are the opportunity for expanded native habitat restoration, and increased recreation and education opportunities. This has health and wellbeing, social cohesion, place-making, development and learning and potential economic value benefits.
What would be the key risks of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key risks include:</p> <ul style="list-style-type: none"> a) The key risks of additional residential development would be the potential financial loss to the taxpayer if the Crown undertook remediation, and development was subsequently not financially viable, or the area remaining undeveloped in the medium term. If undeveloped and still owned by the Crown, the Crown is liable for ongoing maintenance costs. Any development would need to manage flooding risk to avoid flooding adjacent green-zone areas. b) The key risks of additional business development would be the potential to undermine the Kaiapoi Town Centre if the activities are not managed, and the potential for reverse sensitivity effects on existing residences and other proposed land uses from business operations. There were also comments received during consultation in opposition to business activities in Kaiapoi East. Based on current analysis there is also a financial risk if the area is developed for large format retail activities as these activities are assessed as not financially viable. c) The main risks associated with additional rural area are potential environmental side effects, and from a community perception the loss of further recreation opportunities and a perception that the use would not be facilitating recovery. d) The key risks of additional commercial recreation are additional reverse sensitivity effects on the existing residences, and if there is no demand, the area remaining underutilised.

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	<p>e) The key risk of additional greenspace is financial including additional costs to the ratepayer for development and management and, if the area is not required to achieve levels of service and/or underutilised, these additional costs will be unjustifiable.</p> <p>f) There key risk of additional Heritage and Mahinga Kai area is financial including additional costs to the ratepayer and potentially taxpayer and, if the area is underutilised, these additional costs will be unjustifiable.</p>
<p>Why was each alternative land use option discounted and what are the opportunity costs (economic, social, cultural and/or environmental) of not pursuing each alternative option? <i>Add a new row for each option.</i></p>	<p>Each alternative land use option has been discounted for the following reasons:</p> <p>a) Additional residential development was discounted because this activity is not financially viable at this stage (see the above comments about costings) in Kaiapoi East. In addition, there were mixed community views on reinstating residential activity in the red-zone. There are no opportunity costs of not pursuing this additional development as there are other residential development opportunities available in Kaiapoi, and residential development is not currently financially viable in Kaiapoi East, although the option is no foreclosed for the longer term. The mixed use business activities proposed for area 17 allow for some residential activities.</p> <p>b) Additional business development was discounted because of the potential to undermine the Kaiapoi Town Centre if the activities are not managed, the potential for reverse sensitivity effects on existing residences from business operations and the lack of support from the community for this activity during the consultation. The opportunity cost of not pursuing this option is that industrial land will need to be provided elsewhere to meet the projected industrial land demand through to 2043.</p> <p>c) Additional rural development was discounted because the proposed mix of activities better meets the recovery plan goals and provides an appropriate level of opportunity for ecological and recreation activities. The opportunity costs from not pursuing this alternative would be the loss of opportunity to receive a return from leasing the land.</p> <p>d) Additional commercial recreation area was discounted because there is uncertain demand for this type of activity. If located too close to existing residential areas these activities can create reverse sensitivity effects. The opportunity costs of not having this additional area are that if a suitable activity was proposed for this area it could not establish if it was inconsistent with the Recovery Plan.</p> <p>e) Additional greenspace area was discounted because it will result in additional costs to the ratepayer and, if the area is not required to achieve levels of service and/or underutilised, these additional costs will be unjustifiable. The main opportunity costs from not pursuing this alternative would be the loss of opportunities to develop an attractive greenspace area throughout Kaiapoi East and forfeiting potential mental health benefits associated with living close to greenspace, and potentially forfeiting the opportunity to “landbank” significant amount of greenspace land for the longer term (e.g. next 100 years); however substantial greenspace is proposed in the preferred option.</p> <p>f) Developing a heritage and mahinga kai area was discounted because this option was not sought by Ngai Tahu. The main opportunity cost from not pursuing this alternative are the loss of opportunity to extend heritage and mahinga kai areas more widely as a key driver in the regeneration of the Waimakariri regeneration area; however there is already a sufficiently large Heritage and Mahinga Kai area proposed within the Kaiapoi South Regeneration Area.</p>

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G. OTHER RELEVANT LEGISLATION AND PLANNING OBLIGATIONS	
To what extent and how is the preferred option consistent with other Recovery Plans ?	The proposals have been developed taking into account the other Recovery Plans (where relevant), in particular the LURP and other key planning documents. The proposals are aligned in particular with the LURP goals to “meet the land use needs of residential and business activities in existing communities and in greenfield areas to accommodate rebuilding and growth”; and “support recovery and rebuilding of central city, suburban and town centres”. It should be noted however that the Residential Red Zone is outside the scope of the LURP.
What would be the implications of the preferred option on relevant local planning instruments ?	These land use proposals can align with the Waimakariri District Long Term Plan 2015-2025 and the Kaiapoi Town Centre Plan 2011. It is likely that a bespoke set of district plan provisions will be required for the business area, therefore a District Plan change is required.
Are there any implications for, or as a result of the: <ul style="list-style-type: none"> New Zealand Coastal Policy Statement 2010; Canterbury Regional Policy Statement; Mahaanui Iwi Management Plan; Ngāi Tahu Claims Settlement Act 1988; Resource Management Act 1991? If yes, what are these implications and how will they be dealt with?	The proposals have been assessed as a whole against these key documents, and all are considered to be aligned with the relevant parts of all these documents. There are no significant implications resulting from the future use proposals for Kaiapoi East.



Attachment D

Detailed Analysis of The Pines Beach

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Description of Area: Pines Beach is situated 4km west of Kaiapoi, 1km north of the Waimakariri River estuary and approximately 600m from the coastal marine area. The Tūhaitara Coastal Park separates The Pines Beach from the coast. The underlying land is predominantly stabilised sand dunes or river sand. The Waimakariri District Plan identifies the area as a Residential 3 Zone. Three privately-owned properties are located in the regeneration area, which covers about 9 hectares. A number of other properties in the wider Pines Beach area are on green zone land. The coastal lowland region from the Waimakariri River to the Rakahuri River is recognised as a Ngāi Tahu cultural landscape of immense importance within the Mahaanui Iwi Management Plan 2013. The Pines Beach regeneration area has been separated into three sub-areas (Areas 19, 20 and 21 in the draft Recovery Plan) based on the proposed land uses.

A. PREFERRED OPTION AND PROPOSED IMPLEMENTATION

Briefly describe the preferred option and outline the key reasons why it is preferred.	<p>Area 19 (the north and west of the regeneration area) is proposed to be vested in the Council, with lease arrangements being developed with private individuals for low intensity or rural land uses and/or potentially non-permanent structures. Area 20 (the south east of the regeneration area) is proposed to be incorporated into the Tūhaitara Coastal Park, while Area 21 (the southernmost part of the regeneration area) is proposed to be vested in the Council as a recreation and ecological linkage, providing an attractive entrance to The Pines Beach from Beach Road.</p> <p>These proposals are considered the most suitable for The Pines Beach regeneration areas given the high risk of regular future flooding in storm events, and forecast sea level rise (1.0m within the next 100 years), which will likely lead to inundation of the area due to the daily tidal cycle. The proposals will allow the community to continue to live in the area while recognising the natural hazard risks, and are also strongly aligned to the wishes of Ngāi Tahu that the eastern parts of The Pines Beach regeneration area should be incorporated into the Tūhaitara Coastal Park and that the area will retain and enhance rare indigenous biodiversity. The proposals were broadly supported by the majority of the community; greater clarity was sought by some commenters about the proposed leasing arrangements, the plans for Area 20 by Te Kohaka o Tūhaitara Trust, and the need to avoid a “shantytown” appearance (through the possibility of untidy temporary structures being located in Area 19).</p>
How does the preferred land use take into account long-term projections and plans , such as demographic projections?	The proposed land uses for these areas reflect expanded recreational opportunities for the wider Waimakariri District, which is forecast to grow incrementally in the future. The key issue for The Pines Beach is the forecast sea level rise and associated flood risk, which has significantly restricted the different types of land use that can be considered.
Is the preferred option the intended long-term use of the area? If no, what is the intended long-term use and why is it different from the short term use?	The proposals are the intended medium and long term use for The Pines Beach area, reflecting the forecast natural hazards. The rationale for only allowing non-permanent structures within Area 19 reflects the likelihood that in the next century this area will be inundated with sea water, meaning that permanent structures are inappropriate.
How does the preferred land use option support and align with existing and planned local and national infrastructure ? E.g. roads, schools and health services	The roads and services within The Pines Beach were extensively damaged in the 2010 earthquakes but have since been repaired and upgraded, and will be maintained by the Council (except for Hood Avenue, which will be removed). There are no other significant infrastructure implications and consequences that have been identified at this stage and no further infrastructure works are planned within The Pines Beach regeneration area.
What are the proposed ownership and management arrangements of the preferred option? Why are these favoured? <i>Note whether vesting is being requested.</i>	<p>The Council will discuss with the Crown the possibility of the Crown agreeing to vest the land in Area 19 with the Council, with management arrangements to be determined once greater certainty about the proposed leasing arrangements has been confirmed. The Council is also seeking to agree with the Crown that Area 21 be vested in the Council as a recreation reserve; the land would be subsequently managed by the Council's Greenspace Team.</p> <p>For Area 20, the Council will discuss with the Crown and the Board of Te Kohaka o Tūhaitara Trust the steps that would need to occur to incorporate this area into the Tūhaitara Coastal Park. In the medium term it is proposed the Trust will become the land owner and manager of the area.</p>
What is the proposed implementation of the preferred option? Why is this approach preferred?	<p>If the Council's land use proposals for The Pines Beach regeneration area are supported as part of an approved final Recovery Plan, the Council will discuss options with the Crown for vesting the land in Areas 19 and 21 in the Council. The Council will consider the most appropriate zoning for Areas 19 and 21, and will implement appropriate lease arrangements. For Area 21 the Council may undertake appropriate planting, with the Greenspace team being responsible for ongoing maintenance of the area. Should Area 20 be incorporated within the Tūhaitara Coastal Park, Te Kohaka o Tūhaitara Trust will prepare a management plan for the area in consultation with stakeholders including The Pines Beach community, and will consider appropriate ecological restoration planting.</p> <p>These implementation arrangements will expedite the Recovery Plan actions for this regeneration area in a transparent manner, which will provide certainty, while responding to a number of community concerns (e.g. about leasing arrangements and more clarity about future plans for the area by Te Kohaka o Tūhaitara Trust).</p>

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How does the Plan provide for the necessary statutory amendments to enable the preferred option? What are they?	District plan changes may be required to enable the proposed activities in Areas 19 and 21; given that these actions are proposed to take place within the next five years, these will be progressed under the Greater Christchurch Regeneration Act/Recovery Plan process. These are described as further actions to be completed after and subject to Ministerial approval of the preliminary Draft Recovery Plan. It is anticipated that a Waimakariri District natural hazards plan change will be progressed this year by the Council. This plan change will cover The Pines Beach and responds to flooding from storm events, including an Ashley River breakout.
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B. HOW WOULD THE PREFERRED LAND USE OPTION HELP TO ACHIEVE EARTHQUAKE RECOVERY OBJECTIVES	
Minister's direction: 4.1.1 Promote the well-being of greater Christchurch communities	<p>The proposed land uses contribute significantly to this objective, despite the constraints on land use options in The Pines Beach. In particular, community engagement and consultation has indicated that the proposals “reflect the needs and aspirations of the communities”, while ensuring that there will be “acceptable financial costs to New Zealand taxpayers or Waimakariri District ratepayers”. The proposals are sympathetic to the local surroundings, with the proposal to improve the entrance to The Pines Beach and the proposed incorporation of land into the Tūhaitara Coastal Park ensuring integration “with the built and natural environments, particularly the areas surrounding the Waimakariri residential red zone”. The incorporation of land into the Tūhaitara Coastal Park “recognise(s) the heritage values of the local communities”, and “recognise(s) and provide(s) for the relationship of Te Ngāi Tūāhuriri Rūnanga and Te Rūnanga o Ngāi Tahu and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga”. The proposed additional greenspace (through the recreation and ecological linkage, and addition to the Coastal Park) will provide opportunities for recreation, which in turn has: health and wellbeing benefits (enhancing physical and mental health through physical activity and experience in natural environments); social cohesion benefits (through the provision of community open space); place-making benefits (through the creation of an attractive entrance to the township and the coastal park); and development and learning benefits (through the educational opportunities at the coastal park).</p>
4.1.2 Result in resilient and enduring outcomes	<p>The proposed leasing arrangements for Area 19 will provide a financial return to the landowner, which will benefit ratepayers and taxpayers in future generations, although these arrangements will be limited by the timeframes for the forecast rise in sea level. The land uses within this area have been heavily influenced by flooding risk assessment and geotechnical conditions, and hazards associated with the location. The proposals for Areas 20 and 21 in particular will contribute “to the restoration and enhancement of ecosystems, and avoidance and mitigation of natural hazards”. As such, it is considered that the location, design, and function of development will ensure a sustainable land use pattern that is, as far as possible in such a changing land environment, robust and resilient.</p>
4.1.3 Support economic development and growth	<p>There are no specific impacts on economic development, although Te Kohaka o Tūhaitara Trust has indicated that it will seek out appropriate opportunities to secure income. There may be opportunities for low-key commercial activities in The Pines Beach, including possibly commercial recreation facilities, which could be administered by Te Kohaka o Tūhaitara Trust; the Officer's Report notes as an example that “a mobile coffee shop could establish in a number of places”.</p>
4.1.4: Be affordable and consistent with the government's commitment to principles of responsible fiscal management	<p>The proposed leasing activities will provide a financial return to the landowner. The recreation and ecological linkage in Area 21 will be developed and maintained from within the agreed financial parameters of the Council's Long Term Plan, with costs being transparent to Waimakariri ratepayers. Te Kohaka o Tūhaitara Trust will provide transparent information about income and costs, and its viability to develop and maintain the area appropriately, as part of its management plan for the incorporation of Area 20 into the Tūhaitara Coastal Park.</p>
Council's vision and goals: How would the preferred option deliver the vision outlined in the Preliminary Draft Recovery Plan?	<p>The proposed land uses in The Pines Beach will ensure that the regeneration area will be returned to active use in an efficient and transparent manner, providing recreation opportunities and ecological developments that will be “rewarding and exciting places for residents and visitors”, and reflecting the expectations and aspirations of the community as expressed through various consultation exercises during the development of the preliminary Draft Recovery Plan.</p>
How would the preferred option help to achieve the goals 1, 2, 3, 4, 5 and 6 outlined in the preliminary Draft Recovery Plan?	<p>1) Returning the regeneration areas to active use in a timely and efficient and economic manner: The proposed uses can be implemented relatively quickly (within the next two years) and will help ensure that The Pines Beach will support and encourage community recreation, and ecological and cultural awareness.</p>
	<p>2) Significantly enabling Kaiapoi's journey towards becoming a prosperous and innovative centre to live, work and play: The proposals will enhance recreation opportunities and ecological awareness, which will make the wider area a more rewarding place to live and visit.</p>
<u>Note that this should include details about how the goal, vision or objective would be achieved and why this is important. It is not sufficient to merely state 'Land use option X would contribute significantly to</u>	<p>3) Providing a safe, inspiring and attractive environment for residents and visitors, with public access to and opportunities for recreation, cultural, social and economic activities: The extension of the Tūhaitara Coastal Park will provide further recreation opportunities and access to the coastal area for residents and visitors. The Ngāi Tahu website notes that the Tūhaitara Coastal Park is “already an important recreational area, (and) it is likely to become more so as developments like the Pegasus Walkway reach completion. The Trust is working hard to develop walking, cycling and bridle paths throughout the park”.</p>

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goal Y.’	4) Ensuring land use proposals are resilient and built for the future drawing on relevant sound assessment: The area is subject to flooding risk. The proposed land uses within The Pines Beach have been heavily influenced by the flooding and geotechnical conditions, and hazards associated with the location, while reflecting the objectives of the Minister’s Direction and the goals in the preliminary Draft Recovery Plan. Given the location, forecast sea level rise and the community’s aspirations for the future of this area, the proposed uses are considered appropriate for the long term.
	5) Enabling opportunities to restore the natural environment to support diversity as well as economic prosperity: The proposed land uses in Areas 20 & 21 are strongly focused on native ecological enhancement and supporting biodiversity. The Ngāi Tahu website notes that “The coastal park in its entirety, is an excellent example of what can be achieved when restoration and conservation measures are taken seriously”. Area 20 will be explicitly focused on ecological enhancement.
	6) Recognising and enhancing Ngāi Tūāhuriri and Ngāi Tahu values, aspirations and the important cultural history of the area: Ngāi Tūāhuriri and Te Rūnanga o Ngāi Tahu have a long-standing history and relationship with this area, which they have used for a multitude of purposes including mahinga kai. The Tūhaitara Coastal Park was established as an outcome of the Ngāi Tahu Settlement with the Crown. The proposals will provide a range of opportunities to preserve Te Rūnanga o Ngāi Tahu values, retain and enhance rare and indigenous biodiversity and provide recreational and educational opportunities.

C. EVIDENCE AND ENGAGEMENT	
<p>What are the key geotechnical, flooding and other findings about this area and how have they informed the development of the preferred option for this area?</p> <p>Are there any geotechnical, flooding and other uncertainties? If yes, what further analysis is required?</p>	<p>The Technical Advisory Panel (TAP) report notes that the key issues for Pines Beach are projected sea level rise and extensive flooding risk. The TAP report rated The Pines Beach as S3 category (“Area impacted by shoreline retreat due to passive inundation”) for sea level rise, with a projected sea level rise of 1.0m by 2115. At this rate the shoreline of The Pines Beach will retreat and sea water will eventually inundate the area due to the daily tidal cycle. The TAP report concluded that “permanent capital investment is therefore not sustainable”. This forecast sea level rise will “also affect groundwater conditions and would require further investigation to understand how this could be effectively mitigated”. Similarly, the flooding risk for The Pines Beach was rated as F3, with “extensive flooding likely to occur in the area every 50 to 200 years”. The main uncertainty relates to the forecast sea level rise. While there is broad agreement amongst experts that the sea level will rise over the next century, there are variations in the forecasts for how quickly and by how much the sea level will rise. There are no other significant geotechnical issues or uncertainties that affect the potential land uses in the area.</p>
<p>What short, medium and long-term economic projections and market information is available on this area? How has this information informed the development of the preferred option?</p> <p>Are there any uncertainties related to the information on economic/market conditions? If yes, what further analysis is required?</p>	<p>The relevant economic analysis for this area (in particular the work by Property Economics and Colliers International) has been based on economic projections for business activities for the Kaiapoi area as a whole, and has limited relevance to The Pines Beach.</p> <p>Given the natural hazard constraints on the land and other factors, which limit the opportunities for any business or industrial development in this area, there is no intention at this stage to seek further information about economic/market conditions for The Pines Beach, although as indicated earlier, there may be some low-key small-scale commercial development opportunities e.g. mobile coffee cart, appropriate user-pays recreation facilities (including the possibility of being facilitated by and contributing financially to Te Kohaka o Tūhaitara Trust).</p>
<p>What other evidence has been used to inform the development of the preferred option? E.g. research on psychosocial or health issues.</p>	<p>No additional specific analysis has been undertaken as part of the Recovery Plan development process. Research in to the benefits of greenspace has been used to inform the proposed land uses. Greenspace provides a variety of direct and indirect benefits to individuals, the community and the economy. Greenspace has benefits for health and wellbeing (enhancing physical and mental health); social cohesion (bringing people together); place-making (providing a local identity); development and learning (providing a variety of experiences); and economic value (contribution to the local and national economy).</p>
<p>What other uncertainties are there about the preferred option? What further analysis is required?</p>	<p>While there may be some uncertainty about the level of interest in the temporary leasing arrangements for Area 19, this land use proposal reflects significant community interest in retaining connections to this area. At this stage no other significant uncertainties have been identified. While there is slight potential risk of contamination from the post-earthquake removal of buildings, this is unlikely to be a factor that will influence the proposed land uses. Therefore no further analysis is anticipated at this stage.</p>
<p>What are the key themes of community feedback received on the preferred option? Were any</p>	<p>There was broad support for the future use proposals for The Pines Beach. While the private lease proposals were not universally supported, there was majority agreement to the proposed arrangements, provided clarity was provided about the terms of any leases to avoid unsightly temporary structures. Similarly, the</p>

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alternatives suggested and why were these progressed/not progressed?	majority of commenters supported the proposal to incorporate land into the Tūhaitara Coastal Park, but some sought more information about the Trust's proposals for the land, which will be provided in the short term implementation stage through a public management plan for the area. There was some concern raised about the possibility that temporary structures in Area 19 would be untidy and lead to a "shantytown" appearance. There was some minority support for permanent built structures in The Pines Beach, but as noted earlier, this would not be appropriate given the forecast sea level and the prospect of inundation and risk of regular flooding in this area.
Outline the views of each of the Strategic Partners on the preferred option. Include whether alternative options have been suggested or supported.	The Strategic Partners have been involved throughout the development of the Recovery Plan, including the initial Technical Assessment Panel assessment. There is broad agreement from all for the future use proposals in The Pines Beach; Te Rūnanga o Ngāi Tahu indicated a strong preference at an early stage in the Recovery Plan development process that some of the land in the regeneration area should be incorporated into the Tūhaitara Coastal Park, and the additional intention to establish a recreation and ecological linkage in Area 21 is also strongly aligned with the priorities and aspirations of Te Rūnanga o Ngāi Tahu.

D. BENEFITS AND WHOLE OF LIFE COSTS	
What would be the social benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	The main social benefits relate primarily to the proposed provision of greenspace, particularly the expanded Tūhaitara Coastal Park. The Trust's plans for this area are still at an initial stage but will encompass the provision of safe and secure environments for residents and visitors. The proposed recreation opportunities and ecological developments will have benefits in terms of well-being (through physical activity such as walking, and experiencing nature); social cohesion (through providing community space, as well as supporting different cultures); place-making (through the conservation of cultural landscapes, biodiversity enhancement, and contributing to a local identity). The proposed coastal park extension will also provide land use certainty for the surrounding community and enable the Trust and the community to build a relationship with positive community outcomes. The following research by Lincoln University, while undertaken specifically to assess potential recreation activities in the Avon corridor as opposed to the Pines Beach, provides evidence about the value of recreation spaces to communities. In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage "recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities". Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour.
What would be the economic benefits of the preferred option to the Waimakariri and greater Christchurch communities, New Zealand taxpayers and the Crown (as landowner)?	There would be very limited specific economic benefits resulting from the proposed land uses although small-scale low-key commercial development may be possible in The Pines Beach area, in line with the recreation focus and desirability of an accessible coastal location in an attractive environment. There would be potential economic benefits to the landowner through the leasing arrangements in Area 19. The Lincoln University research referenced above provides evidence of the economic value of recreation spaces. In addition, a 2011 report into the "Economic and Social Value of Sport and Recreation to New Zealand" demonstrated that there is a net economic benefit from participation in sport and recreation activity.
What would be the cultural benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	Much of The Pines Beach area has been identified as having significant cultural values for Ngāi Tahu and Te Ngāi Tūāhuriri Rūnanga, and is considered part of a cultural landscape with significant historical, traditional, cultural and contemporary associations. The land uses proposed seek to recognise and enhance the cultural values associated within these areas. The extension of the will provide further opportunities to educate people locally and from further afield about the important cultural history and importance of the area.
What would be the environmental benefits of the preferred option to Waimakariri, greater Christchurch and New Zealand?	There will be potentially significant environmental benefits from the proposed land uses in The Pines Beach. It is noted that The Pines Beach regeneration areas are currently heavily modified landscapes with little or no natural character, given that prior to the earthquakes they contained domestic land uses. It is also noted that these areas have not been identified within the Waimakariri District Plan as being an outstanding natural feature or landscape. Therefore, the proposed expansion of the Tūhaitara Coastal Park and the ecological and recreation linkage for Area 21, with increased native plantings and a focus on sustainable biodiversity, will provide significant environmental benefits. The Council recognises the importance of reflecting community concerns by ensuring that any non-permanent structures developed in Area 19 should be appropriate to the locality and surroundings, and the importance of avoiding an untidy "shantytown" appearance that could detract from the environment.
Are there any other benefits for Waimakariri,	There are a range of overall benefits associated with returning the regeneration areas to active use in ways sympathetic to the local surroundings, which reflect the

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greater Christchurch, New Zealand as a whole and/or the Crown?	natural hazards associated with this location while focusing particularly on ecological enhancement and culturally relevant developments. The proposals for The Pines Beach need to be considered holistically with the other proposals for the regeneration areas, which will provide a range of benefits in future including supporting recovery from the Canterbury earthquakes. One particular strength of the proposed land uses in The Pines Beach is that they provide a ground-breaking approach to biodiversity and the ecological enhancement of native species, which reflect Ngāi Tūāhuriri and Te Rūnanga o Ngāi Tahu cultural values, potentially providing a “blueprint” for other parts of the country to adopt and adapt.
What would be the financial costs of implementing the preferred option, including the approximate on-going management and operational costs? <i>Specify whether these costs would be for the Council, Crown or a private owner, and ensure timeframes are clearly stated. Include all potential processes e.g. vesting, remediation if applicable.</i>	Excluding any land acquisition costs, the estimated costs to the Council are estimated as \$0 for Areas 19 and 20 (however it is noted that the Te Kohaka o Tūhaitara Trust could seek funding from the Council for these areas). For Area 21 the Council would incur a Design and Build cost of \$31,000 - \$41,000, followed by annual costs for maintaining this area of between \$3,500 and \$4,500. There are no costs likely to fall to the Crown except any interim maintenance costs. There will be development and maintenance costs for Te Kohaka o Tūhaitara Trust for plantings and ongoing maintenance, which have not been quantified.
What are the other costs (e.g. environmental, health and/or social) of the preferred option?	No other major costs have been identified although current uncertainty about the plans for Area 20 as part of the Tūhaitara Coastal Park may have some social costs for residents of The Pines Beach until more information is available. The main opportunity costs are likely to be the time needed for Te Kohaka o Tūhaitara Trust to implement its plans for the area proposed to be transferred to the coastal park, and possible disruption in that area and also in Area 19 as leasing arrangements are implemented.
Are there any uncertainties about the anticipated costs? If yes, what do these relate to and could further analysis be undertaken?	The main uncertainties relate to the financial implications of the proposed leasing arrangements for Area 19, but these will be at the margins of the overall financial implications of the Recovery Plan as a whole.
What are the anticipated financial returns?	Financial returns will accrue from the leasing of land in Area 19 but this has not been quantified yet. Te Kohaka o Tūhaitara Trust may be able to seek a financial return should it prove feasible to develop commercial activities to be available to paying customers in the Coastal Park.

E. RISKS – IDENTIFICATION AND MITIGATION

How have current and future needs/requirements been balanced from the Council’s perspective?	While additional greenspace is not considered required in The Pines Beach to meet Council’s levels of service, the significance of the coastal park from a cultural, social, ecological and environmental perspective is acknowledged.
What would be the environmental risks associated with the area and preferred option? (e.g. natural hazards and future events). How would these be mitigated?	There are no major environmental risks likely through the proposed land uses in The Pines Beach regeneration areas although the impact of the forecast sea level rise could have some adverse environmental risks in future.
What would be the potential implementation risks of the preferred option? (e.g. unforeseen costs). How would these be mitigated?	The Council considers the main risk to be uncertainty about the nature and timing of the leasing arrangements in Area 19. At present it is not certain how much interest there would be from individuals and organisations in leasing this land, given the constraints that would need to be put in place over the nature of built structures. This risk will be mitigated through the development of the implementation phase, if and when the Minister approves the final Recovery Plan. There is also a risk that negotiations between the Council, the Crown and Te Kohaka o Tūhaitara Trust about the incorporation of the land in Area 20 into the Trust, may not be concluded in a timely and transparent manner.

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	<p>There is a risk that the Trust does not have sufficient funding or capacity to develop and maintain the extension to the Coastal Park. This issue was raised by some commenters during consultation. The impacts of this would be poorly maintained areas with potential pest and weed issues, and with low amenity values. This situation would also potentially impair the relationship between The Pines Beach community and Te Kohaka o Tūhaitara Trust. There is the further risk that Council would be asked to provide additional funding, or be asked to take over development and maintenance, for which there are financial implications.</p> <p>The other uncertainty relates to the possible financial implications of any decision by the Crown about whether it may vest the land in Areas 19 and 21 in the Council, and if so, whether this will be at no charge or not. This issue is being discussed between the Council and Crown with processes underway to seek the Crown's formal decision about vesting the land in Areas 19 and 21 prior to final agreement of the Recovery Plan.</p>
<p>What would be the risks relating to community and/or stakeholder buy in?</p> <p>How would these be mitigated?</p>	<p>There remains a residual risk for this area (as with all the regeneration areas) that some in the community strongly oppose the proposed land uses. This risk has been mitigated through the consultation and community engagement processes undertaken so far, and future opportunities for consultation. Consultation so far has demonstrated broad support from the majority of commenters for the proposals for this area with concerns being predominantly about lack of transparency about implementation details. Greater clarity about implementation arrangements will help to mitigate the concerns raised about lack of information available at the time of the preliminary draft Recovery Plan about the proposed leasing arrangements for Area 19 and details about how Te Kohaka o Tūhaitara Trust will develop and maintain the land in Area 20. One uncertainty relates to possible scepticism about the forecast sea levels rise.</p>
<p>What would be the risks relating to Council and Crown expenditure?</p> <p>How would these be mitigated?</p>	<p>The main risks are essentially the same as the implementation risks identified above, i.e. how much and when would the financial returns start to accrue from the leasing arrangements, and the potential financial considerations associated with vesting the land. These will be mitigated during the implementation phase, when greater clarity about costs will be provided.</p>

F. ALTERNATIVES	
For the <u>preferred option</u> , what, if any, are the alternative ownership and management options?	It may be possible for the Crown to remain the landowner in Area 19, and to administer leasing arrangements for this area as opposed to vesting the land in the Council for it to do so. It is also possible that the Crown could sell the land with appropriate covenants in place to restrict permanent habitable structures.
What are all of the land use options that could be considered for this area?	<p>Other land use options include:</p> <ul style="list-style-type: none"> a) Selling some of the regeneration land to private owners to re-establish permanent residential activities. b) Development of Area 19 as Council greenspace (recreation reserve); potential amalgamation into Rinaldi Reserve. c) Development of Area 20 as Council greenspace (recreation reserve) d) Development of low key, commercial recreation type activities (e.g. ropes course, mini-golf etc).
What would be the key benefits of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key benefits include:</p> <ul style="list-style-type: none"> a) Providing a financial return to the landowner, and potentially allowing some former residents to return to the area. b) Additional greenspace area which would create a large natural park within The Pines Beach with associated health and wellbeing benefits (through physical activity and experience in a natural environment); social cohesion (through provision of community space); place-making (through providing a local identity, conserving landscapes and enhancing biodiversity). c) As above for Area 20. d) Creating a destination for visitors with some potential financial return to the landowner
What would be the key risks of progressing each alternative option? <i>Add a new row for each option.</i>	<p>Key risks include:</p> <ul style="list-style-type: none"> a) Responding to the natural hazards associated with sea level rise and flooding. It would be unlikely that private developers would pay for land in these circumstances, even given the uncertainties about timeframes and the scale of actual sea level rise. Therefore it would be unlikely for there to be any meaningful financial return, and instead the land would require expenditure to maintain. b) Additional greenspace is not required to meet the Council's levels of service for The Pines Beach. Additional greenspace would require financial

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	<p>expenditure from Council to develop and maintain.</p> <p>c) As above</p> <p>d) Willingness of appropriate businesses to locate at The Pines Beach; potential impacts on surrounding residents.</p>
Why was each alternative land use option discounted ? <i>Add a new row for each option.</i>	<p>Each alternative land use option discounted because:</p> <p>a) Residential development has been discounted because of the natural hazards identified in The Pines Beach, and in particular the forecast sea level rise, which would mean that permanent dwellings in these areas would be inundated with water.</p> <p>b) Additional greenspace has been discounted as the Council's level of service in The Pines Beach is met.</p> <p>c) As above.</p> <p>d) There are options for low key, commercial recreation type activities to be located within Area 19 if desired.</p>
What are the opportunity costs (economic, social, cultural and/or environmental) of not pursuing each alternative option? <i>Add a new row for each option.</i>	<p>There would be potential opportunity costs from the lack of opportunity to seek a financial return from the sale of land for residential development, and the potential loss of a coherent attractive area throughout The Pines Beach from not transferring land in Areas 19 and 20 to the Council for greenspace purposes. There are no major further opportunity costs further to the issues discussed above, particularly given that the land in The Pines Beach is not appropriate for the alternative land uses, for the reasons identified.</p>

G. OTHER RELEVANT LEGISLATION AND PLANNING OBLIGATIONS

To what extent and how is the preferred option consistent with other Recovery Plans ?	<p>The proposal has been developed taking into account the other Recovery Plans (where relevant), in particular the LURP and other key planning documents. The proposals are aligned in particular with the LURP goal to "take account of natural hazards and environmental constraints that may affect rebuilding and recovery." It should be noted however, that the Residential Red Zone is outside the scope of the LURP.</p>
What would be the implications of the preferred option on relevant local planning instruments ?	<p>These land use proposals are in alignment with the LURP and other relevant planning documents, including the Waimakariri District Long Term Plan 2015-2025. The preferred option can align with the District Plan depending on the level of commercial activity proposed in Area 20. If permanent structures are not managed through the lease or sale agreements a district plan change may be required to achieve this.</p>
<p>Are there any implications for, or as a result of the:</p> <ul style="list-style-type: none"> • New Zealand Coastal Policy Statement 2010; • Canterbury Regional Policy Statement; • Mahaanui Iwi Management Plan; • Ngāi Tahu Claims Settlement Act 1988; • Resource Management Act 1991? <p>If yes, what are these implications and how will they be dealt with?</p>	<p>The proposals in the preliminary Draft Recovery Plan (including the proposals for the The Pines Beach regeneration area) have been assessed as a whole against these key documents, and all are considered to be aligned with the relevant parts of all the documents, for Pines Beach most notably the New Zealand Coastal Policy Statement 2010, the Canterbury Regional Policy Statement 2013, and the Mahaanui Iwi Management Plan. There are no significant implications resulting from the future use proposals for The Pines Beach.</p>



Attachment E

Detailed Analysis of Kairaki

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Description of Area: The Kairaki regeneration area covers approximately 6 hectares, and is situated 4km west of Kaiapoi between Pines Beach and the Waimakariri River mouth. The Tūhaitara Coastal Park separates the area from the coast. The Kairaki Motor Camp lies to the east of the regeneration area. The District Plan identifies the area as a Residential 3 zone. The area has fragmented land ownership; 20 privately-owned properties are located in the regeneration area, reflecting a strong community will to continue living in this area. The coastal lowland region from the Waimakariri River to the Rakahuri River is recognised as a Ngāi Tahu cultural landscape of immense importance within the Mahaanui Iwi Management Plan 2013. The Kairaki regeneration area has been separated into three areas (Areas 23, 24 and 25 in the draft Recovery Plan) based on the proposed land uses.

A. PREFERRED OPTION AND PROPOSED IMPLEMENTATION

Briefly describe the preferred option and outline the key reasons why it is preferred.	<p>Area 23 (west of Featherston Avenue) is proposed to remain in Crown ownership, with lease or sale arrangements potentially being developed with private individuals for non-permanent structures.</p> <p>Area 24 (east of Featherston Ave) is proposed to be incorporated into the Tūhaitara Coastal Park.</p> <p>Area 25 (the southernmost part of the regeneration area, adjoining the existing car park) is proposed to be vested in the Council as reserve and be amalgamated into the Kairaki Beach Car Park Reserve. This area could then be made available for lease to the Waimakariri Sailing and Power Boat Club for boat rigging and storage. This is the preferred use for the area as there is currently insufficient room for the club for rigging and storage.</p> <p>These proposals are considered the most suitable for the Kairaki Regeneration Area given the high risk of regular future flooding, and forecast sea level rise (1.0m within the next 100 years) which will likely lead to inundation of the area due to the daily tidal cycle. The proposals will allow the community to continue to live in the area while responding to the natural hazard risks, and are also strongly aligned to the wishes of Ngāi Tahu that the areas to the east of Featherston Avenue be incorporated into the Tūhaitara Coastal Park. The proposals were broadly supported by the majority of the community; greater clarity was sought by some commenters about the proposed leasing arrangements, the plans for Area 24 by Te Kohaka o Tūhaitara Trust, and the need to avoid a “shantytown” appearance (through the possibility of untidy temporary structures being located in Area 23).</p>
How does the preferred land use take into account long-term projections and plans , such as demographic projections?	The proposed land uses for these areas provide expanded recreational opportunities for the wider Waimakariri District, reflecting projected population increases. . Kairaki is forecast to be subject to sea level rise and flooding risk, which has significantly restricted the different types of land uses that can be considered.
Is the preferred option the intended long-term use of the area? If no, what is the intended long-term use and why is it different from the short term use?	The proposals are the intended medium and long term use for the Kairaki Regeneration Area, reflecting the forecast natural hazards. The rationale for only allowing non-permanent structures within Area 23 reflects the likelihood that in the next century this area will be inundated with sea water, meaning that permanent structures are inappropriate.
How does the preferred land use option support and align with existing and planned local and national infrastructure ? E.g. roads, schools and health services	The roads and services within Kairaki were extensively damaged in the 2010 earthquake but have since been repaired and upgraded, and will be maintained by the Council. There are no other significant infrastructure implications and consequences that have been identified at this stage and no further infrastructure works are planned within the Kairaki Regeneration Area.
What are the proposed ownership and management arrangements of the preferred option? Why are these favoured? <i>Note whether vesting is being requested.</i>	<p>The Council will discuss with the Crown the possibility of leases for private use in Area 23, and the mechanisms for how the leases might be offered to the community. Management arrangements will be determined once greater certainty about the proposed leasing arrangements has been confirmed.</p> <p>Alternatively the Crown may sell Area 23 with restrictive covenants in place.</p> <p>For Area 24, the Council will discuss with the Crown and the Board of Te Kohaka o Tūhaitara Trust the steps that would need to occur to incorporate this area into the Tūhaitara Coastal Park (including vesting some of the land). In the medium term it is proposed the Trust will become the land owner and manager of the area.</p> <p>The Council is also seeking to agree with the Crown that Area 25 be vested in the Council as a reserve and then made available via lease to the Waimakariri Sailing and Power Boat Club.</p>

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What is the proposed implementation of the preferred option? Why is this approach preferred?	<p>If the Council's land use proposals for the Kairaki Regeneration Area are supported as part of an approved final Recovery Plan, the Council will discuss options with the Crown for vesting the land in Areas 25 in the Council, and will then discuss with the Waimakariri Sailing and Power Boat Club potential lease arrangements for boat rigging and storage.</p> <p>The Council will discuss with the Crown the arrangements for appropriate lease arrangements.</p> <p>Should Area 24 be incorporated into the Tūhaitara Coastal Park, the Te Kohaka o Tūhaitara Trust will consider preparing a management plan for the area in consultation with stakeholders including the Kairaki community, and will consider appropriate ecological restoration planting.</p> <p>These implementation arrangements will expedite the Recovery Plan actions for this regeneration area in a transparent manner which will provide certainty, while responding to a number of community concerns (e.g. about leasing arrangements and more clarity about future plans for the area by Te Kohaka o Tūhaitara Trust).</p>
How does the Plan provide for the necessary statutory amendments to enable the preferred option? What are they?	The draft Recovery Plan identifies that district plan changes may be required, if appropriate under the Greater Christchurch Regeneration Act 2016, to enable the proposed reserve activities. These are described as further actions to be completed after Ministerial approval. It is anticipated that a Waimakariri District natural hazards plan change will be progressed this year by the Council. This plan change will cover Kairaki, Area 23 in particular, and the issue of flooding. While climate change has been factored into the flood modelling, direct sea water inundation as a result of sea level rise is not part of the current natural hazards plan change.

B. HOW WOULD THE PREFERRED LAND USE OPTION HELP TO ACHIEVE EARTHQUAKE RECOVERY OBJECTIVES

<p>Minister's direction:</p> <p>4.1.1 Promote the well-being of greater Christchurch communities</p>	<p>The proposed land uses contribute significantly to this objective, despite the constraints on types of land use option in Kairaki. In particular, community engagement and consultation has indicated that the proposals "reflect the needs and aspirations of the communities", while ensuring that there will be "acceptable financial costs to New Zealand taxpayers or Waimakariri District ratepayers" through low capital and maintenance costs. The proposals are sympathetic to the local surroundings, with the proposed transfer of land to Tūhaitara Coastal Park ensuring integration "with the built and natural environments, particularly the areas surrounding the Waimakariri residential red zone". The transfer to Tūhaitara Coastal Park "recognise(s) the heritage values of the local communities", and "recognise(s) and provide(s) for the relationship of Te Ngāi Tūāhuriri Rūnanga and Te Rūnanga o Ngāi Tahu and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga".</p> <p>The proposed additional green space (through the expansion of the Coastal Park) will provide opportunities for recreation, which in turn has well-being benefits. The proposed green spaces will provide benefits in terms of: well-being (through physical activity such as walking, and experiencing nature); social cohesion (through providing community space, as well as supporting different cultures); place-making (through the conservation of cultural landscapes, biodiversity enhancement, and contributing to a local identity). The proposed coastal park extension will also provide land use certainty for the surrounding community and enable the Trust and the community to build a relationship with positive community outcomes.</p>
4.1.2 Result in resilient and enduring outcomes	The proposed leasing (or sale) arrangements for Area 23 will provide a financial return to the landowner which will benefit ratepayers and taxpayers in future generations, although these arrangements will be limited by the timeframes for the forecast rise in sea level. The land uses within this area have been heavily influenced by flooding risk assessment and geotechnical conditions, and hazards associated with the location, and the proposals for Area 24 in particular will contribute "to the restoration and enhancement of ecosystems, and avoidance and mitigation of natural hazards". As such, it is considered that the location, design, and function of development will ensure a sustainable land use pattern that is, as far as possible in such a changing land environment, robust and resilient.
4.1.3 Support economic development and growth	There are no specific impacts on economic development, although Te Kohaka o Tūhaitara Trust has indicated that it may seek appropriate opportunities to generate income. There may be opportunities for low-key commercial activities in Kairaki, possibly close to the existing motor camp including commercial recreation facilities, which could be administered by Te Kohaka o Tūhaitara Trust or other entities.

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<p>4.1.4: Be affordable and consistent with the government's commitment to principles of responsible fiscal management</p>	<p>The proposed leasing (or sale) activities in Area 23 will provide a financial return to the landowner.</p> <p>The proposed reserve in Area 25 will be developed and maintained from within the agreed financial parameters of the Council's Long Term Plan, with costs being transparent to Waimakariri ratepayers.</p> <p>Te Kohaka o Tūhaitara Trust will provide information about income and costs, and its viability to develop and maintain the area appropriately, as part of its management plan for the incorporation of Area 24 into the Tūhaitara Coastal Park.</p>
<p>Council's vision and goals:</p> <p>How would the preferred option deliver the vision outlined in the Draft Recovery Plan?</p>	<p>The proposed land uses in Kairaki will ensure that the regeneration area will be returned to active use in an efficient and transparent manner, providing recreation opportunities and ecological developments that will be "rewarding and exciting places for residents and visitors", and reflecting the expectations and aspirations of the community as expressed through consultation during the development of the Recovery Plan.</p>
<p>How would the preferred option help to achieve the goals 1, 2, 3, 4, 5 and 6 outlined in the draft Recovery Plan?</p> <p><i><u>Note that this should include details about how the goal, vision or objective would be achieved and why this is important. It is not sufficient to merely state 'Land use option X would contribute significantly to goal Y.'</u></i></p>	<p><i>1) Returning the regeneration areas to active use in a timely and efficient and economic manner:</i> The proposed uses can be implemented within two years and will help ensure that Kairaki will support and encourage community recreation, and ecological and cultural awareness.</p>
	<p><i>2) Significantly enabling Kaiapoi's journey towards becoming a prosperous and innovative centre to live, work and play:</i> The proposals will enhance recreation opportunities (such as access to sailing) and ecological awareness, which will make the area a more rewarding place to live and visit.</p>
	<p><i>3) Providing a safe, inspiring and attractive environment for residents and visitors, with public access to and opportunities for recreation, cultural, social and economic activities:</i> The expansion of the Tūhaitara Coastal Park will provide further recreation opportunities and access to the coastal area for residents and visitors. The Ngāi Tahu website notes that the Tūhaitara Coastal Park is "already an important recreational area (and) it is likely to become more so as developments like the Pegasus Walkway reach completion. The trust is working hard to develop walking, cycling and bridle paths throughout the park".</p>
	<p><i>4) Ensuring land use proposals are resilient and built for the future drawing on relevant sound assessment:</i> The area is subject to flooding risk. The proposed land uses within the Kairaki regeneration areas have been heavily influenced by the flooding and geotechnical conditions, and hazards associated with the location, while reflecting the objectives of the Minister's Direction and the Council's goals for the Recovery Plan. Given the location, forecast sea level rise and the community's aspirations for the future of this area, the proposed uses are considered appropriate for the long term.</p>
	<p><i>5) Enabling opportunities to restore the natural environment to support diversity as well as economic prosperity:</i> The proposed extension to the Tūhaitara Coastal Park (Area 24) is strongly focused on developing native ecological enhancement and supporting biodiversity. The Ngāi Tahu website notes that "The coastal park in its entirety, is an excellent example of what can be achieved when restoration and conservation measures are taken seriously".</p>
	<p><i>6) Recognising and enhancing Ngāi Tūāhuriri and Ngāi Tahu values, aspirations and the important cultural history of the area:</i> Ngāi Tahu and Ngāi Tūāhuriri have a long-standing history and relationship with this area, which they have used for a multitude of purposes including mahinga kai. The Tūhaitara Coastal Park was established as an outcome of the Ngāi Tahu Settlement with the Crown. The proposals will provide a range of opportunities to preserve Te Rūnanga o Ngāi Tahu values, retain and enhance rare and indigenous biodiversity and provide recreational and educational opportunities.</p>

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C. EVIDENCE AND ENGAGEMENT

<p>What are the key geotechnical, flooding and other findings about this area and how have they informed the development of the preferred option for this area?</p> <p>Are there any geotechnical, flooding and other uncertainties? If yes, what further analysis is required?</p>	<p>The Technical Advisory Panel (TAP) report notes that the key issues for Kairaki are projected sea level rise and extensive flooding risk. The TAP rated Kairaki as S3 category (“Area impacted by shoreline retreat due to passive inundation”) for sea level rise, with a projected sea level rise of 1.0m by 2115. At this rate the shoreline of Kairaki will retreat and sea water will eventually inundate the area due to the daily tidal cycle. The TAP report concluded that: “Permanent capital investment is therefore not sustainable”. This forecast sea level rise will “also affect groundwater conditions and would require further investigation to understand how this could be effectively mitigated”. Similarly, the flooding risk for Kairaki was rated as F3, with “extensive flooding likely to occur in the area every 50 to 200 years”. Therefore there were limited land use options for Kairaki, given its location 4km away from Kaiapoi and the identified natural hazards. The main uncertainty relates to the forecast sea level rise. While there is broad agreement amongst experts that the sea will rise over the next century, there are variations in the forecasts for how quickly and by how much the sea level will rise. There are no other significant geotechnical issues or uncertainties that affect the potential land uses in the area.</p> <p>It should be recognised that while the evidence base for flooding from storm events and an Ashley River breakout scenario is reasonably robust, there is less certainty around sea water inundation risk. This has been excluded from the draft natural hazards district plan change being progressed by the Council and may require further assessment.</p>
<p>What short, medium and long-term economic projections and market information is available on this area? How has this information informed the development of the preferred option?</p> <p>Are there any uncertainties related to the information on economic/market conditions? If yes, what further analysis is required?</p>	<p>The relevant economic analysis for this area (in particular the work by Property Economics and Colliers International) has been based on economic projections for business activities for the Kaiapoi area as a whole, and has limited direct relevance to Kairaki.</p> <p>Given the natural hazard constraints on the land and other factors which limit the opportunities for any business or industrial development in this area, there is no intention at this stage to seek further information about economic/market conditions for Kairaki, although as indicated earlier, there may be some low key small-scale commercial development opportunities e.g. mobile coffee cart, appropriate user-pays recreation facilities (including the possibility of being facilitated by and contributing financially to Te Kohaka o Tūhaitara Trust).</p>
<p>What other evidence has been used to inform the development of the preferred option? E.g. research on psychosocial or health issues.</p>	<p>No additional specific analysis has been undertaken as part of the Recovery Plan development process. Research in to the benefits of green space has been used to inform the proposed land uses. Green space provides a variety of direct and indirect benefits to individuals, the community and the economy. Green space has benefits for: health and wellbeing (enhancing physical and mental health); social cohesion (bringing people together); place-making (providing a local identity); development and learning (providing a variety of experiences); and economic value (contribution to the local and national economy).</p>
<p>What other uncertainties are there about the preferred option? What further analysis is required?</p>	<p>There is some uncertainty about the level of interest in the temporary leasing arrangements for Area 23, although this land use proposal reflects significant community interest in retaining connections to this area.</p>
<p>What are the key themes of community feedback received on the preferred option? Were any alternatives suggested and why were these progressed/not progressed?</p>	<p>There was broad support for the future land use proposals for Kairaki. While the private lease proposals were not universally supported, there was majority agreement to the proposed arrangements, provided clarity was provided about the terms of any leases to avoid unsightly temporary structures, leading to a “shantytown” appearance. There was some minority support for permanent built structures in Kairaki, but as noted earlier, this would not be appropriate given the forecast sea level and the prospect of inundation and risk of regular flooding in this area. Similarly, the majority of commenters supported the proposal to incorporate land into the Tūhaitara Coastal Park, but some sought more information about the Trust’s proposals for the land, which will be provided in the short term implementation stage through a public management plan for the area. Concern was raised by some commenters about the proposals for Area 25 next to the Waimakariri Sailing and Power Boat Club. Clarification has now been provided through the more explicit proposal to lease the land to the Waimakariri Sailing and Power Boat Club for the purposes of boat rigging and storage.</p>

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Outline the views of each of the Strategic Partners on the preferred option. Include whether alternative options have been suggested or supported.	The Strategic Partners have been involved throughout the development of the Recovery Plan, including the initial TAP work and report. There is broad agreement from all for the future use proposals in Kairaki; Te Rūnanga o Ngāi Tahu indicated a strong preference at an early stage in the Recovery Plan development process that some of the land in Kairaki should be incorporated into the Tūhaitara Coastal Park.
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D. BENEFITS AND WHOLE OF LIFE COSTS	
What would be the social benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	<p>The main social benefits relate primarily to the proposed provision of active and passive green space with the expanded Tūhaitara Coastal Park. The Trust's plans for the area are still at an initial stage but will encompass the provision of safe and secure environments for residents and visitors.</p> <p>The proposed recreation opportunities and ecological developments will have benefits in terms of well-being (through physical activity such as walking, and experiencing nature); social cohesion (through providing community space, as well as supporting different cultures); place-making (through the conservation of cultural landscapes, biodiversity enhancement, and contributing to a local identity). The proposed coastal park extension will also provide land use certainty for the surrounding community and enable the Trust and the community to build a relationship with positive community outcomes. The following research by Lincoln University, while undertaken specifically to assess potential recreation activities in the Avon corridor as opposed to Waimakariri, provides evidence about the value of recreation spaces to communities. In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage <i>"recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities"</i>. Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour.</p> <p>The proposed additional green space adjacent to the car park (Area 25) will have social benefits for users of the Waimakariri Sailing and Power Boat Club and car park users. The provision of a dedicated space for rigging and storage rather than shared use of the Kairaki Beach Car Park will benefit both groups by avoiding user conflicts in a very busy car park space, and improved safety through the separation of rigging and parking activities.</p>
What would be the economic benefits of the preferred option to the Waimakariri and greater Christchurch communities, New Zealand taxpayers and the Crown (as landowner)?	There would be very limited specific economic benefits resulting from the proposed land uses although small-scale low-key commercial development may be possible in the Kairaki area, in line with the recreation focus, the existence of a popular motor camp, and desirability of an accessible coastal location in an attractive environment. The Lincoln University research referenced above provides evidence of the economic value of recreation spaces. In addition, a 2011 report into the "Economic and Social Value of Sport and Recreation to New Zealand" demonstrated that there is a net economic benefit from participation in sport and recreation activity.
What would be the cultural benefits of the preferred option to the Waimakariri and greater Christchurch communities and New Zealand taxpayers?	Much of the Kairaki area has been identified as having significant cultural values by Ngāi Tahu and Te Ngāi Tūāhuriri Rūnanga, and is considered part of a cultural landscape with significant historical, traditional, cultural and contemporary associations. The land uses proposed seek to recognise and enhance the cultural values associated within these areas. The expansion of the Tūhaitara Coastal Park will provide further opportunities to educate people locally and from further afield about the important cultural relevance and history of the area.
What would be the environmental benefits of the preferred option to Waimakariri, greater Christchurch and New Zealand?	There will be potentially significant environmental benefits from the proposed land uses in Kairaki. The Kairaki regeneration areas are currently heavily modified landscapes with little or no natural character at present, given that prior to the earthquakes they contained domestic land uses. It is also noted that these areas have not been identified within the Waimakariri District Plan as being an outstanding natural feature or landscape. Therefore, the proposed expansion of the Tūhaitara Coastal Park and the ecological enhancement proposed for Area 24, with increased native plantings and a focus on sustainable biodiversity, will provide significant environmental benefits including through improved water health, recovery of natural species and greater and sustainable biodiversity. The Council recognises the importance of reflecting community concerns by ensuring that any non-permanent structures developed in Area 23 should be appropriate to the locality and surroundings, and the importance of avoiding an untidy "shantytown" appearance that could detract from the environment.

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Are there any other benefits for Waimakariri, greater Christchurch, New Zealand as a whole and/or the Crown?	There are a range of overall benefits associated with returning the regeneration areas to active use in ways sympathetic to the local surroundings, which reflect the natural hazards associated with this location while focusing on ecological enhancement and culturally-relevant developments. The proposals for Kairaki need to be considered holistically with the other proposals for the regeneration areas, which will provide a range of benefits in future including supporting the full recovery and regeneration of greater Christchurch from the Canterbury earthquakes. One particular strength of some of the proposed land uses in Kairaki is that they provide the opportunity for a ground-breaking approach to biodiversity and the ecological enhancement of native species, which reflect Ngāi Tūāhuriri and Te Rūnanga o Ngāi Tahu cultural values, potentially providing a “blueprint” for other parts of the country to adopt and adapt.
What would be the financial costs of implementing the preferred option, including the approximate on-going management and operational costs? <i>Specify whether these costs would be for the Council, Crown or a private owner, and ensure timeframes are clearly stated. Include all potential processes e.g. vesting, remediation if applicable.</i>	Excluding any land acquisition costs, the estimated costs to the Council are estimated as \$0 for Areas 23 and 24. For Area 25 the Council would incur a Design and Build cost of \$57,000 - \$75,000, followed by annual costs for maintaining this area of between \$1,400 and \$1,800. There are no costs likely to fall to the Crown except any interim maintenance costs and potentially some administration associated with the management of the proposed leasing arrangements. There will be development and maintenance costs for Te Kohaka o Tūhaitara Trust for plantings and ongoing maintenance, which have not been quantified.
What are the other costs (e.g. environmental, health and/or social) of the preferred option?	No other major costs have been identified although current uncertainty about the plans for Area 24 as part of the Tūhaitara Coastal Park may have some social costs for residents of Kairaki until more information is available. Similarly there may be some environmental costs associated with the non-permanent leasing arrangements for Area 23 unless steps are taken to avoid some activities. There may be social costs for residents of Kairaki in relation to the non-permanent leasing uses in Area 23, unless safeguards are put in place to restrict unsightly appearance. The main opportunity costs are likely to be the time needed for the Te Kohaka o Tūhaitara Trust to implement its plans for the area proposed to be transferred to the coastal park, and possible disruption in that area and also in Area 23 as leasing arrangements are implemented.
Are there any uncertainties about the anticipated costs? If yes, what do these relate to and could further analysis be undertaken?	The main uncertainties relate to the financial implications (including the likely take-up and the appropriate pricing) of the proposed leasing (or sale) arrangements for Area 23, but these will be at the margins of the overall financial implications of the Recovery Plan as a whole.
What are the anticipated financial returns?	Financial returns will accrue from the leasing of land in Area 23 but this has not been quantified yet. Te Kohaka o Tūhaitara Trust may be able to seek a financial return should it prove feasible to develop commercial activities in Area 24, to be available to paying customers in the Coastal park.

E. RISKS – IDENTIFICATION AND MITIGATION

How have current and future needs/requirements been balanced from the Council’s perspective?	Consideration has been given to the future needs of the community in terms of recreation areas and development of enhanced ecological areas. While additional green space is not considered required in Kairaki to meet the Council’s levels of service, the significance of the coastal park from a cultural, social, ecological and environmental perspective is acknowledged. Consideration has been given to the future needs of the community through the provision of a storage/rigging area adjacent to the Kairaki Beach Reserve Car Park.
What would be the environmental risks associated with the area and preferred option? (e.g. natural hazards and future events).	There are no major environmental risks likely through the proposed land uses in the Kairaki regeneration areas although the impact of the forecast sea level rise could have some adverse environmental risks in future depending on the possible removal of existing built structures which could be subject to inundation.
How would these be mitigated?	

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<p>What would be the potential implementation risks of the preferred option? (e.g. unforeseen costs).</p> <p>How would these be mitigated?</p>	<p>The Council considers the main risk to be uncertainty about the nature and timing of the leasing (or sale) arrangements in Area 23. At present it is not certain how much interest there would be from individuals and organisations in leasing this land, given the constraints that would need to be put in place over the nature of built structures. This risk will be mitigated through the development of the implementation phase, if and when the Minister approves the final Recovery Plan.</p> <p>There is also a risk that negotiations between the Council, the Crown and the Te Kohaka o Tūhaitara Trust about incorporating the land in Area 24 to the Trust, may not be concluded in a timely and transparent manner. There is a risk that Te Kohaka o Tūhaitara Trust does not have sufficient funding or capacity to develop and maintain the extension to the Coastal Park. This issue was raised by some commenters during consultation. The impacts of this would be poorly maintained areas with potential pest and weed issues, and with low amenity values. This situation would also potentially impair the relationship between the Kairaki community and the Trust. There is the further risk that Council would be asked to provide additional funding, or be asked to take over development and maintenance, for which there are financial implications.</p> <p>The other uncertainty relates to the possible financial implications of any decision by the Crown about its willingness to remain the landowner for Area 23. If not it may be an option for the land to be vested in the Council for the Council to manage the leasing arrangements or if could be sold with suitable covenants in place. There is also uncertainty about whether the Crown may vest the land in Area 25 in the Council, and if so, whether this will be at no charge or not. These issues are being discussed between the Council and Crown with processes underway to seek if possible, the Crown's formal decision about the land in Areas 25 prior to final agreement of the Recovery Plan.</p>
<p>What would be the risks relating to community and/or stakeholder buy in?</p> <p>How would these be mitigated?</p>	<p>There remains a residual risk for this area (as with all the regeneration areas) that some in the community strongly oppose the proposed land uses. This risk has been mitigated through the consultation and community engagement processes undertaken so far, and future opportunities for consultation.</p> <p>Consultations so far has demonstrated broad support from the majority of commenters for the proposals for this area with concerns being predominantly about lack of transparency about implementation details. Greater clarity about the proposed leasing arrangements for Area 23 and how Te Kohaka o Tūhaitara Trust will develop and maintain the land in Area 24 will help to mitigate the concerns raised at the time of the preliminary draft Recovery Plan about. One further uncertainty relates to possible scepticism amongst some in the community about the forecast sea level rise and the extent to which it will impact on Kairaki and over what timeframe.</p>
<p>What would be the risks relating to Council and Crown expenditure?</p> <p>How would these be mitigated?</p>	<p>The main risks are essentially the same as the implementation risks identified above, i.e. how much and when would the financial returns start to accrue from the leasing (or sale) arrangements, and the potential financial considerations associated with vesting the land. These risks will be mitigated during the implementation phase once the risks have been appropriately assessed.</p>

F. ALTERNATIVES

<p>For the <u>preferred option</u>, what, if any, are the alternative ownership and management options?</p>	<p>It may be possible for the Crown to vest the land in Area 23 in the Council, and for the Council to administer leasing arrangements for this area as opposed to Crown doing so.</p>
<p>What are all of the land use options that could be considered for this area?</p>	<p>Other land use options include:</p> <ul style="list-style-type: none"> a) Selling some of the regeneration land to private owners to re-establish permanent residential activities. b) Development of Area 23 as Council green space (recreation reserve) c) Development of Area 24 as Council green space (recreation reserve) d) Development of low key, commercial recreation type activities (e.g. ropes course, mini-golf etc). <p>The main alternative option that has been proposed during community consultation is selling some of the regeneration land (Area 23) to private owners to re-establish residential activities. There has also been some suggestion that the land in Area 23 could be developed into a recreation reserve held by the Council, and some members of the community have expressed disquiet about the incorporation of land into the Tūhaitara Coastal Park. Some commenters have expressed disquiet about the fact that a large number of residents have been "allowed" to stay, and that the creation of a reserve for the whole area could include the removal of these properties. There have</p>

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	also been suggestions for low key commercial activities; these kinds of ideas are not necessarily foreclosed by the Council's preferred options and can be considered further during the implementation phase.
What would be the key benefits of progressing each alternative option? <i>Add a new row for each option.</i>	Key benefits include: <ul style="list-style-type: none"> a) Enabling residential development - providing a financial return to the landowner, and potentially also allowing some former residents to return to the area. b) Additional green space – creation of a large natural park within Kairaki with associated health and wellbeing benefits (through physical activity and experience in a natural environment); social cohesion (through provision of community space); place-making (through providing a local identity, conserving landscapes and enhancing biodiversity). c) As above. d) Low key/commercial activities – creation of a destination for visitors with some potential financial return to the landowner
What would be the key risks of progressing each alternative option? <i>Add a new row for each option.</i>	Key risks include: <ul style="list-style-type: none"> a) Enabling residential development - challenge of responding to the natural hazards associated with sea level rise and flooding. It would be unlikely that private developers would pay for land in these circumstances, even given the uncertainties about timeframe and scale of actual sea level rise. Therefore it would be unlikely for there to be any meaningful financial return, and instead the land would require expenditure to maintain. b) Additional green space is not required to meet Council's levels of service for Kairaki. Additional green space would require financial expenditure from Council to develop and maintain. c) As above d) Willingness of appropriate businesses to locate at Kairaki; potential impacts on surrounding residents.
Why was each alternative land use option discounted ? <i>Add a new row for each option.</i>	Each alternative land use option discounted because: <ul style="list-style-type: none"> a) Residential development - discounted because of the natural hazards identified in Kairaki, and in particular the forecast sea level rise which would mean permanent dwellings in these areas would in time be inundated with water. b) Additional green space - Discounted as Council's level of service in Kairaki is met. c) As above d) There are options for low key, commercial recreation type activities to locate within Areas 23 and 24 if desired.
What are the opportunity costs (economic, social, cultural and/or environmental) of not pursuing each alternative option? <i>Add a new row for each option.</i>	There are no major further opportunity costs further to the issues discussed above, particularly given that the land in Kairaki is not appropriate for the alternative land uses, for the reasons identified.

G. OTHER RELEVANT LEGISLATION AND PLANNING OBLIGATIONS

To what extent and how is the preferred option consistent with other Recovery Plans ?	The proposal has been developed taking into account the other Recovery Plans (where relevant), in particular the LURP and other key planning documents. The proposals are aligned in particular with the LURP goal to "take account of natural hazards and environmental constraints that may affect rebuilding and recovery." "It should be noted however that the Residential Red Zone is outside the scope of the LURP.
What would be the implications of the preferred option on relevant local planning instruments ?	These land use proposals are in alignment with the LURP and other relevant planning documents, including the Waimakariri District Long Term Plan 2015-2025. The preferred option can align with the District Plan depending on the level of commercial activity proposed in Area 24. If permanent structures are not managed through the lease or sale agreements a district plan change may be required to achieve this.
Are there any implications for, or as a result	The proposals in the draft Recovery Plan (including the proposals for the Kairaki regeneration area) have been assessed as a whole against these key documents, and all

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<p>of the:</p> <ul style="list-style-type: none">• New Zealand Coastal Policy Statement 2010;• Canterbury Regional Policy Statement;• Mahaanui Iwi Management Plan;• Ngāi Tahu Claims Settlement Act 1988;• Resource Management Act 1991? <p>If yes, what are these implications and how will they be dealt with?</p>	<p>are considered to be aligned with the relevant parts of all the documents, for Kairaki most notably the New Zealand Coastal Policy Statement 2010, the Canterbury Regional Policy Statement 2013, and the Mahaanui Iwi Management Plan. There are no significant implications resulting from the future use proposals for Kairaki.</p>
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Attachment F

High Level Cost / Benefit Assessment of Development Scenarios

Waimakariri Residential Red Zone Recovery Plan – High Level Cost Benefit Assessment of Development Scenarios

1. BACKGROUND

The Canterbury earthquakes of 2010 and 2011 caused unprecedented and widespread damage to greater Christchurch. In Kaiapoi, The Pines Beach and Kairaki approximately 89ha of predominantly residential land were zoned red (see the Residential Red Zone map in the Appendices).¹ The Waimakariri District Council was directed by the Minister for Canterbury Earthquake Recovery to prepare a draft Recovery Plan.

The preliminary Draft Recovery Plan (pDRP) proposed a package of 25 future land use areas – the Council's preferred Mixed Use Scenario - across Kaiapoi, The Pines Beach and Kairaki. These 25 areas can be broadly categorised into the following land use types:

- Business
- Rural
- Commercial Recreation
- Greenspace
- Heritage and Mahinga Kai
- Infrastructure
- Coastal Park
- Potential Private Lease (no permanent buildings)

1.1 Assessment Methodology

Following a public hearing process in April 2016 and to assist development of the draft Recovery Plan seven theoretical alternative land use scenarios were developed (in addition to the preferred Mixed Use Scenario). The alternative scenarios are based on suggestions received during public engagement, constraints identified in the Technical Advisory Panel (TAP) report, further detailed geotechnical information, and market valuation information. These alternative scenarios provide more area for identified broad use types (e.g. more area allocated to business in the Business Focus Scenario), using the Mixed Use Scenario as the starting point.²

For all eight land use scenarios the key features, issues, benefits and assumptions were identified at a high level.³ Criteria were developed then used to carry out a high-level analysis, and thereby 'score' the Council's preferred future land use option (the Mixed Use Scenario) and each of the alternative scenarios.⁴ For the three highest scoring scenarios the implementation capital costs were collated (where known).

¹ This figure includes remaining private residences and roads. Excluding these, the total area is approximately 83ha

² Except for the status quo, which simply sets out the existing land uses

³ To avoid repetition, under the alternative land use scenarios the assessment focuses on the changes relative to the Mixed Use Scenario.

⁴ The high level cost benefit assessments were undertaken in a workshop format involving representatives of the Council, the Greater Christchurch Group, Ngai Tahu and the Core Project Team

1.1.1 The Criteria

The criteria were developed to succinctly capture and balance the multiple considerations for future land use options in the Waimakariri Residential Red Zone. These considerations include: the objectives and obligations in the Minister's direction; the Recovery Strategy; the Canterbury Earthquake Recovery Act; the Greater Christchurch Regeneration Act; the vision and goals in the pDRP; Waimakariri District Council's Long-Term Plan; and relevant statutory planning documents. The criteria are:

1 *Best balance of regeneration objectives*

- Social – including supporting community wellbeing and growth
- Cultural – including reflecting iwi values, aspirations and history; celebrating heritage values
- Economic – including supporting sustainable business and employment growth
- Environmental – including restoring and enhancing the natural environment

2 *Optimises value for money*

- Considers whole of life costs – affordable now and in the future
- Considers possibility of financial return for the Crown
- Fiscally responsible – does not expose WDC and the Crown to financial risk
- Economically viable – considers potential market demand

3 *Practicality*

- Supports a pragmatic, timely approach to regeneration
- Considers land damage/conditions and feasibility of remediation and flood mitigation
- Considers the impact on the current and future land owner
- Efficient implementation and management model

4 *Resilient*

- Balances current and future needs of the district and greater Christchurch
- Takes into account natural hazards and future events
- Integrates with surrounding areas and uses, including infrastructure requirements
- Reflects and promotes community and stakeholder buy-in

1.1.2 Scoring Process

Each scenario was ranked on a scale of 1-4 for how they meet each of the criteria. The optimal future use represents the best balance across the four criteria. The scale used was as follows:

1. Not met
2. Partially met – met to a limited extent
3. Broadly met – met to a large extent, with some omissions
4. Met, and in some cases exceeded

1.1.3 Assumptions

For this scenario assessment a number of overarching assumptions have been made as follows:

- The Crown does not wish to be a long term land owner for large parts of the red zone;
- The Crown will not undertake further capital investment for such things as land repair / remediation;
- All Greenspace areas proposed to be vested in the Council will be at no or negligible cost;
- Greenspace areas not owned by the Council could still be managed by the Council, with the Crown retaining ownership;
- There will be no compulsory purchases of remaining private residences, which will remain residential under all of the land use scenarios;
- All the technical supporting information is accurate, can be extrapolated for each of the scenarios and be relied upon to remedy or mitigate the constraints;
- There will be no more than 5% soil contamination in any regeneration area;
- The existing cost share agreement between the Council and the Crown for infrastructure (including roading) will continue to apply;
- The Council's infrastructure cost estimates allow for services to the boundary of each lot;
- The Council's infrastructure cost estimates include a confidence based contingency and engineering fees, but exclude GST;
- The council has budgeted for services to support the Mixed Use Scenario. Any upgrades required to the service network to support alternative scenarios will be paid for by 3rd parties;
- Private developer(s), such as for the business and residential areas, will cover all development costs including land repair and flood mitigation costs;
- There are development contribution credits that could be applied to replacement residential and business activities;
- Damaged infrastructure repairs arising from land repair works undertaken have not been budgeted for;
- The existing Stormwater Management Area in Courtenay is adequate for future development needs;
- The roading layout in the Red Zone is broadly the same as the existing area, with the exception of the new roads already identified through the pDRP;
- Any existing roads to be retained would remain at their current levels;
- New roads would be designed with a level of service appropriate to the end use;
- Any new residential development in the Red Zone land would have the same density as that which existed pre earthquakes; and
- New residential and commercial development would require a gravity sewer system.

In addition to these overarching assumptions, some additional scenario specific assumptions have been made (as identified under each scenario). All the assumptions will need to be tested and confirmed with the Crown when the draft Recovery Plan is provided to the Minister supporting Greater Christchurch Regeneration for his consideration.

1.2 Appendices

Attached in the appendices to this document are:

- A spatial plan showing the Waimakariri Residential Red Zone;
- A table identifying the land areas (in hectares) for each of the scenarios analysed; and
- A table setting out the scores for each development scenario.

2. LAND USE SCENARIOS ASSESSMENT

2.1 Mixed Use Scenario (pDRP Preferred Scenario)

2.1.1 Key Features

The key features are as proposed in the pDRP. These include a mix of greenspace (25.91 ha comprising various uses including sports fields, neighbourhood parks, a dog park and opportunities for edible landscapes); business (7.32 ha, likely comprising yard based and large format retail and residential opportunities)⁵; commercial recreation (1 ha, comprising a motor caravan park); rural (30.59 ha, likely involving cropping and grazing, but excluding intensive agriculture); heritage and mahinga kai and coastal park (15.33 ha, likely comprising open space, recreation opportunities and edible landscapes); and the private lease of open space (3.07 ha, for such activities as boat storage, tennis courts, etc.).⁶

As set out in the pDRP and supporting information, the Mixed Use Scenario is technically feasible and meets a range of high level goals, including responding appropriately to:

- The Statutory Direction (e.g. promoting the wellbeing of communities);
- Community feedback (e.g. providing more greenspace);
- The pDRP goals (e.g. returning the regeneration areas to active use in a timely, efficient and economic manner); and
- The planning framework (e.g. enhancing biodiversity and supporting the Kaiapoi Town Centre).

2.1.2 Issues, Benefits and Assumptions

The issues, benefits and assumptions of the Mixed Use Scenario are identified in the pDRP and other supporting information and have therefore only been briefly summarised here. Of the issues: some of the projects are long term (i.e. from 2028 onwards); for some activities, such as business, there are comments in support and opposition; there are significant costs to the Council for the proposed recreation areas; and some ongoing management may be required for leased areas.

⁵ This represents a 46% expansion on the existing Kaiapoi Town Centre area of 15.9 ha

⁶ See the appendices for the exact areas in each activity

In terms of benefits: the scenario generally reflects the community's wishes; meets the anticipated demand for business and recreational activities in the area; responds well to the underlying natural hazards risks; and provides the opportunity for a financial return in the most desirable business areas.

In terms of assumptions, the overarching assumptions also apply.

2.1.3 Known Costs

The total capital cost (i.e. excluding ongoing maintenance costs) to the Council for implementing this scenario is estimated at between \$29.6 and \$33.2 million (for infrastructure / utilities and design and build costs for reserves).⁷ In addition, there will be significant third party costs (for land repair and other development) for the business areas depending on the activity proposed. For yard based retail these have been estimated as \$9.1 million, whereas for large format retail these costs have been estimated as \$34.9 million. This gives a total scenario capital cost of between \$38.7 million and \$68.1 million depending on the type of business activity chosen.

In terms of ongoing costs (e.g. maintenance), the anticipated costs for the Council for the Mixed Use Scenario is between \$234k and \$268k per annum. For the Crown the maintenance cost is \$160k per annum (for the whole regeneration area) until the land is divested.

There will be a return to the Crown as land owner from this scenario (e.g. business area sale; rural lease or sale); however these returns have not been calculated at this point.

No specific opportunity costs have been identified for the Mixed Use Scenario as this scenario is considered to represent the best land use approach, responding to locational benefits and constraints, community views, market demand and financial implications. Alternative land use options have however been identified within each sub area (e.g. Kaiapoi South); these are briefly described in the Options Analysis documents for each sub area.

2.1.4 Scoring Results

As set out in the appendices, this scenario achieved a score of 14 out of 16. This was the highest score of the eight scenarios assessed. This scenario scored well on all the criteria, particularly the 'best balance of regeneration objectives' and 'resilient' criteria.

2.2 Do Nothing Scenario (i.e. maintain the status quo)

2.2.1 Key Features

Under this scenario all the areas remain in their current state and use, i.e. 83.22 ha as private fenced grass and garden areas with no remediation or development and the Crown as land owner with

⁷ The infrastructure component will be apportioned based on the Council / Crown cost share agreement

ongoing management obligations. As such, the current access infrastructure and maintenance requirements would remain unchanged.

2.2.2 Key Issues

While this scenario is technically feasible it:

- Does not adequately meet the objectives set out in the Statutory Direction;
- Does not meet the aspirations of the community;
- Does not meet the pDRP goals;
- Does not meaningfully contribute to regeneration;
- Does not provide any certainty to the community; and
- Requires ongoing maintenance (approximately \$160k per annum).⁸

In addition there may be infrastructure costs associated with this scenario depending on whether or not 'do nothing' is interpreted as the removal of unnecessary horizontal infrastructure. This would need to be confirmed by the Council and the Crown.

2.2.3 Key Benefits

The key benefit is that this scenario requires very little or no capital investment. In addition, there are no intensive activities likely to be affected by future natural hazard events.

2.2.4 Known Costs

The financial costs for this scenario are limited to ongoing maintenance costs for the whole area of approximately \$160k per year, which is currently attributable to the Crown as landowner. It also has the highest opportunity cost of all the scenarios given the benefits attributable to the Mixed Use and other scenarios.

2.2.5 Assumptions

A key assumption required for this scenario is that the Crown is willing to retain ownership of the land in the long term and continue to pay maintenance costs with no financial return. However, based on the Minister's Direction this assumption is considered to be not well founded.

2.2.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 4 out of 16. This was the lowest scoring scenario of the eight scenarios assessed, scoring a 1 (i.e. not met) for each of the four criteria assessed.

⁸ Based on figures supplied by the Crown

2.3 Residential Focus Scenario

2.3.1 Key Features

Under this scenario more area is provided for re-establishing residential activities in Kaiapoi East and Kaiapoi South than in the Mixed Use Scenario.⁹ Like the Mixed Use Scenario, residential development is enabled in the proposed business areas. Specific area changes are¹⁰:

- Kaiapoi East - less Greenspace area, less Rural area north of Cass Street (Areas 9, 10 and the area bounded by Cass Street and Feldwick Drive)
- Kaiapoi South - no Rural area west of Courtenay Drive (inner loop part of Area 5)

This scenario is technically feasible north of Cass Street and west of Courtenay Drive only. The remaining areas were discounted in the Technical Advisory Panel report due to flooding and geotechnical conditions.

2.3.2 Key Issues

The key identified issues are: the cost; timeframe and impacts on the local community and roads from undertaking the required remediation¹¹; the significant volume and uncertain source of the fill required to raise the level of the land; the potential impact of flooding on adjacent existing and new residents; the need for and associated cost of additional infrastructure; and amenity impacts of raising ground and floor levels on existing residents. In addition, investigations are being undertaken by the Crown to determine if the area is contaminated or not. If it is there will be an additional contamination remediation cost.

As set out in the appendices, the current advice received indicates a negative return to the Crown as landowner from this scenario based on current market conditions and land preparation costs.¹² Council advice indicates that currently there is ample residentially zoned land in better condition for development within the District. If there is no demand for residential activity at a price point that is economically viable the Crown would need to be a long term owner, contrary to the general assumption that the Crown does not wish this.

Finally, it is also noted that the community feedback on residential development in these locations was mixed, with some support and some opposition.

⁹ In the Mixed Use Scenario while residential development is enabled in the business area and not foreclosed in the rural area, 0 ha is expressly identified for residential only development. In the Residential Focus Scenario 25.29 ha is expressly made available for residential only development.

¹⁰ See the appendices for the exact areas in each activity

¹¹ See the T&T Engineering Feasibility of Potential Land Uses – Stage 1 Report, January 2016

¹² See the Colliers International Valuation Consultancy Report WDC Residential Red Zone Recovery Plan Kaiapoi, December 2015

2.3.3 Key Benefits

One key benefit accruing from this scenario is that it reinstates residential activity adjacent to green zone areas, thereby contributing to residential coherence and community cohesion. This was sought by a number of commenters through Canvas and on the pDRP. This scenario will also make use of the existing infrastructure, noting however that it will need significant repairs that have not currently been budgeted for in the Council's LTP.

Regarding the residential component providing a financial return to the Crown, as indicated earlier the current advice indicates an overall loss from the residential development proposed in this scenario. This is however heavily dependent on the actual repair costs, market demand and residential density re-established.

2.3.4 Known Costs

The total capital cost (i.e. excluding ongoing maintenance costs) to the Council for implementing this scenario is between \$27.1 and \$29.9 million (for infrastructure / utilities and design and build costs for reserves).¹³ This is slightly less than for the Mixed-Use Scenario as the Greenspace areas have decreased. In addition, there are significant third party costs (for land repair and other development costs) for the additional residential areas (\$40.4 million), with the same business area costs as the Mixed Use Scenario. This gives a total scenario capital cost of between \$77.2 million and \$105.2 million depending on business activity chosen.

In terms of ongoing costs (e.g. maintenance), the anticipated costs for the Council for the Residential Focus Scenario is between \$168k and \$182k per annum. This is slightly less than for the Mixed Use Scenario given the reduction in area. For the Crown the maintenance cost is \$160k per annum (across the regeneration area as a whole) until the land is divested.

There will be a potential return to the Crown as land owner from this scenario (e.g. residential area sale; rural lease or sale), however this has not been calculated at this point.

It should be noted that there are opportunity costs to this proposal relative to the Mixed Use Scenario. Specifically: the usable / effective area south of Cass Street is reduced due to an increased requirement for stormwater detention areas, potentially affecting the proposed dog park and BMX track; the rural areas are reduced, thereby reducing the potential return (from sale or lease) of these areas.

2.3.5 Assumptions

There are a number of specific assumptions associated with this scenario. It assumes houses being replaced at the same density as what was there originally, which averaged 671m² per section in Kaiapoi East and averaged 719m² per section in Kaiapoi South (approximately 10 houses / ha). It is noted however that residential development could occur at different densities such as low density

¹³ The infrastructure component will be apportioned based on the Council / Crown cost share agreement

(up to 4999m² for large lot residential sections) and medium density (generally around 300m² per section).

Secondly, given that residential development is proposed at the same density, it is assumed that development contributions will not be payable as these contributions are normally applied to new development, rather than reinstatement. It is assumed that the Crown will seek to divest the land for comprehensive land repair and development which is the most efficient approach. This scenario assumes the community will support it, whereas community views were mixed. This scenario assumes fill (for raising the land) can be obtained.

2.3.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 9 out of 16. This was the second equal ranked scenario of the eight scenarios assessed, broadly meeting the 'best balance of regeneration objectives' and 'resilient' criteria. Lower scores for 'optimises value for money' and 'practicality' criteria were largely due to anticipated costs and uncertainty about these and the potential returns, the adverse effects on neighbours from land repair and that the areas may not develop in the short or medium term.

2.4 Business Focus Scenario

2.4.1 Key Features

This package involves increasing the area of the Kaiapoi commercial core (to 23.18 ha as compared to 7.32 ha in the Mixed Use Scenario) through further expansion of business activities into adjacent areas in Kaiapoi East, West and South.¹⁴ The specific area changes are:

- Kaiapoi East - less Greenspace, less Commercial Recreation (Areas 9, 15)
- Kaiapoi West - no Greenspace (Area 1)
- Kaiapoi South - less Heritage and Mahinga Kai, less Rural (Area 4, inner Courtenay loop of Area 5)

2.4.2 Key Issues

The key identified issues are similar to those identified for the Residential Focus Scenario. These are: the cost; timeframe and impacts on the local community and roads from undertaking the required land repair / remediation¹⁵; the significant volume and uncertain source of the fill required to raise the level of the land; the potential impact of flooding on adjacent existing and new businesses and residents; the need for and associated cost of additional infrastructure; and the amenity impacts of raising ground and floor levels on existing residents. It is noted however that if flood tolerant light weight structures and business activities are undertaken, such as yard based activities, then land repair costs, adjacent property flooding and other resulting issues could be reduced.

¹⁴ This represents a 146% increase on the current 15.9 ha Kaiapoi Town Centre

¹⁵ See the T&T Engineering Feasibility of Potential Land Uses – Stage 1 Report, January 2016

The proposal is likely to result in community concerns given the reduction in land proposed for recreation and mahinga kai activities, both of which were strongly supported by community comments, and the opposition by some commenters on yard-based business activities.

In addition, as set out in the appendices, the current advice received indicates a negative return to the Crown as landowner from a large format business type use, but a positive return from yard-based business uses principally due to the lower land repair and flood mitigation costs.¹⁶

The proposed business development would result in a significant expansion (by 146%) of the Kaiapoi Town Centre. This could undermine the existing town centre businesses and prove unsustainable from a demand and supply perspective. As with the Residential Focus Scenario, there could be soil contamination, however this could be better tolerated by business activities given the ability to cap contaminated areas with hard standing.

Depending on the activities undertaken there may be adverse effects (e.g. noise and traffic) on adjacent residential properties. Technical reports indicate that there is demand for additional business land, however this is over a period until 2043 and therefore will not meet the timely regeneration of the area – a key recovery objective.

2.4.3 Key Benefits

There is a potential return to the Crown depending on the actual land repair costs, market demand and business activity proposed. This scenario will make use of the existing infrastructure, however it will need significant repairs. Depending on activities enabled, this scenario could provide for the expansion of the Kaiapoi Town Centre or provide a supporting role.

2.4.4 Known Costs

The total capital cost (i.e. excluding ongoing maintenance costs) to the Council for implementing this scenario is between \$27.4 and 30.3 million (for infrastructure / utilities and design and build costs for reserves).¹⁷ This is slightly less than for the Mixed-Use Scenario as the Greenspace areas have decreased. In addition, there are significant third party costs (for land repair and other development costs) for the additional business areas depending on the activity proposed. For yard based retail these have been estimated as \$23.5 million whereas for large format retail these costs have been estimated as \$80.1 million. This gives a total scenario capital cost of between \$50.9 million and \$110.4 million depending on business activity chosen.

In terms of ongoing costs (e.g. maintenance), the anticipated costs for the Council for the Business Focus Scenario is between \$198k and \$219k per annum. This is slightly less than for the Mixed Use

¹⁶ See the T&T Engineering Feasibility of Potential Land Uses – Stage 1 Report, January 2016; and the Colliers International Valuation Consultancy Report WDC Residential Red Zone Recovery Plan Kaiapoi, December 2015

¹⁷ The infrastructure component will be apportioned based on the Council / Crown cost share agreement

Scenario given the reduction in area. For the Crown the maintenance cost is \$160k per annum (for the whole area) until the land is divested.

There will be a potential return to the Crown as land owner from this scenario (e.g. business area sale; rural lease or sale), however this has not been calculated at this point.

The reduction in land proposed for recreation and mahinga kai activities is an opportunity cost arising from this scenario; both of these land uses were strongly supported by community comments.

2.4.5 Assumptions

A key assumption is that the proximity to the Kaiapoi Town Centre will support these additional areas and that with appropriate activities (e.g. light industrial, trade retailing, large format retailing) the Kaiapoi Town Centre will not be undermined. It also assumes that the Kaiapoi area will remain in a high growth scenario.

2.4.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 9 out of 16. This was the second equal ranked scenario of the eight scenarios assessed, broadly meeting the 'best balance of regeneration objectives' and 'optimises value for money' criteria. The lower scores for the 'practicality' and 'resilient' criteria were largely due to anticipated costs, the adverse effects on neighbours from land repair, the potential to undermine the Kaiapoi Town Centre and that the areas may not develop in the short or medium term.

2.5 Rural Focus Scenario

2.5.1 Key Features

The key features under this scenario are that approximately twice as much area (62.5ha) is set aside for rural activities in Kaiapoi South, East and Pines Beach. The specific area changes are:

- Kaiapoi South – less Heritage and Mahinga Kai (Area 4)
- Kaiapoi East – less Sports and Recreation, Recreation and Ecological Linkage and Cemetery (Areas 9, 10, 11)
- Pines Beach – less private lease and less Coastal Park (Areas 19, 20)

2.5.2 Key Issues

The key issues identified with this scenario are: possible additional adverse effects (e.g. smell) on adjacent residences (however this should not be significant given the proposed restrictions on intensive farming); the limited potential for small holdings; the potential opportunity costs; and a poor fit with the recovery objectives (e.g. reflecting the needs and aspirations of the community).

If this scenario was progressed, consistent with community feedback, access through and around the area would need to be retained.

2.5.3 Key Benefits

The key benefits of this scenario are the potential financial return through lease or purchase and the negligible infrastructure and remediation costs. As indicated in the appendices, valuation advice¹⁸ indicates there is rural lease demand and suggests a likely lease return of \$500 per ha per annum for cattle grazing. The return from sale for a rural-sized lot may realise a negative return given the costs of building platform repair / remediation relative to the likely sale return.¹⁹

In addition to a financial return, having certainty of activity in the rural areas will support social wellbeing and contribute to the community's recovery from the earthquakes although most people would not favour this option.

Another benefit is that this approach enables 'land banking', with a lease return in the interim should this be sought. However, if this land banking outcome was expressly sought this would need to be made clear in the Recovery Plan.

2.5.4 Known Costs

This scenario has not been costed. However it is anticipated that given the reduction in Greenspace and Heritage and Mahinga Kai Areas the capital and ongoing maintenance costs to the Council will be less than for the Mixed Use Scenario.

As identified in the issues section, there may be opportunity costs if this land could be better utilised for different purposes. The Council considers these additional areas can be better utilised for the activities proposed in the Mixed-Use Scenario and as such opportunity costs arise from the loss of Heritage and Mahinga Kai, Sports and Recreation, Recreation and Ecological Linkage, Cemetery and private lease areas. In terms of other activities such as residential or business, current technical and market demand advice indicates these activities are unlikely to be viable in these expanded rural areas in the short and medium term.

2.5.5 Assumptions

A key assumption is that there would be sufficient and ongoing demand for rural activities. This scenario also assumes that the Crown would be open to both sale and lease options for the rural land. However, it is understood that, based on the Minister's direction ongoing Crown ownership is unlikely and as such a lease approach is unlikely.

¹⁸ See the Colliers International Valuation Consultancy Report WDC Residential Red Zone Kaiapoi , May 2016

¹⁹ See the T&T Engineering Feasibility of Potential Land Uses – Stage 1 Report, January 2016; and the Colliers International Valuation Consultancy Report WDC Residential Red Zone Kaiapoi , May 2016

Any structures would be subject to planning and building rules, with dwellings at a density of one per 4 ha to meet the Waimakariri District Plan's existing rural zone residential density minimums. A lower site size such as 1-2 ha could be explored but this could require a bespoke district plan zone or resource consents.

It is also assumed that, in the absence of district plan changes, restrictions on intensive farming and residential density will be applied through the lease or sale agreements. Retaining the operative residential District Plan zoning would provide security if residential land banking was supported.

2.5.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 6 out of 16. This was the second to lowest score of the eight scenarios assessed, scoring poorly on all four criteria. Key reasons for the lower score were that it undermined / precluded the activities proposed in the Mixed Use Scenario and did not provide a sufficient positive and active response to achieve the recovery objectives. It also is inconsistent with community comments which overwhelmingly supported more recreation opportunities in the residential red zone.

2.6 Commercial Recreation Focus Scenario

2.6.1 Key Features

In this scenario more area (31.59 ha in the Commercial Recreation Focus Scenario versus 1 ha in the Mixed Use Scenario) is provided for recreation activities run as commercial enterprises, either fully privately or as a joint venture with the Crown. Such activities could include: mini golf; a farm park; a BMX track; a purpose designed jet sprint facility; and the Kaiapoi golf course relocation. Specific area changes are:

- Kaiapoi East – no Rural area (Area 12)
- Kaiapoi South – no Rural area (Area 5)

2.6.2 Key Issues

The key issues associated with this scenario are the lack of private operator interest /demand to date to undertake these activities, a lack of certainty in delivery timing contrary to the Statutory Direction and a potentially poor fit with the recovery objectives (e.g. a lack of certainty and timely recovery). In addition, depending on activities undertaken, there could be adverse effects (e.g. noise, glare and traffic) on neighbouring green zone properties or remaining red zone residents.

It is worth noting that there are other areas available for commercial recreation in Kaiapoi (including in the residential red zone in Greenspace and Rural areas (through resource consent if necessary) and that commercial recreation activities may also occur in the Coastal Park.

2.6.3 Key Benefits

The scenario is technically feasible and could provide destination tourist attractions with associated 'spin offs' for the Kaiapoi Town Centre. If successful it could provide a return to the Crown as the landowner, either from lease or sale of land.

2.6.4 Known Costs

This scenario has not been costed. However it is anticipated that given the change in activity only applies to the Rural Areas the capital and ongoing maintenance costs to the Council will be comparable to the Mixed Use Scenario costs.

As stated in the issues section, there could be adverse effects arising on nearby residents, depending on the activities operating. There are few opportunity costs associated with this proposal relative to the Mixed Use Scenario as the activities displaced are only rural activities, which have an assessed low qualitative and quantitative value. In terms of other activities that could possibly occur in these areas such as residential or business, current technical and market demand advice indicates these activities are unlikely to be viable in the expanded commercial recreation areas in the short and medium term. It should be noted that commercial recreation opportunities are not foreclosed within the Mixed Use scenario, should there be third party interest in developing these.

2.6.5 Assumptions

This scenario assumes sustainable demand and supply for commercial recreation activities both now and in the future. However, no comments were received from commercial recreation operators during the Let's Plan consultation phase, and there has been only limited interest expressed by the public in such activities. This scenario also assumes that the Crown will be willing to contribute financially, which would need to be tested. It should be noted however that there has been no active pursuing of commercial recreation operators or opportunities.

This scenario assumes that the Crown would be open to both sale and lease options for the commercial recreation areas. However, it is understood that ongoing Crown ownership is unlikely and as such a lease approach is unlikely.

2.6.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 8 out of 16. This scenario scored well on the 'meeting regeneration objectives' criterion, but scored poorly on the 'practicality' criterion principally due to lack of / uncertain demand for commercial recreation activities. Should demand arise then the scoring of this scenario would change accordingly.

2.7 Greenspace (Recreation) Focus Scenario

2.7.1 Key Features

In this scenario more area (56.5 ha in the Greenspace Focus Scenario versus 25.91 ha in the Mixed-Use Scenario) is set aside for Council Greenspace activities such as sports areas and neighbourhood parks. Specific area changes are:

- Kaiapoi East – more of existing activities, mixed active recreation, no Rural area (Area 12)
- Kaiapoi West – more of existing activities, the neighbourhood park could be managed with Murphy Park
- Kaiapoi South – more of existing activities, environmental space, food forest, eco-sanctuary, no Rural area (Area 5)

2.7.2 Key Issues

The key issues arising from this scenario are that it will exceed the required greenspace levels of service for the area and result in higher maintenance costs to the Council. Given Council budgets, the implementation will likely be 30-50 years, which means an interim use with Council management will be required. In addition, there will be no financial return to the Crown.

It is likely that some infrastructure decommissioning will be required (i.e. roads, 3 waters, Mainpower).

2.7.3 Key Benefits

A key benefit of this scenario is that, like commercial recreation, the additional Greenspace area could attract visitors to the area. In addition, some community aspirations, cultural and environmental goals are met, as are some recovery objectives such as: promoting community wellbeing (through physical activity such as walking, and experiencing nature).

2.7.4 Known Costs

This scenario has not been costed. However it is anticipated that given the significant expansion of the Greenspace Areas the capital and ongoing maintenance costs to the Council in calculated in the Mixed Use Scenario will increase accordingly.

There are few opportunity costs associated with this proposal relative to the Mixed Use Scenario as the activities displaced are only rural activities, which have a low qualitative and quantitative value. In terms of other activities that could possibly occur in these areas such as residential or business, current technical and market demand advice indicates these activities are unlikely to be viable in the expanded commercial recreation areas in the short and medium term. While this proposal provides more opportunities to link with the Kaiapoi River it is considered that given the significant linkages that already exist no additional benefit from this will accrue.

2.7.5 Assumptions

As for other proposed Greenspace areas this scenario assumes full divestment of the land at no or negligible cost to the Council and that the Council will maintain the land. It also assumes high and ongoing demand for significantly more Greenspace Recreation activities, which has not been

evidenced in the public feedback, nor supported by projections of demographics and demand in the Waimakariri district.

2.7.6 Scoring

As set out in the appendices, this scenario achieved a score of 8 out of 16. This scenario, scored well for the 'resilient' criterion, but poorly for the 'optimises value for money' criterion principally due to it exceeding the required greenspace levels of service for the area and higher maintenance costs to the Council.

2.8 Heritage and Mahinga Kai and Coastal Park Focus Scenario

2.8.1 Key Features

The key features of this scenario are: more area (relative to the Mixed Use Scenario) set aside for heritage and mahinga kai activities which could also include Heritage trails, Art, Sculpture Walk, Food Forest(s); and expansion of the coastal park westwards.²⁰ Specific area changes are:

- Kaiapoi South – extend further towards the Kaiapoi Town Centre and reduce the Rural area (Areas 3 and 5)²¹
- The Pines Beach and Kairaki - expand the coastal park area westwards (into Areas 23 and 19)²² or make these areas Heritage and Mahinga Kai areas²³
- Kaiapoi East - use parts of the area south of Cass Street along the northern bank of the Kaiapoi River (Areas 10 and 12)²⁴

2.8.2 Key Issues

A key issue arising from this land use scenario are opportunity costs (see the costs section below). Another key issue is the potential impacts (e.g. adverse amenity and further isolation) on remaining private residents from the extension of these areas in The Pines Beach and Kairaki.

In addition, there is no certainty around funding (although it is understood that additional funding arrangements are being investigated) and the implementation timeframe which could result in the areas remaining in interim uses for many years and / or not properly maintained. There is also uncertain demand and therefore the potential for underutilisation.

The exact nature of the management, governance and ownership of the additional heritage and mahinga kai areas has not been explored, although there have been suggestions of co-management. On-going management would be required as it is anticipated that the area would support a sustainable resource to be managed and eventually harvested.

²⁰ 31.79ha for the heritage and mahinga kai and coastal park focus scenario versus 15.33ha for these activities in the Mixed Use scenario

²¹ In their comments Ngai Tahu sought to extend the heritage and mahinga kai area to encompass Area 3

²² This has not been sought by Te Kohaka o Tuhaitara Trust

²³ This has not been sought by Ngai Tahu, nor considered by them

²⁴ This has not been sought by Ngai Tahu, nor considered by them

2.8.3 Key Benefits

The key benefits of this scenario are more opportunities for edible landscapes and education opportunities, slightly increased potential (over the Mixed Use Scenario) to improve the health of waterways and water quality and more support for the existing coastal park. It could also provide an opportunity to develop Kaiapoi as an exemplar destination for mahinga kai and ecological activities, which would encourage low key ecological tourism. Furthermore, there are more opportunities to also explore economic contributions.²⁵

It is important to note that many of the benefits identified are not precluded from occurring in other areas outside the red zone in the future, such as Corcoran Reserve and NCF Park.

2.8.4 Known Costs

This scenario has not been costed. However it is anticipated that given the significant expansion of the Heritage and Mahinga Kai and Coastal Park Areas the capital and ongoing maintenance costs for these areas relative to the Mixed Use Scenario will increase accordingly.

Opportunity costs arise for business activities and development of the Kaiapoi Town Centre if Area 3 is used instead for heritage and mahinga kai uses. These include loss of opportunity to extend / support the Kaiapoi Town Centre and possible loss of a financial return to the Crown. In addition, this would also foreclose on the Council's proposed car park and public transport interchange for this Area.²⁶ If parts of Kaiapoi East south of Cass Street along the northern bank of the Kaiapoi River were used for heritage and mahinga kai purposes, the activities planned for these locations (e.g. a BMX track and a dog park) could not occur or would need to be relocated elsewhere. For The Pines Beach and Kairaki, there would be a loss of the opportunity to purchase or lease these areas for private use.

2.8.5 Assumptions

Any land divested to the Council, Te Kohaka o Tuhaitara Trust, Ngai Tahu or another agency / organisation in this scenario is assumed to be at no or negligible cost. It is assumed that Ngai Tahu would support the proposed additional heritage and mahinga kai areas. It is also assumed that Te Kohaka o Tuhaitara Trust support would support the proposed additional coastal park areas and manage these. This has not been confirmed.

While the Council will contribute financially to the heritage and mahinga kai component in the Mixed Use Scenario, it has indicated that it will not financially support the additional heritage and mahinga kai areas proposed under this scenario. As such it is assumed that funding will need to be sourced elsewhere.

²⁵ It is noted however that there is potential to investigate opportunities to also explore economic contributions under the Mixed Use Scenario as well

²⁶ Area 3 is the preferred location for these activities given its proximity to the Town Centre and the Williams Street transport spine where public transport currently operates.

2.8.6 Scoring Results

As set out in the appendices, this scenario achieved a score of 9 out of 16. It scored well on the 'best balance of regeneration objectives' criterion principally due to a greater opportunity for enhanced social, cultural and environmental outcomes. This scenario scored poorly on the 'optimises value for money' principally because the establishment and ongoing funding sources are uncertain, noting that there already is a significant area set aside for this activity in the Mixed Use Scenario.

3.0 Summary and Conclusions

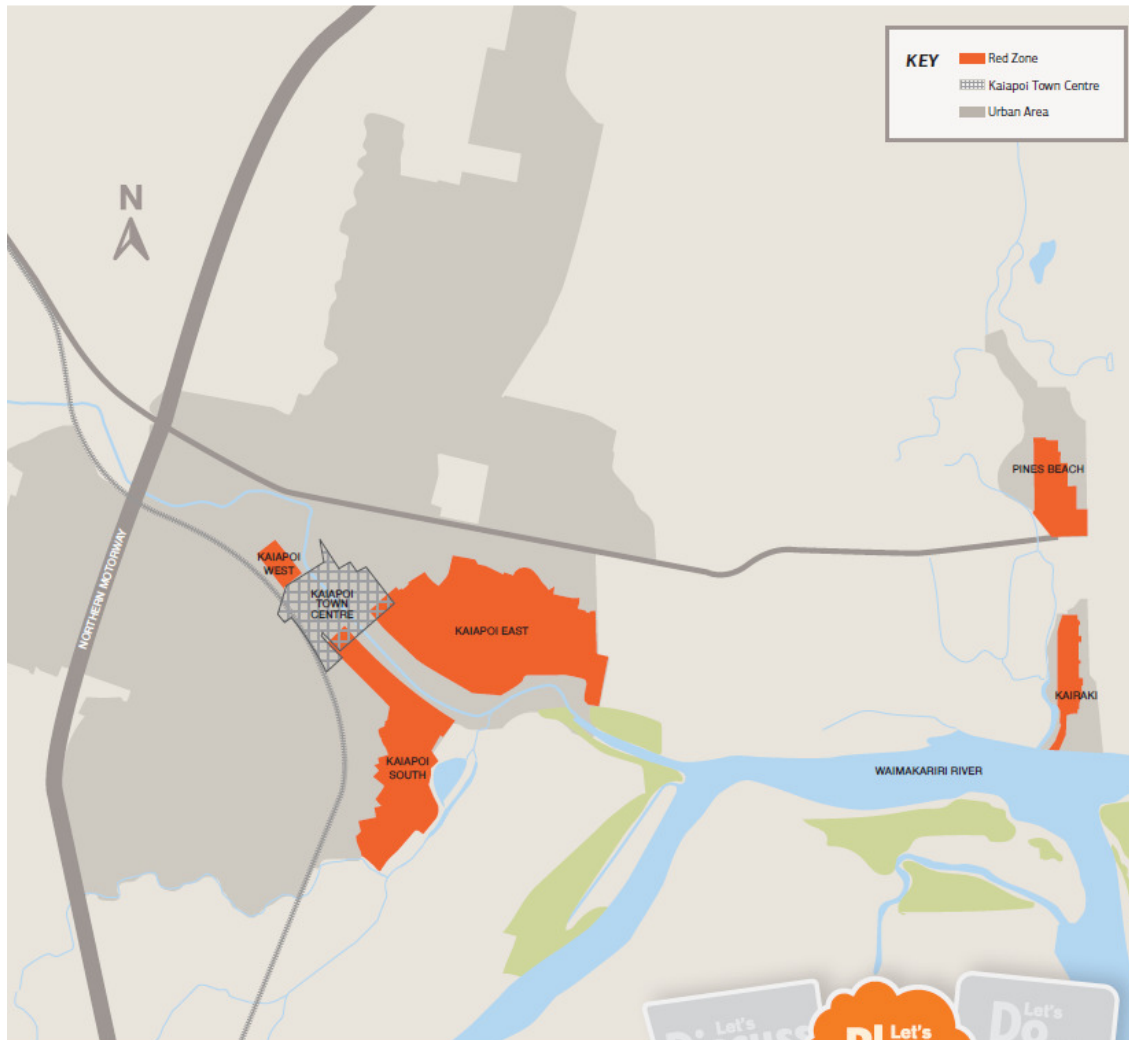
Eight land use scenarios were developed and assessed in terms of issues, benefits and costs and against four criteria. As set out in the appendices, the pDRP's preferred scenario (the Mixed Use Scenario) received the highest score, followed by the Residential and Business focus scenarios. The lowest ranked score was for the Do Nothing Scenario. The Mixed Use Scenario was considered to generally reflect the community's wishes, respond well to the underlying natural hazards risks, meet anticipated demand for business and recreational activities in the area and still provide the opportunity for a financial return in the most desirable business areas.

Of the three scenarios costed (Mixed Use, Residential Focus and Business Focus), the Mixed Use Scenario was the lowest cost overall, however the cost to the Council from this scenario was the highest given the larger Greenspace and Heritage and Mahinga Kai Areas relative to the other two costed scenarios. The financial returns from the proposed business and residential areas have not been included in this report. These will obviously offset the calculated costs, with a higher return for the Residential and Business Focus scenarios given the relatively larger areas for these activities in these scenarios, although with major uncertainties about timing and demand.

As set out in this report a number of assumptions have been made during the assessment of the scenarios. These have had varying degrees of influence on the assessment and scoring.

Core Project Team
31/05/2016

Appendix 1: Waimakariri Residential Red Zone Map



Regeneration Areas

Kaipoi West, Kaipoi East, Kaipoi South,
Pines Beach, Kairaki

Appendix 2: Alternative Development Scenarios - Land Use Area (in Hectares)

Land area per land use type in alternative development scenarios

Land use*	pDRP - Mixed Use	Status Quo	Residenital Focus	Business Focus	Rural Focus	Commercial Recreation Focus	Greenspace Focus	Heritage and Mahinga Kai and Coastal Park Focus
Greenspace	25.91	0	11.07	16.95	1.21	25.91	56.5	22.41
Business	7.32	0	7.32	23.18	7.32	7.32	7.32	4.35
Commercial Recreation	1	0	1	1	1	31.59	1	1
Rural	30.59	0	25.29	25.29	62.45	0	0	23.67
Heritage and Mahinga Kai and Coastal Park	15.33	0	15.33	13.73	10.04	15.33	15.33	31.79
Residential	0	0	20.14	0	0	0	0	0
Potential Private Lease (no perminant buildings)	3.07		3.07	3.07	1.2	3.07	3.07	0
Private Crown Land	0	83.22	0	0	0	0	0	0
Total	83.22	83.22	83.22	83.22	83.22	83.22	83.22	83.22

* excludes private residential properties within the red zone and WDC roading

Appendix 3: Development Scenarios Scoring Results

Criteria	Comments	Score
Do Nothing Scenario (Status Quo)		
1	Best balance of regeneration objectives - no reflection of active use, environmental (natural) services costs still incurred, and doesn't meet community expectations; would not meet any of the regeneration objectives	1
2	Optimises value for money - affordable to Crown at \$4.7million (maintenance costs), doesn't expose Crown or WDC to financial risk; no return to Crown; economically viable but not fiscally responsible; highest opportunity costs of all scenarios	1
3	Practicality - considers land damage, no remediation required; doesn't actively achieve regeneration outcomes	1
4	Resilient - does nothing for resilience, not responding to natural hazards for red and green zone land, continual land damage can occur, negative impact on green zone stormwater management opportunities, does not meet community views, objectives, and Minister's direction	1
		Total: 4
Mixed Use Scenario (Preferred)		
1	Best balance of regeneration objectives - range of aspirations and community views reflected – recreated, used, easy access, green, enables opportunities for ecological enhancement; not all of Ngai Tahu aspirations met, e.g. Area 3, but coastal park extended and other areas included as heritage and mahinga kai Area; supports Town Centre at this level, further business areas could compromise Town Centre; balancing act; best overall balance	4
2	Optimises value for money – considers whole of life costs, affordable over 20 year programme for WDC; higher cost of Mahinga Kai area however; provides opportunity for financial return for the Crown (assumption that WDC and Crown don't want to be landowner for some areas); low opportunity costs	3
3	Practicality - scenario is a pragmatic, balanced and timely approach to regeneration (staged over 20+ year period but some quick wins e.g. rebuild roads), which considers demand evidence and land conditions; impact on current and future land owner is still quite speculative; the efficient implementation and management hinges on Crown divesting land at no cost, managing small private leases is not very efficient	3
4	Resilient – a strong feature is balance; heavily reliant on TAP report and consistent with it; considers and influenced by reverse sensitivity issues, particularly for green zone; some divergent community and stakeholder views e.g. business areas, sports fields	4
		Total: 14
Residential Focus Scenario		
1	Best balance of regeneration objectives – additional housing provision, community growth; same cultural and economic outcomes as mixed use scenario - no net gain from regeneration perspective; some negative environmental impacts, particularly during construction (e.g. fill, traffic) and long-term consequential impacts	3
2	Optimises value for money – consequential flooding risk introduced from displacement of stormwater which is not fully budgeted for; no prospective financial return given land repair costs and lack of current demand, however future technology and demand changes may make it more economically viable; given affordability, uncertainty could exposure Crown to significant financial risk; some opportunity costs for recreation activities	2
3	Practicality – not pragmatic or timely, rather is long term (may not be developed for 20 years) and persistent uncertainty; considers land damage and flooding, the costs of remediation and impacts on green zone, avoids lateral spread areas; impacts on surrounding land owners due to land repair work, some uncertainty; no evidence of demand, but could theoretically work	2
4	Resilient – provides for future growth of Kaiapoi but precludes greenspace sport and recreation; further work needed to ascertain natural hazard requirements (particularly flooding); temporary green zone impacts over 5 years from land repair; some community and stakeholder support and some opposition	3
		Total: 10
Business Focus Scenario		
1	Best balance of regeneration objectives –less greenspace, less recreation and less heritage and mahinga kai areas, therefore contributes less to community and cultural wellbeing; supports business growth (increases Kaiapoi Town Centre by 23.18 ha – a 146% increase) but questionable where growth coming from and could potentially adversely impact on existing Town Centre; potential for negative environmental impacts on neighbours and river quality	3
2	Optimises value for money – more significant remediation costs, more infrastructure costs, consequential impacts on flooding, unclear who pays for this; in theory a relatively high financial return to the Crown - best opportunity assuming Crown willing to invest; potential high financial risk to WDC depending on infrastructure costs, possible impact on rates, dependent on divestment and whether Crown expected to provide remediated land before passing on for sale, given large scale; questionable market demand, and	3

	possible negative impacts on existing KTC; precludes other uses in these areas so opportunity cost; some opportunity costs for recreation and mahinga kai activities	
3	Practicality – is possible but not pragmatic given land repair and flood mitigation requirements with associated potential reduction in development potential; potential impact on Crown, WDC and developers; uncertainty around timing; not efficient, lots of obstacles and potential impact on existing KTC	2
4	Resilient – current and future needs considered – there are better locations in District for business activities; not the best use of land given identified natural hazards constraints; doesn't integrate with KTC and surrounding areas and uses as could undermine it and create reverse sensitivity effects; no strong community or stakeholder view on extending business area, rather some sought a reduction;	2
		Total: 10
Rural Focus Scenario		
1	Best balance of regeneration objectives – negative for social and cultural; less heritage and mahinga kai, less sports and recreation, less private lease in Pines Beach; high opportunity cost, poor fit with recovery objectives	1
2	Optimises value for money – income known and some return but not highest and best use; high opportunity costs; low cost to maintain; other ways of meeting demand in District; opportunity costs for recreation, mahinga kai and cemetery	2
3	Practicality – do-able but not efficient, timely, or regenerating	2
4	Resilient – doesn't respond to community views or needs, doesn't integrate with surrounding areas and uses	1
		Total: 6
Commercial Recreation Focus Scenario		
1	Best balance of regeneration objectives – Rural areas disappear, other elements of package respond to regeneration objectives	3
2	Optimises value for money – no investor demand but not marketed to date by WDC; partially meets aspirations; uncertainty around demand; questionable viability of potential types of activities in these locations; few opportunity costs	2
3	Practicality – not efficient due to uncertainty	1
4	Resilient – kids would love it; high opportunity cost for other activities; does respond to some aspirations; some potential negative effects (reverse sensitivity)	2
		Total: 8
Greenspace (Recreation) Focus Scenario		
1	Best balance of regeneration objectives – park like, but implementation over 30 years	2
2	Optimises value for money – above level of service for Greenspace; unclear funding model for delivery; opportunity costs arise; few opportunity costs	1
3	Practicality – considers land damage but not practical as not timely nor efficient due to greenspace oversupply	2
4	Resilient – community feedback for both smaller and larger areas of greenspace; supports health and wellbeing community outcomes, enhances park-like area of river frontage; no additional benefit over existing and Mixed Use option	3
		Total: 8
Heritage and Mahinga Kai and Coastal Park Focus Scenario		
1	Best balance of regeneration objectives – area still available for community use supporting wellbeing, however could compromise some recreational use (e.g. potentially forecloses BMX track and dog park, cemetery areas), and limits business opportunities in key strategic locations; more heritage and mahinga kai area than Ngai Tahu originally sought, but they do support extension; reduces other opportunities for business and employment; greater opportunity for enhanced environmental outcomes	3
2	Optimises value for money – uncertain affordability as funding sources unknown but being investigated – could be a financial risk; unlikely to be a financial return to the Crown; may be market demand for commercial activities in the coastal park area; over long-term benefits could accrue to other areas, including water quality of river; potential for economic value from eco-tourism, education opportunities and bio-prospecting; opportunity costs for Area 3 (e.g. no car parking or public transport interchange), and Kaiapoi East (need to relocate BMX track and dog park), and loss of lease option in Kairaki and The Pines	1
3	Practicality – not timely as very long term project; considers land damage and remediation feasibility; high uncertainty over impact on current and future landowner – could be high; could be inefficient as management structure required and is uncertain	2
4	Resilient – responds to some needs but uncertain demand, therefore potential for under-utilisation (area larger than originally sought by Ngai Tahu); accounts for natural hazards; can integrate well with surrounding areas; reflects some community needs but precludes other strongly supported activities (dog park and BMX) in this location; creates opportunity cost for other activities	3
		Total: 9



Attachment G

**Colliers Valuation Report 18 May – Marginal Land.
Kaiapoi, The Pines Beach and Kairaki**

Valuation Consultancy Report

WDC Residential Red Zone
Marginal Land
Kaiapoi, The Pines Beach and Kairaki

Waimakariri Red Zone Recovery Group
C/- Waimakariri District Council
Private Bag 1005
Rangiora 7440
Attention: Rachel McClung

Date: 18 May 2016

Ref: 13544/GS

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Appendices

- 1 Statement of Valuation Conditions
- 2 Analysis Summary



Executive Summary

Property Address:	Waimakariri District Council Red Zone Kaiapoi, The Pines Beach and Kairaki
Brief Description:	<p>Kaiapoi is a rural township of Christchurch located adjacent to State Highway No. 1 in North Canterbury, approximately 20 kilometres north of Christchurch. The Pines Beach and Kairaki are beachside settlements located east of northern Kaiapoi and adjacent to the Pacific coastline and the Waimakariri River mouth.</p> <p>The Red Zone land was damaged in the Canterbury earthquake sequence. The Government identified areas known as the "Red Zone" where the worst affected residential homes in terms of land damage were located. The land has been cleared of almost all improvements although the existing road infrastructure and network remains in place.</p>
Instructing Party:	Waimakariri Red Zone Recovery Group C/- Waimakariri District Council Private Bag 1005 Rangiora 7440 Attention: Rachel McClung
Addressed To:	Waimakariri Red Zone Recovery Group C/- Waimakariri District Council Private Bag 1005 Rangiora 7440 Attention: Rachel McClung
Interest Valued:	Unencumbered Freehold Market Value
Date of Valuation:	18 May 2016
Date of Inspection:	18 May 2016
Purpose:	Sale and/or Lease Due Diligence
Valuation Conclusions:	<p>Valuation Methodology</p> <p>We were instructed to complete research and provide consultancy advice on the economic feasibility of various sale and/or lease options for vacant residential Red Zone land in Kaiapoi, The Pines Beach and Kairaki. There is no precedent in terms of sales and/or leasing evidence and accordingly the valuation conclusions require a high level of subjective opinion.</p>

The value of Red Zoned land annexed to adjoining Green Zoned land effectively provides additional marginal utility to the Green Zoned land. We understand no permanent building improvements will be permitted on the annexed Red Zoned land and it is likely that any temporary improvements will only be insurable for fire and not natural disaster.

We have analysed the marginal utility value of additional land in various residential subdivisions, the most conclusive in terms of data set being Wigram Skies in Christchurch and Preston Downs in West Melton. This analysis indicates that the marginal utility value of additional land over and above the base residential section component comprising the residential dwelling and adjoining curtilage land is from approximately 20% sliding out to 10% of the base residential land value.

We have then deducted an allowance for the Red Zone implications in terms of restricted utility.

We have completed a detailed analysis and arrived at a methodology which requires a significant level of subjective opinion without the benefit of supporting market evidence.

The value range produced for annexed land in Kaiapoi is between \$14.00 and \$23.00 per square metre depending on the area involved. Ground rents have been assessed at 5.00% of the underlying land value.

Later in this report we have assessed land value and land rent under four case study scenarios for different land areas. The following is a summary of the case study results:

Case Study Summary			
No.	Land Area m ²	Value \$	Rent \$pa
1	100	\$ 2,300	\$ 115
2	500	\$10,400	\$ 520
3	1,000	\$17,300	\$ 865
4	2,000	\$28,800	\$1,440

Our valuation advice has been provided on the basis that any costs associated with the annexation of the land such as surveying and legal costs will be shared equally between the vendor and purchaser.

We recommend that a minimum annexation area of say 300 square metres is set otherwise the costs of annexing the land could be greater than the additional land sale price.

It is difficult to categorically assess Green Zoned land at The Pines Beach and Kairaki. We are of the opinion Green Zone sections of at or around 650 square metres in The Pines Beach are valued at or around \$120,000 and those in Kairaki at or around \$80,000. Taking into account the Red Zone restrictions outlined earlier and also the flooding vulnerability in these locations we are of the opinion a discount of 40% is applicable. This reduces a standard residential lot in these locations to \$72,000 in The Pines and \$48,000 in Kairaki. Should the land be leased then we are of the opinion an appropriate rental rate of return is 5.00% which equates to a rental of \$3,600 per annum in The Pines and \$2,400 per annum in Kairaki.

In conclusion we have attempted to complete analysis of what the marginal value of additional land annexed to existing Green Zoned land in and around Kaiapoi, The Pines Beach and Kairaki.

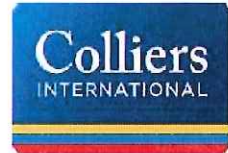
The valuation conclusions require a high degree of subjective opinion and accordingly the best evidence will be to test the market in order to gauge market demand and the level of value resulting. We recommend the findings of this report should be treated as a guide only and that each property or group of similar properties be treated on a case by case basis with valuation advice sought in each case or group of similar cases.

Additional Comments:

Property valuations are based on the latest available data drawn from the market place. The market for many types of property has been affected by the recent volatility in both global and local financial markets, and in Greater Christchurch by the earthquakes. Supply, demand and location have been key drivers in the Greater Christchurch residential and business land markets post-earthquakes. A significant amount of residential land has been rezoned or is in the process of rezoning and major subdivision development work is either completed or under construction.

In light of these market conditions while property valuations are based on the latest available data, values should not be considered immune from possible change even over very short periods, as the market continues to show volatility.

Accordingly if the addressee of this report has any concerns regarding the currency of the valuation consultancy, they should contact the Registered Valuer.



Valuer:

COLLIERS INTERNATIONAL VALUATION

A handwritten signature in blue ink, appearing to read "Gary Sellars".

GARY SELLARS FNZIV, FPINZ

Registered Valuer, Director

Email: gary.sellars@colliers.com

Inspection of Property:	Gary Sellars
Valuation Calculations:	Gary Sellars
Authoring of Report:	Gary Sellars

Contact Details:

Colliers International Valuation (ChCh) Limited
Press House, Level 7
158 Gloucester Street
PO Box 13478
Christchurch 8141
Phone No. (03) 379-6280

1.0 INTRODUCTION

1.1 SCOPE OF WORK

We have received instructions from Andrew Willis of Planning Matters on behalf of Waimakariri District Council ("WDC") to complete research and provide consultancy advice on the economic feasibility of various sale and/or lease options for vacant residential Red Zone land in Kaiapoi, The Pines Beach and Kairaki. We report as follows:

We outline in the following subsections key assumptions, limitations and restrictions with regard to this valuation consultancy. We further note that this valuation consultancy was undertaken in accordance with the agreed written Scope of Work between WDC and Colliers International Valuation.

This consultancy report covers the following agreed valuation related topics:

- Valuation methodology
- Market demand
- Market value and/or rent for private sale/lease of Red Zoned land

We confirm that the individual valuer who is the signatory to this report is experienced in the location and category of the property valued.

1.2 BASIS AND PURPOSE OF VALUATION

The valuation consultancy has been completed in accordance with International Valuation Standards, API/PINZ Valuation Standards and the Statement of Valuation Conditions attached at Appendix 1 of this report.

We have adopted the International Valuation Standards definition of market value as follows:

"the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have adopted the International Valuation Standards definition of market rent as follows:

"the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arms-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This valuation advice has been prepared for sale and/or lease due diligence purposes.

1.3 INFORMATION SOURCES

We have utilised sales evidence from sources including RPNZ, Property IQ, Statistics New Zealand and from our own records.

1.4 ASSUMPTIONS

Verifiable

1. We have assumed that the instructions and subsequent information supplied contain a full and frank disclosure of all information that is relevant.
2. Our valuation advice is including GST (if any) unless otherwise stated.
3. For the purposes of this consultancy report, WDC has advised the following assumptions can be made:
 - Access and other infrastructure will be provided/maintained by the Council as usual for the land in The Pines Beach and Kairaki, however infrastructure provision will be on a case by case basis for other areas.
 - Tenure could be between 12 months and 33 years, or private ownership.
 - Any maintenance requirement would be covered in the lease conditions. This could relate to fencing, access, ground maintenance, nuisance effects etc.
 - Any leased or purchased land will need to meet the District Plan Residential Zone provisions (or gain a resource consent).

We have assumed that this information is correct and have adopted this information in our assessment.

Opinion

The assumptions we have made in respect of our projections are as follows:

1. There will be no major economic downturn during the projection period, beyond that envisaged at the date of valuation.
2. A continued stable economy and reasonable levels of growth as currently predicted over the next five years.
3. There will be no new taxes or rates introduced which have a direct impact on the property over the projected period.

1.5 COMPLIANCE STATEMENT

This valuation consultancy has been performed in accordance with the International Valuation Standards (IVS) and we confirm that;

- The statements of fact presented in this report are correct to the best of our knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- We have no interest in the subject property;
- Our fee is not contingent upon any aspect of this report;
- The valuation has been performed in accordance with an ethical code and performance standards;
- We have satisfied professional education requirements;
- We have experience in the location and category of the property being valued;
- The Valuer (as noted in the executive summary and final section of this report) has made a personal inspection of the property;
- No one, except those specified in the report has provided professional assistance in preparing the report; and
- In completing this report we are not aware of any conflicts of interest on the part of either Colliers International Valuation or its valuers.

2.0 VALUATION METHODOLOGY

The generally accepted principal methods of approach when valuing residential land for sale or leasing are as follows:

Comparable Sales Approach

The principal valuation methodology for valuing vacant land is the comparable sales approach. The comparable sales approach examines sales of other land of similar characteristics making adjustments for quality, location, area, contour, road frontage etc.

Leasehold – Traditional Method

The traditional method of assessing ground rents is to determine the value of the land and then apply a rental rate of return to the value of the land. The rental rate is determined by the duration of the lease term, more particularly the frequency of rent reviews and a number of external factors including current interest rates, mortgage interest rates, fiscal actions of government or reserve bank, inflationary expectations resulting in an increase in the value of the land over the period of the lease and the real return to the lessor after allowing for such increase in value. Other factors considered include the length of the review term, the provision or otherwise of compensation for improvements and any other lease conditions.

Leasehold – Classical Method

The classical method involves the direct comparison of ground rents paid for comparable properties. Comparable ground rents are normally compared on an area basis and produce a rental rate per square metre or hectare.

In Christchurch and Waimakariri District there is a paucity of leasehold residential land in order to confidently adopt the classical method.

3.0 MARKET EVIDENCE

3.1 OVERVIEW

We refer to our valuation consultancy report entitled WDC Residential Red Zone Recovery Plan dated 4 December 2015 and addressed to the Waimakariri Red Zone Recovery Group. In this report a detailed summary of the residential land market was provided.

3.2 RESIDENTIAL SALES EVIDENCE

We have examined recent comparable sales evidence of residential sections in Kaiapoi. The following is an abbreviated summary of recent comparable sales evidence in specific residential subdivision locations in and around Kaiapoi.

Kaiapoi

The following is a summary of recent sales of vacant residential sections in Kaiapoi:

Kaiapoi - Sales Evidence			
Address	Sale Date mth.yr	Sale Price	Area sqm
330 Beach Road	05.15	\$165,000	646
332 Beach Road	05.15	\$165,000	600
4 Dale Street	03.15	\$185,000	605
6 Dale Street	03.15	\$189,000	600
8 Dale Street	03.15	\$190,500	600
5 Fuller Street	08.15	\$100,000	601
9 Fuller Street	02.16	\$ 95,000	700
24 Meadows Street	09.15	\$142,500	809

The properties at 330 and 332 Beach Road are located on the northern side of Beach Road just east of the Williams Street intersection in an existing residential area. The property at 330 Beach Road comprises a rear site and 332 Beach Road is a front site. We are of the opinion the Beach Road sales provide a good benchmark for TC2 land in the existing Kaiapoi township.

The sections in Dale Street adjoin the golf course and have a golf course outlook.

The sales of 5 and 9 Fuller Street are of relevance because they are both located in close proximity to the Red Zone and are sites where the residential dwelling was demolished. This land is classified as TC3 and is the closest substitute in terms of Red Zone land, although clearly these sites can be built on, albeit with additional foundation requirements.

The property at 24 Meadows Street is also classified as TC3 and located in East Kaiapoi just south of Beach Road and close to the nearby Red Zone.

The Pines Beach

The only sale of a vacant residential site in The Pines Beach post-earthquakes is at 37 Batten Grove comprising a 541 square metre elevated site in October 2013 for \$242,000. This land is considered to be significantly superior to land on the flat which is subject to increased flooding vulnerability throughout The Pines Beach and Kairaki areas. This sale is therefore of limited assistance.

There are no recent sales of vacant land in Kairaki, most of which is now in the Red Zone.

Beach Grove

The following is a summary of recent sales in this new subdivision located north of Beach Road on the north eastern edge of Kaiapoi:

Beach Grove - Sales Evidence			
Address	Sale Date mth.yr	Sale Price	Area sqm
35 Johnson Street	01.15	\$162,500	600
3 Ranginui Drive	01.15	\$162,500	600
5 Ranginui Drive	01.15	\$162,500	600
26 Waiotahi Road	03.15	\$149,000	399
32 Waiotahi Road	03.15	\$149,000	400

Sovereign Palms

Sovereign Palms is a large subdivision on the northern periphery of Kaiapoi developed by Suburban Estates, east of Williams Street. Development is well advanced with significant sales concluded and settled. The following is a summary of recent sales at Sovereign Palms:

Sovereign Palms - Sales Evidence			
Address	Sale Date mth.yr	Sale Price	Area m ²
45 Bayliss Drive	02.15	\$179,000	709
47 Bayliss Drive	03.15	\$179,000	711
49 Bayliss Drive	12.14	\$179,000	711
39 Beachvale Drive	08.15	\$168,000	649
61 Beachvale Drive	02.15	\$155,000	657
68 Beachvale Drive	04.15	\$179,000	732
1 Cattermole Street	03.15	\$167,000	682

Silverstream

Silverstream is a large subdivision with the potential for 1,115 lots, located on the northern western periphery of Kaiapoi, west of SH.1. Development is well advanced with significant sales concluded and settled. The following is a summary of recent sales at Silverstream:

Silverstream Estates - Sales Evidence			
Address	Sale Date mth.yr	Sale Price	Area m ²
3 Barnard Street	04.15	\$160,000	375
10 Bate Place	10.15	\$150,000	334
12 Candy Crescent	10.15	\$156,000	335
16 Candy Crescent	03.15	\$148,000	320
27 Candy Crescent	05.15	\$163,000	477
12 Silverstream Boulevard	05.15	\$170,000	474

3.3 RESIDENTIAL SECTION VALUES

The comparable sales evidence indicates that good quality residential sections in the new subdivisions around the perimeter of Kaiapoi are achieving prices of at or around \$165,000 to \$170,000 for a standard 600 square metre site. The sales evidence in Kaiapoi itself confirm this level of value for land which is likely to be TC2 such as those sales at 330 and 332 Beach Road both of which sold in May 2015 for \$165,000.

We are of the opinion that the sales of 5 Fuller Street comprising 601 square metres in August 2015 for \$100,000 and 9 Fuller Street comprising 700 square metres in February 2016 for \$95,000 are more representative of the TC3 land market in Kaiapoi. The property at 24 Meadow Street comprising 809 square metres sold in September 2015 for \$142,500 and is a reflection of both the TC3 land classification and also the land size.

3.4 LEASEHOLD EVIDENCE

There is a paucity of leasehold transaction evidence in Greater Christchurch in terms of new leases and/or rent reviews. In the industrial market ground rents are traditionally based on a rental rate of return applied to the land value. The rental rate of return in Greater Christchurch has traditionally been in the 6.00% - 6.50% range dependent on lease terms and conditions and the length of the period between rent reviews.

Traditionally the rental rate of return for residential land is less being at or around 5.0% of the land value. The rental rate of return is dependent on lease terms and conditions and the length of term between rent reviews.

4.0 VALUATION CONSIDERATIONS

4.1 VALUATION APPROACH

The Preliminary Draft Recovery Plan proposes that vacant residential sized sections in Kaiapoi, The Pines Beach and Kairaki could be available for private lease or purchase for such uses as:

- Non-permanent buildings (e.g. relocatable houses, sheds and caravans)
- Tennis courts, gardens, storage of boats, trailers etc

Community feedback on the Preliminary Draft Recovery Plan has also indicated that there may be demand from owners of Green Zone property bordering the Red Zone to expand their sections into the neighbouring Red Zone land through lease or purchase.

Determining the value of a residential section in The Pines Beach and Kairaki is problematic in that there is no comparable sales evidence in these locations. Therefore the best substitute is comparable sales evidence in and around Kaiapoi for land such as TC3 in the Green Zone with an allowance then made for location.

Determining the marginal value of Red Zone land annexed to a neighbouring Green Zone property is even more difficult to reference against market evidence.

In this case the land value is the marginal utility of additional land over and above a standard lot required for residential dwelling purposes. In order to measure the relationship between the land area required to support a residential dwelling and associated normal improvements and the marginal utility of additional land we have completed analysis of two large residential subdivisions in Christchurch where there is a sufficient range of sales data in the land area range of between 600 and 3,500 square metres.

We have also completed analysis of residential subdivisions in Waimakariri District including Beach Grove, Silverstream and Sovereign Palms. Unfortunately the area range from these subdivisions is not considered comparable to Kaiapoi, The Pines and Kairaki. These new Greenfield subdivisions have a heavy weighting of section sizes which range between 250 and 450 square metres whereas the existing developed Green Zone land in Kaiapoi, The Pines and Kairaki is generally greater than 600 square metres.

We have analysed the sales evidence in Wigram Skies at Wigram and Preston Downs at West Melton plotting the marginal value that additional land gives to the standard residential curtilage area. Once this is determined a further adjustment is required in order to reflect the restriction on use and subsoil conditions relating to the Red Zone land.

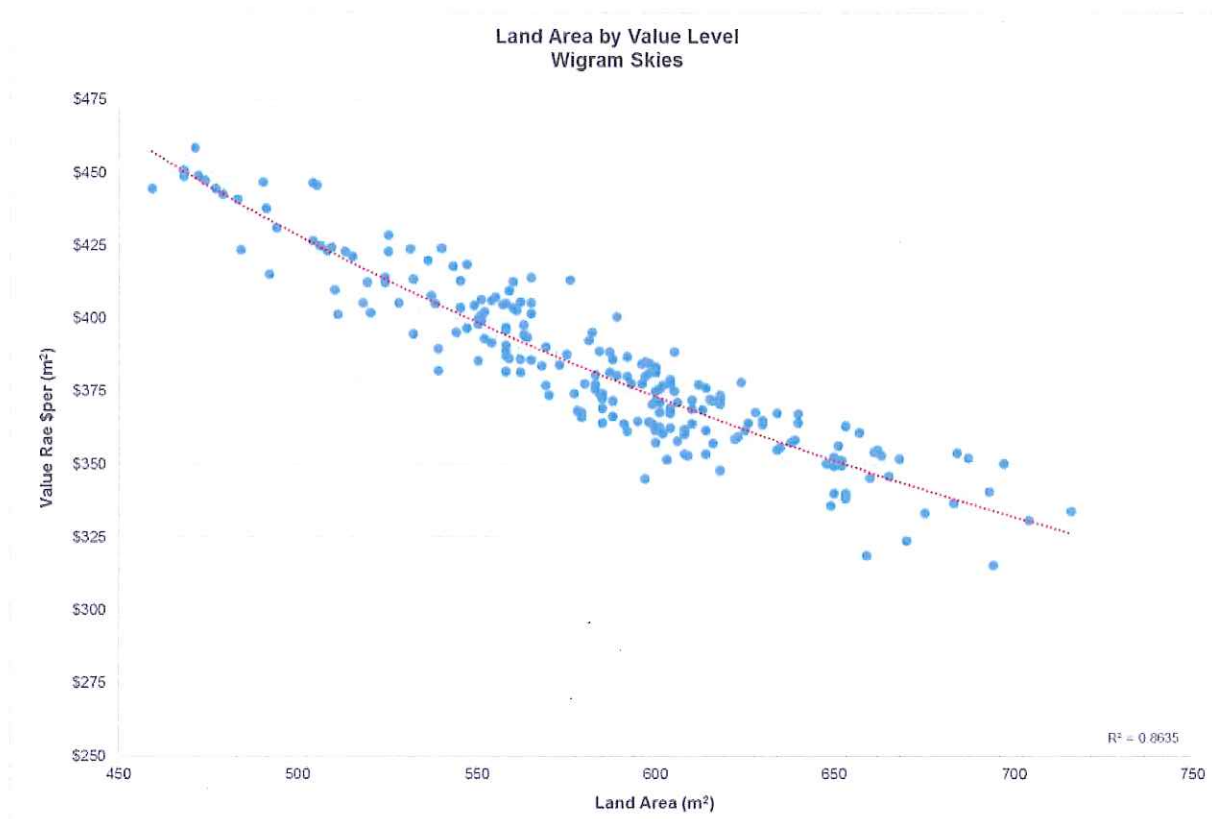
4.2 ANALYSIS

Attached at Appendix 2 is a summary of our analysis completed in Wigram Skies which is the Ngai Tahu subdivision of the former Wigram Air Base. We have analysed a range of sales in this subdivision spanning an area spectrum of between 459 and 716 square metres and determined the marginal value and the marginal value per square metre over and above a standard 450 square metre section in Wigram Skies.

The analysis has been plotted on a “best fit” line graph which has a relative co-efficient of 0.8635. The relative co-efficient is a measure of conformity of the best fit line to the data spread.

The analysis was completed on 240 section sales in Stages 5S – Z which occurred between October 2013 and May 2015.

The following is the data graph.

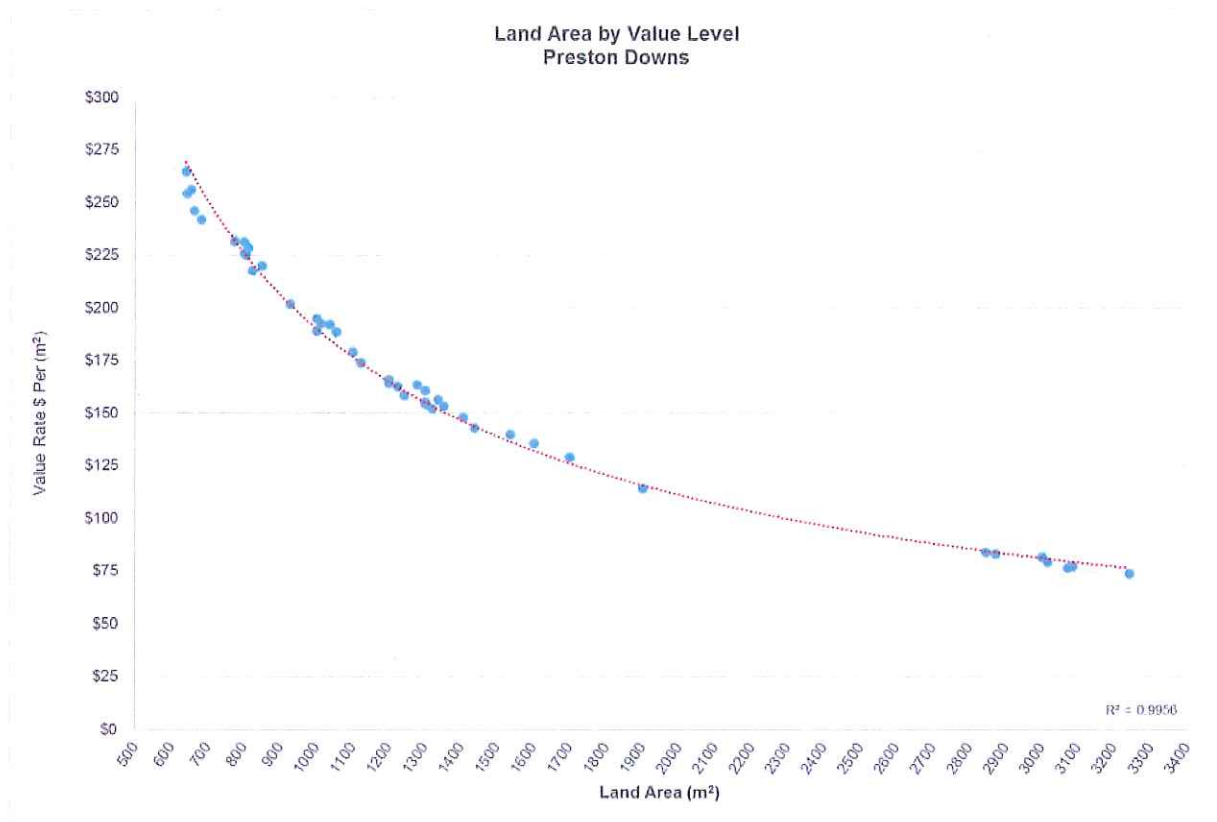


The following is a summary of our analysis of the marginal utility value evidenced by sales evidence:

Wigram Sales Analysis			
Lot Area Sqm	Trend Line Value	Marginal Value \$/psm	Marginal Value %
450	\$208,905	\$464.23	100.00%
500	\$214,300	\$107.90	23.24%
550	\$219,300	\$103.95	22.39%
600	\$223,967	\$100.41	21.63%
650	\$228,245	\$ 97.21	20.94%
700	\$232,480	\$ 94.30	20.31%
750	\$236,394	\$ 91.63	19.74%

We have also completed analysis of section sales at Preston Downs, West Melton which provides a range of section sizes from 639 and 3,241 square metres. This subdivision sales data set allows an analysis of a wider area range.

The following is a graph plotting the sales evidence which has a relative co-efficient of 0.9956.



Attached at Appendix 2 is a detailed summary of our analysis.

The following is an abbreviated summary table:

Preston Downs, West Melton Sales Analysis			
Lot Area	Trend Line	Marginal Value	Marginal Value
Sqm	Value	\$psm	%
600	\$169,921	\$283.20	-
700	\$175,950	\$ 60.28	21.29%
800	\$181,340	\$ 57.10	20.16%
900	\$186,232	\$ 54.37	19.20%
1,000	\$190,720	\$ 52.00	18.36%
2,000	\$223,064	\$ 37.08	13.40%
3,000	\$244,470	\$ 31.06	10.97%
3,400	\$251,484	\$ 29.13	10.29%

Analysis of Wigram Skies within a relatively small area band of between 450 and 750 square metres indicates the marginal utility value of the land is between 23% and 20% of the base residential site value.

Analysis of a wider area band at Preston Downs indicates the margin utility value of between 21% and 10% of the base residential site value depending on the size of the additional land area.

The analysis from both subdivisions is very consistent and therefore a strong level of reliance can be placed upon this part of the analysis.

The difficult component of assessing land value and land rent is the determination of the level of discount applied for the restricted utility of the marginal or additional land due to the Red Zone classification.

The land which is to be annexed to the Green Zone land is Red Zoned which in itself carries a heavy stigma with restriction on permanent improvements and the likely absence of natural disaster insurance for any temporary improvements.

Assessing the level of discount is very subjective in the absence of any conclusive market determined evidence. We are of the opinion after weighing up the disadvantages that an additional discount of at or around 25% is required to marginal Red Zoned land.

4.3 VALUATION CONCLUSIONS

The following is a summary of our valuations based on a number of case studies applying the results of our analysis.

Kaiapoi – Case Study 1	
Base Lot Size	650 m ²
Base TC3 Value	\$100,000
Base Value	\$153.85/m ²
Annexed Red Zoned Land	100 m ²
Annexed Red Zoned Land @ 20.0%	\$30.77/m ²
Red Zone Discounted @ 25%	\$23.08/m ²
Annexed Red Zoned Land Value	\$2,300
Annexed Red Zoned Land Rent @ 5.00%	\$115 pa

Kaiapoi – Case Study 2	
Base Lot Size	650 m ²
Base TC3 Value	\$100,000
Base Value	\$153.85/m ²
Annexed Red Zoned Land	500 m ²
Annexed Red Zoned Land @ 18.0%	\$27.69/m ²
Red Zone Discounted @ 25%	\$20.77/m ²
Annexed Red Zoned Land Value	\$10,400
Annexed Red Zoned Land Rent @ 5.00%	\$520 pa

Kaiapoi – Case Study 3	
Base Lot Size	650 m ²
Base TC3 Value	\$100,000
Base Value	\$153.85/m ²
Annexed Red Zoned Land	1,000 m ²
Annexed Red Zoned Land @ 15.0%	\$23.08/m ²
Red Zone Discounted @ 25%	\$17.31/m ²
Annexed Red Zoned Land Value	\$17,300
Annexed Red Zoned Land Rent @ 5.00%	\$865 pa

Kaiapoi – Case Study 4	
Base Lot Size	650 m ²
Base TC3 Value	\$100,000
Base Value	\$153.85/m ²
Annexed Red Zoned Land	2,000 m ²
Annexed Red Zoned Land @ 12.5%	\$19.23/m ²
Red Zoned Discounted @ 25%	\$14.42/ m ²
Annexed Red Zoned Land Value	\$28,800
Annexed Red Zoned Land Rent @ 5.00%	\$1,440 pa

Our valuation advice has been provided on the basis that any costs associated with the annexation of the land such as surveying and legal costs will be shared equally between the vendor and purchaser.

We recommend that a minimum annexation area of say 300 square metres is set otherwise the costs of annexing the land could be greater than the additional land sale price.

It is difficult to categorically assess Green Zoned land at The Pines Beach and Kairaki. We are of the opinion Green Zone sections of at or around 650 square metres in The Pines Beach are valued at or around \$120,000 and those in Kairaki at or around \$80,000. Taking into account the Red Zone restrictions outlined earlier and also the flooding vulnerability in these locations we are of the opinion a discount of 40% is applicable. This reduces a standard residential lot in these locations to \$72,000 in The Pines and \$48,000 in Kairaki.

Should the land be leased then we are of the opinion an appropriate rental rate of return is 5.00% which equates to a rental of \$3,600 per annum in The Pines and \$2,400 per annum in Kairaki.

In conclusion we have attempted to complete analysis of what the marginal value of additional land annexed to existing Green Zoned land in and around Kaiapoi, The Pines Beach and Kairaki.

The valuation conclusions require a high degree of subjective opinion and accordingly the best evidence will be to test the market in order to gauge market demand and the level of value resulting. We recommend the findings of this report should be treated as a guide only and that each property or group of similar properties be treated on a case by case basis with valuation advice sought in each case or group of similar cases.

We trust this report is suitable for current purposes. If you have any questions, please contact the writer directly.

Yours faithfully

COLLIERS INTERNATIONAL VALUATION



GARY SELLARS FNZIV, FPINZ

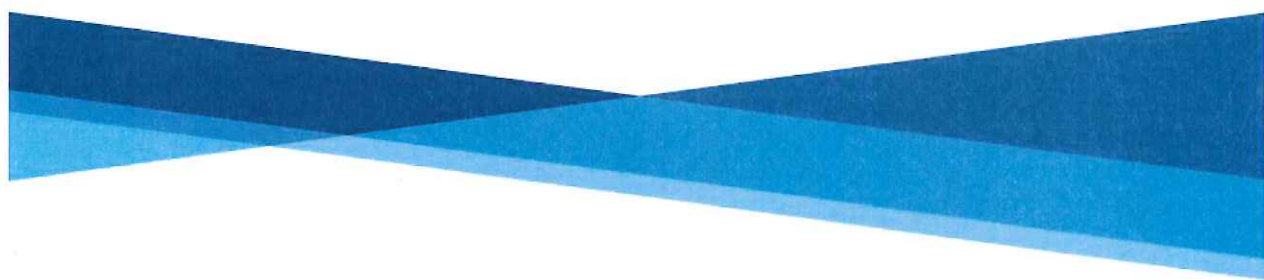
Registered Valuer, Director

Email: gary.sellars@colliers.com

Inspection of Property:	Gary Sellars
Valuation Calculations:	Gary Sellars
Authoring of Report:	Gary Sellars

APPENDIX 1

Statement of Valuation Conditions



STATEMENT OF VALUATION CONDITIONS

1. **Publication** - Neither the whole nor any part of this Report or its findings or conclusion or any reference to it may be included in any published document, circular or statement, without our written approval of the form and context in which it may appear. Copyright is held by Colliers International Valuation.
2. **Responsibility** - Unless otherwise stated within this Report or any separate letter of authority relating specifically to this report, our responsibility in connection with the report and its contents is limited to the client to whom the report is addressed and to that client only. We disclaim all responsibility and will accept no liability to any other party. Any other party who uses or relies upon this report without our express authority, does so at their own risk.

Where information has been supplied to us by a third party, this information is believed to be reliable but we do not accept any responsibility if this should not prove to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate authorities.

In preparing the valuation and/or providing valuation services, it has been assumed that a full and frank disclosure of all relevant information has been made.
3. **Boundaries** - We have made no boundary survey of the property and assume no responsibility in connection with such matters. Unless otherwise stated it is assumed that all improvements are, or will be, within the Title boundaries. Any sketch, plan or map included within this report is intended to assist the reader visualise the property and should not be relied upon as being definitive.
4. **Sales/Leasing Evidence** - The sales/leasing evidence quoted within this report has in some instances been obtained through property industry information sources. We have relied upon such information as being accurate.
5. **Consumer Guarantees Act 1993** - Where there is conflict between any statement within this report and the Consumer Guarantees Act 1993, the latter shall prevail.
6. **Plant and Equipment** - Unless otherwise provided in this report, our valuation figures herein exclude any plant or equipment erected on or associated with the property. We have not undertaken engineering inspections or taken advice on any plant and equipment and we therefore take no responsibility for the condition or suitability thereof.
7. **Computer Freehold Registers** - For the purposes of this report, where we have relied upon photocopies of Computer Freehold Registers, this report is issued on the understanding that these are accurate copies and there are no undisclosed changes to the documents or dealings that have not been advised to us.

Where copies of Computer Freehold Registers have not been sighted by us, this valuation is on the basis that the documents contain no matters or reveal details that may materially affect value. In that eventuality, we reserve the right to reconsider our report findings.
8. **Leases and Rentals** - For the purposes of this report, where we have relied upon photocopies of leases, this report is issued on the understanding that these are accurate copies and there are no undisclosed changes or dealings that have not been advised to us.

Unless otherwise stated, it is assumed that all lease rentals referred to in this report are being paid in full and when due and payable under the terms and conditions of any lease contract. Further, it is assumed that all lease rents referred to in this report represent the rental arrangement stipulated in the relevant leases, to the extent that such rents have not been pre-paid, abated, rebated, or inflated to reflect extraordinary or undisclosed circumstances.

It is assumed that the lessee and lessor will continue to perform their respective obligations under any lease relevant to this report.

Where no leases have been sighted by us, this valuation is on the basis that the documents contain no clauses or conditions that may materially affect value. In that eventuality, we reserve the right to reconsider our report findings.
9. **Buildings** - Where applicable, our valuation includes those items which form part of the building including special wall and floor finishes, toilet amenities, integrated heating and ventilation equipment, external lighting, and all site works including landscaping. Unless otherwise advised, we have excluded all tenant's improvements from our assessment of value.

10.	<p>Structural, Services, and Pests - This report does not include a structural survey and while due care was taken to note building defects in the course of our inspection, no structural survey was made and accordingly, no guarantee is given in respect of rot, termite or pest infestation or other defects.</p> <p>For the purpose of this Report, during our inspection and Valuation, it has been assumed hot and cold water systems, electrical systems, lifts, ventilation systems and other devices, fittings and conveniences as are provided to the buildings are in working order and functioning to the standard required by any government/local government regulations or codes for the purpose for which they were designed. Accordingly, no responsibility is accepted concerning any of the above subsequently found defective or malfunctioning.</p>
11.	<p>Contamination - Substances such as asbestos, chemicals, toxic waste, or other potentially hazardous materials, could, if present, adversely affect the value of the property. Unless otherwise stated, any value estimates within this report are on the assumption that there is no material on or in or under the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial costs. This report does not constitute an environmental audit and in the preparation of this document, no account has been taken of the effect on value due to contamination or pollution.</p>
12.	<p>Projections - Future rental rates, expense costs and property values will be determined by market forces applicable at the time. Where figures are provided within this report in analytical or forecast nature, such are not a representation of a known or guaranteed future position.</p>
13.	<p>LIM/PIM - Unless otherwise advised within this report, this valuation has been completed without the benefit of obtaining a Local Authority Land Information Memorandum (LIM) or Property Information Memorandum (PIM) and it is assumed that such memorandums would not disclose information which is detrimental to the property or its value.</p>
14.	<p>GST - All financial data and valuation conclusions contained within this report is exclusive of Goods and Services Tax unless otherwise stated.</p> <p>In accordance with PINZ Guidance Notes, all non-residential valuations are on the basis of plus GST (if any). Valuations of residential property are stated as including GST (if any).</p>
15.	<p>Mortgage Recommendation - Unless otherwise stated, a mortgage recommendation has not been requested by the client and is not included within this report.</p>
16.	<p>General - No responsibility is assumed for legal matters, questions of survey, Resource Management, opinions of Title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters which might render the property more or less valuable than as stated herein.</p>
17.	<p>Report Ownership - Until payment in full is received by us this report remains the property of Colliers International Valuation (ChCh) Limited. We reserve the right to withdraw use and/or reliance upon this report until such payment obligation has been met.</p>
18.	<p>Tenants Property - Fixtures and fittings owned by any Tenant within the property and capable of being removed are excluded from our valuation.</p>
19.	<p>Valuation Basis - Unless otherwise stated no allowances are made in our valuation for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.</p>
20.	<p>Conflicts of Interest - Personnel in this firm may have stocks, shares or other interests in entities that directly or indirectly hold properties which may be the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. Colliers' valuers are required to abide by an industry standard disclosure regime and Colliers internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in their capacity as valuer concerning the property which is the subject of this valuation.</p>
21.	<p>Photocopies - In preparing the valuation, we have relied on photocopies of the Computer Freehold Register and leases provided. Unless otherwise advised it has been assumed that these are accurate copies of the original documents and that no dealings or changes have occurred since the date such photocopies were made.</p>

APPENDIX 2

Analysis Summary



Sales Evidence

Wigram Skies - Sales Data				
Stage	Lot #	Area	Sale Price	Rate Per (m ²)
5V	Lot 504	459	204,000	\$ 444.44
5V	Lot 647	468	210,000	\$ 448.72
5V	Lot 648	468	211,000	\$ 450.85
5V	Lot 651	468	211,000	\$ 450.85
5V	Lot 652	468	211,000	\$ 450.85
5X	Lot 481	471	216,000	\$ 458.60
5V	Lot 661	472	211,999	\$ 449.15
5V	Lot 657	474	211,999	\$ 447.26
5V	Lot 662	474	211,999	\$ 447.26
5V	Lot 658	477	212,000	\$ 444.44
5U	Lot 345	479	211,999	\$ 442.59
5Y	Lot 671	483	213,000	\$ 440.99
5Y	Lot 586	484	205,000	\$ 423.55
5X	Lot 474	490	219,000	\$ 446.94
5Y	Lot 487	491	215,000	\$ 437.88
5Y	Lot 490	492	204,250	\$ 415.14
5Y	Lot 669	494	213,000	\$ 431.17
5X	Lot 709	504	225,000	\$ 446.43
5Y	Lot 670	504	215,000	\$ 426.59
5U	Lot 340	505	225,000	\$ 445.54
5Y	Lot 672	506	215,000	\$ 424.90
5Y	Lot 712	506	215,000	\$ 424.90
5Y	Lot 673	508	215,000	\$ 423.23
5Y	Lot 619	509	216,000	\$ 424.36
5Z	Lot 700	510	209,000	\$ 409.80
5Y	Lot 486	511	205,200	\$ 401.57
5Y	Lot 667	513	217,000	\$ 423.00
5Y	Lot 666	515	217,000	\$ 421.36
5Y	Lot 668	515	217,000	\$ 421.36
5Z	Lot 697	518	209,999	\$ 405.40
5V	Lot 656	519	213,999	\$ 412.33
5Z	Lot 694	520	209,000	\$ 401.92
5U	Lot 346	524	216,999	\$ 414.12
5Y	Lot 484	524	216,000	\$ 412.21
5U	Lot 339	525	222,000	\$ 422.86
5Z	Lot 690	525	225,000	\$ 428.57
5V	Lot 653	528	213,999	\$ 405.30
5W	Lot 479	531	225,000	\$ 423.73
5Y	Lot 492	532	220,000	\$ 413.53
5Y	Lot 493	532	220,000	\$ 413.53
5Z	Lot 699	532	209,999	\$ 394.74
5X	Lot 494	536	225,000	\$ 419.78
5U	Lot 384	537	219,000	\$ 407.82
5Y	Lot 491	538	218,000	\$ 405.20
5Z	Lot 693	539	210,000	\$ 389.61
5Z	Lot 701	539	206,000	\$ 382.19
5X	Lot 495	540	229,000	\$ 424.07
5X	Lot 708	540	229,000	\$ 424.07
5T	Lot 398	543	227,000	\$ 418.05
5Y	Lot 607	544	215,000	\$ 395.22
5T	Lot 396	545	225,000	\$ 412.84
5U	Lot 382	545	220,000	\$ 403.67
5V	Lot 655	547	229,000	\$ 418.65
5Y	Lot 606	547	217,000	\$ 396.71
5Y	Lot 516	549	222,000	\$ 404.37
5W	Lot 498	550	220,000	\$ 400.00
5Y	Lot 620	550	219,000	\$ 398.18
5Y	Lot 622	550	212,000	\$ 385.45
5U	Lot 381	551	220,999	\$ 401.09
5U	Lot 385	551	221,000	\$ 401.09
5Y	Lot 517	551	220,000	\$ 399.27
5Y	Lot 609	551	220,000	\$ 399.27
5Z	Lot 664	551	223,999	\$ 406.53
5Y	Lot 618	552	217,000	\$ 393.12
5Z	Lot 682	552	222,000	\$ 402.17
5T	Lot 395	554	225,000	\$ 406.14
5V	Lot 637	554	216,999	\$ 391.70
5X	Lot 710	555	226,000	\$ 407.21
5T	Lot 393	557	225,500	\$ 404.85
5S	Lot 311	558	226,000	\$ 405.02
5W	Lot 514	558	217,000	\$ 388.89
5Y	Lot 589	558	221,500	\$ 396.95
5Y	Lot 603	558	213,000	\$ 381.72
5Y	Lot 604	558	213,000	\$ 381.72
5Y	Lot 605	558	218,000	\$ 390.68
5Y	Lot 610	558	216,000	\$ 387.10

Stage	Lot #	Area	Sale Price	Rate Per (m2)
5Y	Lot 611	558	221,000	\$ 396.06
5U	Lot 349	559	229,000	\$ 409.66
5U	Lot 353	559	229,000	\$ 409.66
5V	Lot 643	559	216,000	\$ 386.40
5T	Lot 386	560	231,000	\$ 412.50
5T	Lot 394	560	226,000	\$ 403.57
5S	Lot 310	561	226,000	\$ 402.85
5Z	Lot 689	561	226,000	\$ 402.85
5T	Lot 389	562	228,000	\$ 405.69
5Y	Lot 489	562	217,000	\$ 386.12
5Y	Lot 571	562	214,500	\$ 381.67
5V	Lot 645	563	223,999	\$ 397.87
5Y	Lot 616	563	222,000	\$ 394.32
5V	Lot 641	564	221,999	\$ 393.62
5W	Lot 497	564	222,000	\$ 393.62
5S	Lot 318	565	227,000	\$ 401.77
5U	Lot 351	565	229,000	\$ 405.31
5V	Lot 635	565	218,000	\$ 385.84
5X	Lot 475	565	234,000	\$ 414.16
5Y	Lot 574	568	218,000	\$ 383.80
5U	Lot 383	569	221,999	\$ 390.16
5Y	Lot 570	569	214,500	\$ 376.98
5Y	Lot 624	570	213,000	\$ 373.68
5Y	Lot 593	573	220,000	\$ 383.94
5Y	Lot 615	575	223,000	\$ 387.83
5X	Lot 476	576	238,000	\$ 413.19
5V	Lot 631	577	216,000	\$ 374.35
5Y	Lot 584	578	213,000	\$ 368.51
5V	Lot 633	579	211,999	\$ 366.15
5Y	Lot 583	579	213,000	\$ 367.88
5V	Lot 636	580	218,999	\$ 377.58
5X	Lot 711	581	228,000	\$ 392.43
5S	Lot 319	582	230,000	\$ 395.19
5W	Lot 513	583	219,000	\$ 375.64
5Y	Lot 590	583	222,000	\$ 380.79
5Y	Lot 596	583	220,000	\$ 377.36
5Y	Lot 575	584	218,500	\$ 374.14
5Z	Lot 691	584	227,000	\$ 388.70
5V	Lot 638	585	218,999	\$ 374.36
5W	Lot 500	585	218,000	\$ 372.65
5W	Lot 501	585	218,000	\$ 372.65
5Y	Lot 581	585	213,000	\$ 364.10
5Y	Lot 600	585	216,000	\$ 369.23
5W	Lot 380	587	228,000	\$ 388.42
5Z	Lot 686	587	224,000	\$ 381.60
5Y	Lot 568	588	215,500	\$ 366.50
5Y	Lot 569	588	215,500	\$ 366.50
5Y	Lot 577	588	218,500	\$ 371.60
5Y	Lot 578	588	218,500	\$ 371.60
5Z	Lot 679	588	227,000	\$ 386.05
5X	Lot 477	589	236,000	\$ 400.68
5Z	Lot 684	589	223,999	\$ 380.30
5Y	Lot 602	591	215,000	\$ 363.79
5V	Lot 628	592	225,000	\$ 380.07
5V	Lot 654	592	229,000	\$ 386.82
5Y	Lot 614	592	214,000	\$ 361.49
5Y	Lot 591	593	224,000	\$ 377.74
5W	Lot 502	595	217,000	\$ 364.71
5W	Lot 483	596	225,000	\$ 377.52
5Z	Lot 692	596	229,000	\$ 384.23
5S	Lot 317	597	227,000	\$ 380.23
5V	Lot 506	597	206,000	\$ 345.06
5W	Lot 478	597	230,000	\$ 385.26
5S	Lot 313	598	218,000	\$ 364.55
5S	Lot 314	598	218,000	\$ 364.55
5T	Lot 397	598	230,000	\$ 384.62
5Y	Lot 573	598	218,000	\$ 364.55
5Z	Lot 688	598	228,000	\$ 381.27
5S	Lot 315	599	218,000	\$ 363.94
5V	Lot 629	599	222,000	\$ 370.62
5T	Lot 390	600	230,000	\$ 383.33
5V	Lot 519	600	230,000	\$ 383.33
5V	Lot 522	600	230,000	\$ 383.33
5W	Lot 480	600	229,000	\$ 381.67
5Y	Lot 582	600	214,500	\$ 357.50
5Y	Lot 592	600	223,000	\$ 371.67
5Y	Lot 597	600	217,000	\$ 361.67
5Y	Lot 598	600	217,000	\$ 361.67
5Y	Lot 599	600	217,000	\$ 361.67

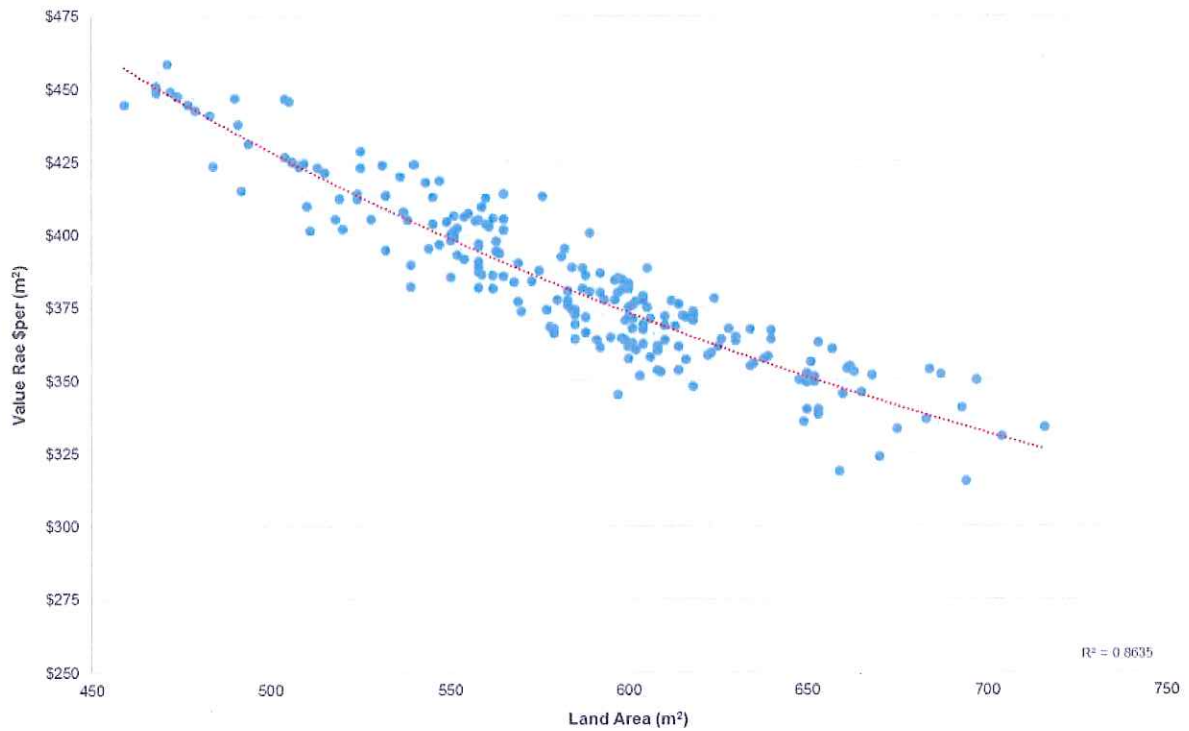
Stage	Lot #	Area	Sale Price	Rate Per (m2)
5Z	Lot 663	600	229,000	\$ 381.67
5Z	Lot 683	600	225,000	\$ 375.00
5T	Lot 388	601	226,000	\$ 376.04
5V	Lot 644	601	223,000	\$ 371.05
5Y	Lot 518	601	221,000	\$ 367.72
5Y	Lot 567	601	218,000	\$ 362.73
5U	Lot 344	602	227,000	\$ 377.08
5Y	Lot 579	602	217,000	\$ 360.47
5Z	Lot 695	603	212,000	\$ 351.58
5Z	Lot 698	603	212,000	\$ 351.58
5S	Lot 309	604	228,000	\$ 377.48
5S	Lot 316	604	219,000	\$ 362.58
5V	Lot 508	604	222,000	\$ 367.55
5W	Lot 510	604	229,000	\$ 379.14
5Y	Lot 608	604	223,000	\$ 369.21
5S	Lot 312	605	227,000	\$ 375.21
5T	Lot 387	605	235,000	\$ 388.43
5U	Lot 338	606	225,000	\$ 371.29
5Y	Lot 572	606	217,000	\$ 358.09
5Y	Lot 576	608	219,000	\$ 360.20
5Y	Lot 613	608	215,000	\$ 353.62
5Y	Lot 660	608	220,000	\$ 361.84
5Z	Lot 696	609	215,000	\$ 353.04
5S	Lot 325	610	227,000	\$ 372.13
5W	Lot 509	610	225,000	\$ 368.85
5Y	Lot 587	610	222,000	\$ 363.93
5U	Lot 350	612	231,000	\$ 377.45
5Z	Lot 687	613	226,000	\$ 368.68
5V	Lot 642	614	217,000	\$ 353.42
5W	Lot 482	614	231,000	\$ 376.22
5Y	Lot 515	614	222,000	\$ 361.56
5U	Lot 342	615	229,000	\$ 372.36
5Y	Lot 612	616	220,000	\$ 357.14
5Y	Lot 675	616	229,000	\$ 371.75
5U	Lot 352	618	230,999	\$ 373.79
5U	Lot 354	618	230,000	\$ 372.17
5Y	Lot 485	618	215,000	\$ 347.90
5Y	Lot 677	618	229,000	\$ 370.55
5Y	Lot 588	622	223,000	\$ 358.52
5V	Lot 640	623	224,000	\$ 359.55
5T	Lot 391	624	236,000	\$ 378.21
5S	Lot 323	625	226,000	\$ 361.60
5S	Lot 324	626	228,000	\$ 364.22
5U	Lot 341	628	231,000	\$ 367.83
5Y	Lot 678	630	230,000	\$ 365.08
5Z	Lot 685	630	229,000	\$ 363.49
5W	Lot 499	634	233,000	\$ 367.51
5Y	Lot 594	634	225,000	\$ 354.89
5S	Lot 320	635	226,000	\$ 355.91
5Z	Lot 680	638	227,999	\$ 357.37
5U	Lot 347	639	229,000	\$ 358.37
5U	Lot 343	640	233,000	\$ 364.06
5U	Lot 348	640	235,000	\$ 367.19
5S	Lot 322	648	227,000	\$ 350.31
5V	Lot 634	649	218,000	\$ 335.90
5V	Lot 496	650	220,999	\$ 340.00
5V	Lot 632	650	227,000	\$ 349.23
5Y	Lot 595	650	229,000	\$ 352.31
5V	Lot 626	651	232,000	\$ 356.37
5S	Lot 321	652	229,000	\$ 351.23
5V	Lot 627	652	227,999	\$ 349.69
5T	Lot 392	653	237,000	\$ 362.94
5Y	Lot 580	653	222,000	\$ 339.97
5Y	Lot 601	653	221,000	\$ 338.44
5V	Lot 520	657	236,999	\$ 360.73
5V	Lot 521	657	236,999	\$ 360.73
5V	Lot 639	659	209,999	\$ 318.66
5Z	Lot 681	660	227,999	\$ 345.45
5V	Lot 503	661	234,000	\$ 354.01
5Y	Lot 676	662	235,000	\$ 354.98
5W	Lot 512	663	234,000	\$ 352.94
5V	Lot 630	665	230,000	\$ 345.86
5V	Lot 625	668	235,000	\$ 351.80
5Y	Lot 488	670	217,000	\$ 323.88
5V	Lot 646	675	225,000	\$ 333.33
5Y	Lot 621	683	230,000	\$ 336.75
5V	Lot 665	684	242,000	\$ 353.80
5V	Lot 659	687	242,000	\$ 352.26
5Y	Lot 674	693	236,000	\$ 340.55

Stage	Lot #	Area	Sale Price	Rate Per (m2)
5Y	Lot 623	694	219,000	\$ 315.56
5V	Lot 649	697	243,999	\$ 350.07
5V	Lot 650	697	243,999	\$ 350.07
5Y	Lot 617	704	233,000	\$ 330.97
5W	Lot 511	716	239,000	\$ 333.80

Analysis

Wigram Skies Area	Best Fit Trend Line Value	Rate psm	Marginal Area (m ²)	Marginal Value	Marginal Rate	%
450	\$ 208,905	\$ 464.23				
500	\$ 214,300	\$ 428.60	50	\$ 5,395	\$107.90	23.24%
550	\$ 219,300	\$ 398.73	100	\$ 10,395	\$103.95	22.39%
600	\$ 223,967	\$ 373.28	150	\$ 15,062	\$100.41	21.63%
650	\$ 228,348	\$ 351.30	200	\$ 19,443	\$ 97.21	20.94%
700	\$ 232,480	\$ 332.11	250	\$ 23,575	\$ 94.30	20.31%
750	\$ 236,394	\$ 315.19	300	\$ 27,489	\$ 91.63	19.74%

Land Area by Value Level
Wigram Skies



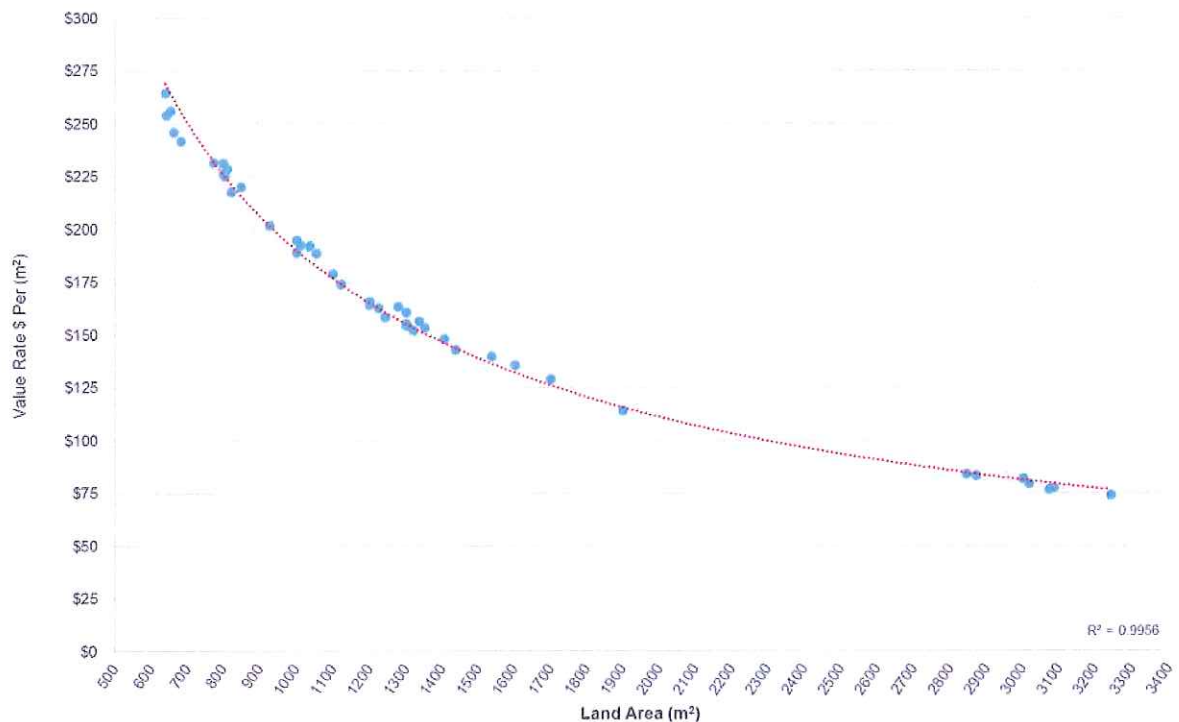
Sales Evidence

Preston Downs Sales			
Stage	Lot #	Sale Price	Rate Per (m ²)
Lot 37	639	169,000	\$ 264.48
Lot 27	641	163,000	\$ 254.29
Lot 38	652	167,000	\$ 256.13
Lot 44	662	163,000	\$ 246.22
Lot 43	682	165,000	\$ 241.94
Lot 47	773	179,000	\$ 231.57
Lot 10	800	181,000	\$ 226.25
Lot 78	800	185,000	\$ 231.25
Lot 9	804	181,000	\$ 225.12
Lot 7	810	185,000	\$ 228.40
Lot 60	822	179,000	\$ 217.76
Lot 39	850	187,000	\$ 220.00
Lot 11	927	187,000	\$ 201.73
Lot 26	1,000	195,000	\$ 195.00
Lot 74	1,000	189,000	\$ 189.00
Lot 25	1,012	195,000	\$ 192.69
Lot 65	1,036	199,000	\$ 192.08
Lot 51	1,054	199,000	\$ 188.80
Lot 40	1,100	197,000	\$ 179.09
Lot 70	1,121	195,000	\$ 173.95
Lot 54	1,200	199,000	\$ 165.83
Lot 55	1,200	199,000	\$ 165.83
Lot 56	1,200	199,000	\$ 165.83
Lot 67	1,200	199,000	\$ 165.83
Lot 69	1,200	199,000	\$ 165.83
Lot 71	1,200	197,000	\$ 164.17
Lot 68	1,224	199,000	\$ 162.58
Lot 21	1,243	197,000	\$ 158.49
Lot 53	1,278	209,000	\$ 163.54
Lot 19	1,300	201,000	\$ 154.62
Lot 66	1,300	209,000	\$ 160.77
Lot 41	1,301	202,000	\$ 155.27
Lot 22	1,305	201,000	\$ 154.02
Lot 20	1,320	201,000	\$ 152.27
Lot 52	1,336	209,000	\$ 156.44
Lot 4	1,351	207,000	\$ 153.22
Lot 17	1,405	208,000	\$ 148.04
Lot 23	1,436	205,000	\$ 142.76
Lot 143	1,537	215,000	\$ 139.88
Lot 2	1,602	217,000	\$ 135.46
Lot 1	1,700	219,000	\$ 128.82
Lot 24	1,900	217,000	\$ 114.21
Lot 139	2,845	239,000	\$ 84.01
Lot 137	2,871	239,000	\$ 83.25
Lot 29	3,000	245,000	\$ 81.67
Lot 30	3,000	245,000	\$ 81.67
Lot 32	3,016	239,000	\$ 79.24
Lot 35	3,072	235,000	\$ 76.50
Lot 31	3,085	239,000	\$ 77.47
Lot 36	3,241	239,000	\$ 73.74

Analysis

Preston Downs Area	Best Fit Trend Line Value	Rate psm	Marginal Area (m ²)	Marginal Value	Marginal Rate	%
600	\$169,921	\$ 283.20				
700	\$175,950	\$ 251.36	100	6,028	\$ 60.28	21.29%
800	\$181,340	\$ 226.68	200	11,419	\$ 57.10	20.16%
900	\$186,232	\$ 206.92	300	16,311	\$ 54.37	19.20%
1,000	\$190,720	\$ 190.72	400	20,799	\$ 52.00	18.36%
1,100	\$194,873	\$ 177.16	500	24,952	\$ 49.90	17.62%
1,200	\$198,743	\$ 165.62	600	28,822	\$ 48.04	16.96%
1,300	\$202,371	\$ 155.67	700	32,449	\$ 46.36	16.37%
1,400	\$205,789	\$ 146.99	800	35,867	\$ 44.83	15.83%
1,500	\$209,023	\$ 139.35	900	39,101	\$ 43.45	15.34%
1,600	\$212,094	\$ 132.56	1,000	42,172	\$ 42.17	14.89%
1,700	\$215,020	\$ 126.48	1,100	45,098	\$ 41.00	14.48%
1,800	\$217,815	\$ 121.01	1,200	47,894	\$ 39.91	14.09%
1,900	\$220,493	\$ 116.05	1,300	50,572	\$ 38.90	13.74%
2,000	\$223,064	\$ 111.53	1,400	53,143	\$ 37.96	13.40%
2,100	\$225,537	\$ 107.40	1,500	55,616	\$ 37.08	13.09%
2,200	\$227,921	\$ 103.60	1,600	58,000	\$ 36.25	12.80%
2,300	\$230,222	\$ 100.10	1,700	60,301	\$ 35.47	12.52%
2,400	\$232,447	\$ 96.85	1,800	62,526	\$ 34.74	12.27%
2,500	\$234,602	\$ 93.84	1,900	64,680	\$ 34.04	12.02%
2,600	\$236,690	\$ 91.03	2,000	66,769	\$ 33.38	11.79%
2,700	\$238,718	\$ 88.41	2,100	68,796	\$ 32.76	11.57%
2,800	\$240,688	\$ 85.96	2,200	70,767	\$ 32.17	11.36%
2,900	\$242,604	\$ 83.66	2,300	72,683	\$ 31.60	11.16%
3,000	\$244,470	\$ 81.49	2,400	74,549	\$ 31.06	10.97%
3,100	\$246,289	\$ 79.45	2,500	76,367	\$ 30.55	10.79%
3,200	\$248,062	\$ 77.52	2,600	78,141	\$ 30.05	10.61%
3,300	\$249,793	\$ 75.69	2,700	79,872	\$ 29.58	10.45%
3,400	\$251,484	\$ 73.97	2,800	81,563	\$ 29.13	10.29%

Land Area by Value Level
Preston Downs





Attachment H

Colliers Valuation Report 19 May – Rural land

Valuation Consultancy Report

Waimakariri District Residential Red Zone
Kaiapoi

Waimakariri District Council
C/- Planning Matters Ltd
Private Bag 1005, Rangiora 7440
Attention: Rachel McClung & Andrew Willis

As at Date: 8 May 2016

Ref: 1672

Report Date: 19 May 2016

Instructions

Instructing Party	Reliant Party(s)	Waimakariri District Council & Planning Matters Ltd
Rachel McClung Waimakariri District Council C/- Andrew Willis Planning Matters Ltd	Registered Proprietor	Her Majesty the Queen
	Purpose of Report	Valuation advice on proposed lease or purchase of rural land in the Waimakariri Residential Red Zone
	Interest Valued	Fee Simple Estate
	Date of Valuation	8 May 2016
	Date of Inspection	8 May 2016

Executive Summary

The Canterbury earthquakes of 2010 and 2011 resulted in significant land damage in Kaiapoi, resulting in a 'red zone' classification of nearly 100 hectares, the majority of which were residential. The Government has since purchased over 1,000 private properties in Kaiapoi, Pines Beach and Kairaki. The Waimakariri District Council released a Preliminary Draft Waimakariri Red Zone Recovery Plan in February 2016, which explored the opportunities for the long term use of the Waimakariri red zone land. The Waimakariri red zone land has been divided into five regeneration areas.

We have been asked to provide advice on the likely market return and demand for rural land activities within the identified rural areas of the Kaiapoi South and Kaiapoi East regeneration areas. The land identified as suitable for rural land activities totals approximately 30.4 hectares, comprising approximately 11 hectares identified as Area 5 in the Kaiapoi South Regeneration area and 19.4 hectares identified as Areas 12 and 13 in the Kaiapoi East Regeneration area.

We consider that if the land was to be sold, the highest and best use of the two blocks would be disposal of 4 hectare bareland blocks, each with a remediated building site. We anticipate that these lifestyle blocks would each fetch between \$375,000 and \$400,000, including GST. This option is contingent upon the feasibility and economics of providing a remediated dwelling site to each of the four hectare blocks.

Should retaining the land be favoured, we consider that the land is suitable for a range of rural land uses including, cattle grazing, horse grazing, hay and silage making, arable cropping and community gardens. We consider that the next best alternative use is to lease Areas 5, 12 and 13 for cattle grazing. We anticipate that the annual rental for this utilisation of the land is in the vicinity of \$500 per hectare, with the lessee responsible for paying rates, provided they are struck relating to a rural use of the property.

Valuer



Primary Valuer

GREG PETERSEN / BComAg(VFM), ANZIV, SPINZ
Registered Valuer, Associate Director

Direct: +64 3 385 4022
Mobile: +64 21 991 348
Email: greg.petersen@colliers.com
Date: 19 May 2016

This report has been verified by Praveen Menon, **Associate Director | Rural & Agribusiness**

NOTE: This Executive Summary must be read in conjunction with the attached report and the details contained therein.

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Appendices

- A. Terms of Engagement and Scope of Works
- B. Quality Control and Valuation Policies

1 Introduction

Instructing Party	Andrew Willis, Planning Matters Ltd on behalf of Rachel McClung, Waimakariri District Council
Date of Instruction	4 May 2016

Table 1: Instructions

1.1 Instructions

1. Acting on instructions received from Andrew Willis of Planning Matters Ltd, on behalf of the Waimakariri District Council, we have been asked to provide a report on the likely market return and demand for rural activities within Areas 5, 12 and 13 of the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan.
2. A copy of the Scope of Work is attached at Appendix A and we confirm this meets the requirements of the International Valuation Standards 2013 (IVS 101 Scope of Work).
3. We confirm that the individual valuers who are signatories to this report are experienced in the location and category of the property valued.

1.2 Purpose of Report

4. We confirm that this report has been prepared to assist the Waimakariri District Council assess the rural land use potential of Areas 5, 12 and 13 within the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan.

1.3 Information Sources

5. Our valuation conclusions have been reached after reviewing documentation and information provided by representatives of the registered proprietor. The information reviewed and supplied includes, although is not limited to, the following:
 - Preliminary Draft Waimakariri Red Zone Recovery Plan;
 - Current planning scheme details;
 - Our onsite recording of property details including topography, pasture types, land system details, and particulars of items including but not limited to fencing, waters, structures and livestock handling facilities;
 - Other relevant information.

1.4 Date of Valuation

6. 8 May 2016 based upon our inspection of the same date. Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the date of valuation, which has been based on appropriate assumptions determined as at the date of signing of this report.

1.5 Quality Assurance

7. Crighton Anderson Property and Infrastructure now trading as Colliers International, was the first valuation practice accredited under the Property Institute of New Zealand's quality assurance program (QAAS). Established in 2011, the scheme supports firms in their adherence to professional standards. Customers and stakeholders can have confidence that an accredited firm has policies and processes in place to support best practice, as well as having had their valuation processes peer reviewed.

2 Kaiapoi South Regeneration Area 5

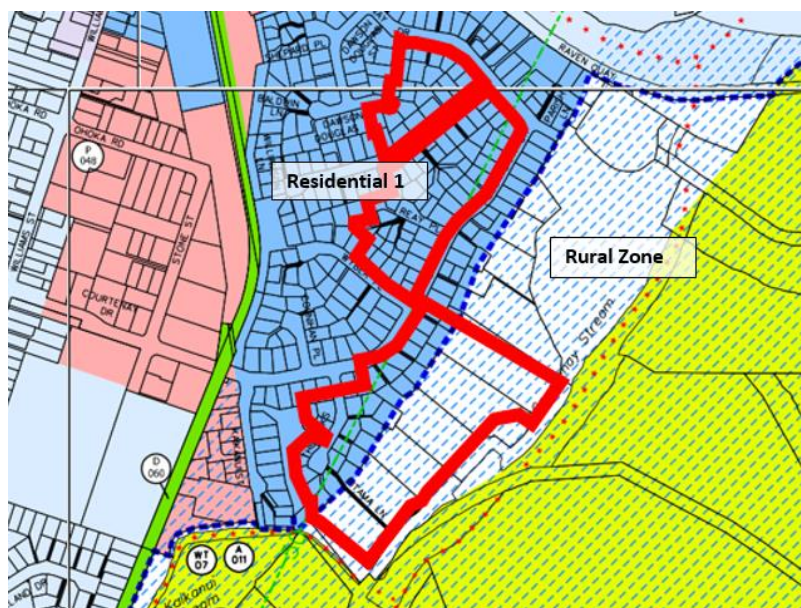
8. The Kaiapoi South Regeneration Area comprises approximately 11 hectares and is split into three separate blocks by Courtenay Drive and Charters Street. The land shaded beige and labelled #5 on the map below:



9. The land formerly comprised individual residential properties together with some larger rural residential parcels in the southern block near the Courtenay Stream.

2.1 District Council Zoning

10. The land on the western side of Courtenay Drive is zoned Residential 1 under the Waimakariri District Plan. The land immediately fronting the eastern side of Courtenay Drive is also zoned Residential 1, with the land further to east being within the Rural zone. The Rural zone land has also been identified as being within a Localised Flooding Area. We understand that the Residential 1 zoning of the majority of the land does preclude a non-intensive rural use of the land.



2.2 Regional Plan

11. The subject property is located within the Ashley-Waimakariri Nutrient Allocation Zone and is included within the Waimakariri Sub Regional Chapter. The Ashley-Waimakariri Nutrient Allocation Zone Allocation Zone is a Red Zone. Within the Red Zone there is no capacity for the zone to absorb more nitrogen. Farming is a permitted activity within the Red Zone provided that:
 - The nitrogen loss calculation does not exceed 20 kg/ha/yr
 - The nitrogen loss calculation does not increase above the nitrogen baseline

2.3 Topography

12. The two blocks with access to Charters Street both have a level contour, whilst the southern block adjoining The Oaks has a level contour adjoining the Courtenay Drive frontage with the balance of the block sitting at a slightly lower elevation toward the Courtenay Drive Esplanade Reserve and the Courtenay Stream. This lower land has been identified in the District Plan as at risk from flooding.

2.4 Soils

13. According to the Landcare Research online S-Maps series, all three blocks within the Kaiapoi South Regeneration area have Kaiapoi deep to moderately deep silty loam soils. These are a stoneless soil, imperfectly drained soil, with a high water holding capacity. This soil type is considered to have a low drought vulnerability and could be suited to dryland arable cropping or grazing.
14. During our site inspection we noted that land adjoining Courtenay Drive appeared stoney and compacted which is a departure from the Kaiapoi silty loam description. This may limit the appeal of the land for cropping.
15. The Preliminary Draft Waimakariri Residential Red Zone Recovery Plan identifies that due to the historic use of the land within the Kaiapoi South Regeneration Area, the area may contain contaminated soil. We have searched the Environment Canterbury Listed Land Use Register and cannot find any records of contaminated land. We have made this report on the basis that the land is suitable for grazing and arable farming.

2.5 Land Cover & Improvements

16. The land has post and wire perimeter fencing with no other improvements. Land cover is limited to some recently direct drilled pasture and weed species. We did not notice the provision of stock water or troughs. A number of shrubs and trees are still present on the property which may reduce the appeal of the block for hay making and cultivation.
17. The photos below illustrate the current state of the land:



2.6 Adjoining Land Use

18. The two northern blocks adjoin existing residential properties on Wyber Place, Charters Street and Dawson Douglas Place. The Regeneration Plan identifies a Recreation and Ecological Linkage running between Wyber Place, Charters Street and Dawson Douglas Place, a thin strip between the existing residential land and the proposed rural activities on the subject land.
19. A Recreation and Ecological linkage borders northern and eastern boundaries of the southern block, with The Oaks Reserve to the south. A dairy farm is situated to the east of the southern block, on the opposite side of the Courtenay Stream. Whilst direct access between the dairy farm and southern block is unlikely due to the stream, the Courtenay Drive Esplanade Reserve and the Recreation and Ecological linkage strip, the proximity of the dairy farm may still provide opportunities for grazing young stock and dry cows on the subject land.
20. Beyond The Oaks Reserve to the south of the southern block, there is mixed cropping and grazing land.



2.7 Land Use Potential

21. The subject land is currently dryland with no water available for irrigation. Consent will have to be sought from the Canterbury Regional Council for the property to source water for irrigation purposes. On this basis we have considered the land use potential of the subject land on a dryland basis.

22. Within the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan the Kaiapoi South Regeneration Area has been identified for rural use, with the exception of intensive farming. We have adopted the Waimakariri District Plan definition of intensive farming below:

Intensive Farming means the production of plant and animal produce, where the predominant productive process are not dependent on the soil characteristics of the site on which it is situated. Process may involve: poultry, pig, rabbit, fitch and opossum; production of compost; mushroom farming; and feedlots for commercial livestock such as cattle. It excludes those activities where production requires pasture or ground cover to be maintained, glasshouses and horticulture.

23. The description of Area 5 within the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan also specifies that farming activities that have the potential to create adverse amenity effects on adjoining residential areas, cannot be established. For this reason together with the relatively small land area, the physical separation of the Courtenay Stream, the Esplanade Reserve and the proposed Recreation and Ecological Linkage, we have ruled out dairying as a potential land use.
24. The Localised Flooding Area identified in the District Plan limits the use of the Rural zoned land for glasshouses.
25. Given the constraints of the land as noted above we consider that Area 5 may be suitable for the following rural activities:
- Lifestyle
 - Sheep and cattle grazing
 - Horse grazing
 - Hay and silage making
 - Arable cropping
 - Community gardens
26. We discuss each of the following land use options below.

2.7.1 Lifestyle

27. Area 5 may have potential to be sold as three lifestyle properties. The three blocks comprising Area 5, provide the natural boundaries of each of the three lifestyle blocks, with the land areas of each of the parcels ranging between 1.7 through to 6.7 hectares. We consider that there will be strong demand for these properties given the appeal of maintaining a rural lifestyle within close proximity of the amenities offered by Kaiapoi.
28. The following table illustrates recent sales evidence of bareland lifestyle properties within the wider Kaiapoi and Waimakariri locality:

Address	Sale Date	Land Area	Sale Price	Site Value	Residual LV/ha
46 Norris Rd, Swannanoa	26-Jan-16	0.4421	\$235,000	\$235,000	-
58 Norris Dr, Swannanoa	15-Dec-15	0.4421	\$237,500	\$237,500	-
13 Northside Dr, Waikuku Beach	3-Jul-15	0.4505	\$230,000	\$230,000	-
6 Warwick Rd, Swannanoa	11-Jul-15	0.4521	\$245,000	\$245,000	-
38 Hampton Dr, Swannanoa	11-Aug-15	0.4947	\$239,000	\$239,000	-
933 Tram Rd, Ohoka	23-Sep-15	0.5000	\$250,000	\$250,000	-
45 Norris Dr, Swannanoa	14-Jan-16	0.6206	\$240,000	\$237,500	\$20,730
29 Joy Pl, Swannanoa	13-Sep-15	0.8562	\$252,000	\$245,000	\$19,652
55 Turiwhaia Rd, Woodend	16-Nov-15	3.0326	\$200,000	\$150,000	\$19,743
664 NO 10 Rd, Swannanoa	26-Nov-15	4.0000	\$325,000	\$250,000	\$21,429
447 Oxford Rd, Fernside	7-Jul-15	4.0009	\$300,000	\$225,000	\$21,423
1127 South Eyre Rd, Swannanoa	22-Feb-16	4.0090	\$305,000	\$235,000	\$19,949
151 Easterbrook Rd, Fernside	12-Nov-15	4.0100	\$350,000	\$275,000	\$21,368
171 Raddens Rd, Ohoka	4-Sep-15	4.0637	\$415,000	\$315,000	\$28,061
189 Flaxton Rd, Fernside	18-Dec-15	4.1200	\$375,000	\$300,000	\$20,718
64 Easterbrook Rd, Fernside	18-Jun-15	4.3270	\$323,000	\$250,000	\$19,075
36B Island Rd, Clarkville	3-Sep-15	5.0050	\$410,000	\$300,000	\$24,417
98 Isaac Rd, Eyrewell	14-Sep-15	5.0246	\$295,000	\$200,000	\$20,996
1165 Wolffs Rd, West Eyreton	10-Sep-15	20.2342	\$670,000	\$200,000	\$23,817
334 Mt Thomas Rd, Fernside	15-Jun-15	24.8350	\$1,000,000	\$325,000	\$27,738

29. The above sales illustrate that a site value of \$300,000 including GST, for a 5,000 m² bareland lifestyle parcel is likely to be achieved within Area 5 given its proximity to the amenities offered by Kaiapoi. Whilst a site value of \$300,000 is at the upper end of the sales range above, we consider that the Kaiapoi locality is likely to command a premium site value given its relatively close commuting distance to Christchurch, compared other lifestyle localities elsewhere in the Waimakariri District.
30. The majority of the value of a bareland lifestyle parcel is attributed to the site value, or the right to build upon a parcel. For the purposes of this assessment we have adopted a nominal 5,000 m² site which represents the right to build and establish a residential home upon the land with a rural amenity. Any additional land within a lifestyle property is typically valued on a per hectare rate on par with surrounding rural land uses. We have adopted an additional land value of \$22,500 per hectare. This value is supported by the sales evidence above and also the sale of 78 Doubleday's Road, Kaiapoi, a 104.5824 hectare dairy farm which sold in February 2015 for a total sale price of \$3,657,000 or an analysed land value per hectare of \$22,338 per hectare.
31. The following table represents the likely bareland lifestyle parcel values which could be achieved within Area 5. These values are expressed on an inclusive of GST basis, less the costs of establishing a suitable building site on each block.

Land Area (ha)	Land Value (incl GST)	Site Value (0.5ha)	Additional LV/ha	Area of Additional Land	Value of Additional Land	Overall Value / Ha
0.5	\$300,000	\$300,000	-	-	-	\$600,000
1.0	\$311,250	\$300,000	\$22,500	0.5	\$11,250	\$311,250
2.0	\$333,750	\$300,000	\$22,500	1.5	\$33,750	\$166,875
3.0	\$356,250	\$300,000	\$22,500	2.5	\$56,250	\$118,750
4.0	\$378,750	\$300,000	\$22,500	3.5	\$78,750	\$94,688
5.0	\$401,250	\$300,000	\$22,500	4.5	\$101,250	\$80,250
6.0	\$423,750	\$300,000	\$22,500	5.5	\$123,750	\$70,625
7.0	\$446,250	\$300,000	\$22,500	6.5	\$146,250	\$63,750

2.7.2 Sheep & Cattle Grazing

32. The proximity of Area 5 to the residential areas, means that the surrounding recreational and ecological areas will be popular for dog walking. During our inspection, we noted several dogs walking off leash on and within close proximity of the subject land. Whilst this limits the appeal of the land for sheep grazing, cattle may not be so bothered. Cattle are also likely to be less susceptible to loss from theft.
33. The three blocks have a good standard of perimeter fencing and would require the provision of stock water before the land can be utilised for cattle grazing. The pastures on the land are of mixed quality and may require further improvement especially on those areas formerly occupied by housing.
34. We consider that an underlying demand for cattle grazing is likely to be steady, however some potential lessee's or purchasers of the land are likely to be dissuaded given the proximity of the land to residential dwellings.
35. The property could be equally suited to grazing dairy young stock or beef cattle. The table below illustrates applicable rental evidence of smaller blocks within nearby localities, together with some larger pastoral blocks elsewhere in Canterbury:

Address	Land Area	Land Use	Annual Rental	Rental / Ha
Topito Rd, Tuahiwi	5.6656	Cropping / Grazing	\$3,500	\$618
Topito Rd, Tuahiwi	5.6656	Cropping / Grazing	\$3,200	\$565
Rangiora Woodend Rd, Waikuku	5.723	Cropping / Grazing	\$1,800	\$315
Topito Rd, Tuahiwi	3.2451	Cropping / Grazing	\$1,900	\$585
Rangiora Woodend Rd	5.76	Cropping / Grazing	\$3,950	\$686
Tuahiwi Rd, Tuahiwi	13.2029	Cropping / Grazing	\$8,712	\$660
Greens Rd, Tuahiwi	5.7035	Cropping / Grazing	\$3,823	\$670
Ashley Gorge, Oxford	Unknown	Dairy Support	-	\$670
Pudding Hill, Methven	475	Dairy Support	\$320,150	\$674
Darfield	150	Cropping / Grazing	\$67,500	\$450

36. We envisage that the land could be leased for periods of 3 years to 5 years, at a rate in the vicinity of \$500 per hectare. This equates to an annual lease rate of \$5,500, with the lessee responsible for rates.

2.7.3 Horse Grazing

37. The proximity of Area 5 to the residential areas may create demand for use of the land for horse and pony grazing. The same risks that apply to the use of the land for sheep grazing, also apply to horses, namely disturbance by dogs.
38. Horses will require further subdivision of the land into smaller paddocks together with the provision of stock water. Horse pastures will require regular mucking out and also tend to attract weeds together with greater wear and tear on fences.
39. Demand for horse grazing is likely to be from individuals wanting to graze one to two horses and may result in the requirement to deal with a number of potential lessees of a shorter term duration, compared to one lessee under a cattle grazing scenario. We consider that the land may be able to support one horse per hectare or a total of 12 horses over the 11.9 hectares.
40. Long term horse grazing within Canterbury is typically at the rate of \$25 to \$30 per horse per week, with an expectation that the horses are visited daily, covers removed, and paddocks mucked out. The lower end of our range equates to an annual grazing charge of \$15,600. Although care for the horses is the responsibility of the grazier, a greater level of landowner oversight will be required to ensure that animal welfare standards are maintained, fences kept stock proof and paddocks mucked out. Structures such as a hay shed, stock shelters and tack room may also need to be provided.

2.7.4 Hay & Silage Making

41. Area 5 could also have potential to be utilised for hay and silage making. This would require cultivation of the land with improved pasture species or lucerne. The existing trees and shrubs would increase the difficulty of cultivating and cutting the grass or crop, however this could be a viable option if the land was cleared.

42. The soils appear to be suitable for this type of land use, with their good water holding capacity and stones characteristics. Fertiliser would need to be applied to ensure soil fertility is maintained and enhanced. Hay and silage making would also complement cattle grazing and would attract a similar rental of \$500 per hectare, equating to a total annual rental of \$5,500.
43. An advantage of utilising the land for hay and silage making is that one individual lessee would be responsible for the whole land and that it is compatible with adjoining residential land uses.

2.7.5 Arable Cropping

44. Arable cropping would also be suitable for the land, however the land formerly containing housing may suffer from compaction. We note that there is an adjoining arable cropping farmer who could easily incorporate Area 5 into their existing cropping rotation. Given the relatively small land area, interest in cropping the land is likely to be limited to nearby arable farmers who can utilise existing infrastructure.
45. Cropping will require the removal of the existing trees and shrubs and it may involve the increased use of sprays which may not be as compatible with the amenity of the adjoining residential properties.
46. Dryland arable cropping may command a slightly higher rental than cattle grazing, however may be for a shorter lease duration. We envisage that the annual rental could be within the vicinity of \$550 per annum equating to an annual rental of \$6,050.

2.7.6 Community Gardens

47. The existing network of roading and proximity of Area 5 to residential housing may create demand from within the community for use of the land for community gardens. This may be a good idea for the two smaller blocks as the area would be relatively easy to contain, however the entire block may be too large to be effectively managed.
48. The use of the land for community gardens is probably reliant upon providing the land at no or very little cost to the community groups and will require a strong and cohesive group to manage. Whilst likely demand is considered to be strong the potential financial returns are likely to be minimal.

2.8 Highest & Best Use

49. Having explored the range of potential uses for Area 5 of the Kaiapoi South Regeneration Area, we consider that selling the land as three bareland lifestyle properties with remediated dwelling sites to be the best long term use of the land. This use of the land is contingent on the cost of providing a remediated building site on each of the three blocks.
50. If retaining ownership was favoured, leasing the land for cattle grazing is the likely highest and best use of the land. Our consideration of the highest and best use involves the consideration of the following:

“to establish whether a use is possible, regard will be had to what would be considered reasonable by market participants,

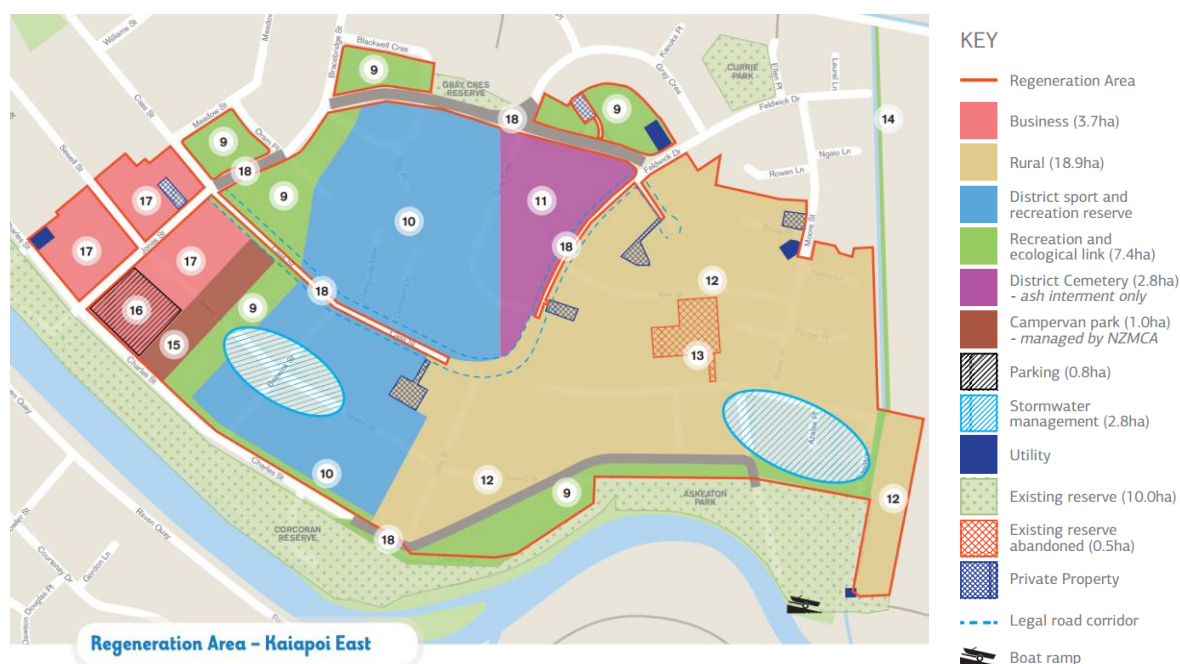
to reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, e.g. zoning designations, need to be taken into account,

the requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the cost of conversion to their use, over and above the return on the existing use”.

51. We consider that a lease for cattle grazing provides a good market return for the land, whilst only requiring one lessee. Horse grazing may have the potential to provide for greater returns however will require much greater management oversight.

3 Kaiapoi East Regeneration Areas 12 & 13

52. The Kaiapoi East Regeneration Area comprises approximately 19.4 hectares and comprises one contiguous irregular shaped block. The block is bordered by Charles Street to the south and Feldwick Drive and Jollie Street to the north and west. An open drain along the eastern side separates the block from grazing land.
53. The land identified for rural activities is shaded beige and labelled #12 and #13 on the map below:



54. The land formerly comprised individual residential properties together with roading and a local playground.

3.1 District Council Zoning

55. The subject land is zoned Residential 2 under the Waimakariri District Plan. We understand that the Residential 2 zoning does preclude a non-intensive rural use of the land.



3.2 Regional Plan

56. The subject property is located within the Ashley-Waimakariri Nutrient Allocation Zone and is included within the Waimakariri Sub Regional Chapter. The Ashley-Waimakariri Nutrient Allocation Zone Allocation Zone is a Red Zone. Within the Red Zone there is no capacity for the zone to absorb more nitrogen. Farming is a permitted activity within the Red Zone provided that:

- The nitrogen loss calculation does not exceed 20 kg/ha/yr
- The nitrogen loss calculation does not increase above the nitrogen baseline

3.3 Topography

57. The subject land has a level contour throughout and is situated at a low lying altitude of 1 to 1.5 metres above sea level. An open drain runs along the eastern boundary. The land is protected from flooding from the Kaiapoi River by a stop bank constructed to the south, although we understand that the land is at risk of flooding due to a high water table and its low lying altitude.

3.4 Soils

58. According to the Landcare Research online S-Maps series, the land within Area 12 of the Kaiapoi East Regeneration area predominantly has Fereday deep sandy loam soils, together with Temuka deep silty loam soils to the north.

59. Fereday deep sandy loam soils are well drained, with a rooting depth of 60 – 80 cm. This is a recent stoneless soil, formed by alluvial deposits from the Kaiapoi River. The soil has a high nitrogen leaching risk and a moderate drought vulnerability.

60. Temuka deep silty loam soils, have a clay base which impedes drainage. This is a heavy stoneless soil, which is susceptible to pugging although is considered to be drought tolerant.
61. The two soils are both considered to be suitable for a range of agricultural land uses including cropping and livestock farming. The high water table may limit the times of the year when heavy agricultural machinery can drive over the land.
62. The Preliminary Draft Waimakariri Residential Red Zone Recovery Plan identifies that due to the historic use of the land within the Kaiapoi East Regeneration Area, the area may contain contaminated soil. We have searched the Environment Canterbury Listed Land Use Register and cannot find any records of contaminated land. We have made this report on the basis that the land is suitable for grazing and arable farming.

3.5 Land Cover & Improvements

63. The land has post and wire perimeter fencing together with a former playground. Land cover is limited to some recently direct drilled pasture and weed species. We did not notice the provision of stock water or troughs. A significant number of shrubs and trees are still present on the property which may reduce the appeal of the block for hay making and cultivation.
64. The photos below illustrate the current state of the land:



3.6 Adjoining Land Use

65. Areas 12 and 13 borders rural grazing land to the east. A bridge is situated within the south eastern corner of the block which would enable the adjoining land owner to also graze Area 12 and 13.

66. Askeaton Park is situated to the south alongside the Kaiapoi River. There are three existing residential houses still remaining within Area 12, whilst the subject land also borders residential housing on Moore Street, Rowan lane and Feldwick Drive to the north. The Regeneration Plan identifies the land the west of Area 12 as suitable for a District Sport and Recreation Reserve, whilst the land to the west of Feldwick Drive has been identified for a cemetery.



3.7 Land Use Potential

67. The subject land is currently dryland with no water available for irrigation. Consent will have to be sought from the Canterbury Regional Council for the property to source water for irrigation purposes. On this basis we have considered the land use potential of the subject land on a dryland basis.
68. Within the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan the Kaiapoi South Regeneration Area has been identified for rural use, with the exception of intensive farming. We have adopted the Waimakariri District Plan definition of intensive farming below:

Intensive Farming means the production of plant and animal produce, where the predominant productive process are not dependent on the soil characteristics of the site on which it is situated. Process may involve: poultry, pig, rabbit, fitch and opossum; production of compost; mushroom farming; and feedlots for commercial livestock such as cattle. It excludes those activities where production requires pasture or ground cover to be maintained, glasshouses and horticulture.

69. The description of Areas 12 and 13 within the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan also specifies that farming activities that have the potential to create adverse amenity effects on the remaining and adjoining residential housing, cannot be established. For this reason together with the relatively small land area, we have ruled out dairying as a potential land use.
70. Given the constraints of the land as noted above we consider that Areas 12 and 13 may be suitable for the following rural activities:
- Lifestyle
 - Sheep and cattle grazing
 - Horse grazing
 - Hay and silage making
 - Arable cropping
 - Community gardens
71. We discuss each of the following land use options below.

3.7.1 Lifestyle

72. Areas 12 and 13 may have potential to be sold as 4 hectare lifestyle properties. We consider that there will be strong demand for these properties given the appeal of maintaining a rural lifestyle within close proximity of the amenities offered by Kaiapoi. Given the subject land area of 19.4 hectares, we consider that Areas 12 and 13, could be divided into 4 lifestyle blocks, which could sell in the vicinity of \$375,000 to \$400,000 each, including GST, if any, less the costs of establishing a suitable building site on each block.
73. Whilst we consider that a 4 hectare bareland lifestyle block is likely to be the most sought after by the market, Area's 12 and 13 have the potential to be partitioned into a variety of sizes. The table below represents the likely bareland lifestyle parcel values which could be achieved within Area's 12 and 13. These values are expressed on an inclusive of GST basis, less the costs of establishing a suitable building site on each block.

Land Area (ha)	Land Value (incl GST)	Site Value (0.5ha)	Additional LV/ha	Area of Additional Land	Value of Additional Land	Overall Value / Ha
0.5	\$300,000	\$300,000	-	-	-	\$600,000
1.0	\$311,250	\$300,000	\$22,500	0.5	\$11,250	\$311,250
2.0	\$333,750	\$300,000	\$22,500	1.5	\$33,750	\$166,875
3.0	\$356,250	\$300,000	\$22,500	2.5	\$56,250	\$118,750
4.0	\$378,750	\$300,000	\$22,500	3.5	\$78,750	\$94,688
5.0	\$401,250	\$300,000	\$22,500	4.5	\$101,250	\$80,250
6.0	\$423,750	\$300,000	\$22,500	5.5	\$123,750	\$70,625
7.0	\$446,250	\$300,000	\$22,500	6.5	\$146,250	\$63,750

74. We consider that the land would hold limited appeal as a larger 19.4 hectare block, as it is likely to be too large for one lifestyle owner to manage and too small to be of economic use for a commercial farmer without the use of adjacent land.

3.7.2 Sheep & Cattle Grazing

75. We consider that Areas 12 and 13 could be suited to leasing for cattle grazing. Given the proximity of adjoining residential and reserve land, the risk posed from dogs may limit its appeal for sheep grazing.
76. The block has a good standard of perimeter fencing, although the existing road barriers would also require stock proof fencing. Stock water would also need to be provided. The pastures on the land are of mixed quality and may require further improvement especially on those areas formerly occupied by housing and roading.
77. We consider that an underlying demand for cattle grazing is likely to be steady, however some potential lessee's or purchasers of the land are likely to be dissuaded given the proximity of the land to residential dwellings. An adjoining landowner is the likely lessee of this land.
78. With improved dryland pastures, the land could be equally suited to grazing dairy young stock or beef cattle. We envisage that the land could be leased for periods of 3 years to 5 years, at a rate in the vicinity of \$500 per hectare. This equates to an annual lease rate of \$9,700, with the lessee responsible for rates.

3.7.3 Horse Grazing

79. The proximity of Areas 12 and 13 to the residential areas of Kaiapoi may create demand for use of the land for horse and pony grazing. The same risks that apply to the use of the land for sheep grazing, also apply to horses, namely disturbance by dogs.
80. Horses will require further subdivision of the land into smaller paddocks together with the provision of stock water. Horse pastures will require regular mucking out and also tend to attract weeds together with greater wear and tear on fences.
81. Demand for horse grazing is likely to be from individuals wanting to graze one to two horses and may result in the requirement to deal with a number of potential lessees of a shorter term duration, compared to one lessee under a cattle grazing scenario. We consider that the land may be able to support one horse per hectare or a total of 19 horses over the 19.4 hectares.
82. Long term horse grazing within Canterbury is typically at the rate of \$25 to \$30 per horse per week, with an expectation that the horses are visited daily, covers removed, and paddocks mucked out. The lower end of our range equates to an annual grazing charge of \$24,700. Although care for the horses is the responsibility of the grazer, a greater level of landowner oversight will be required to ensure that animal welfare standards are maintained, fences kept stock proof and paddocks mucked out. Structures such as a hay shed, stock shelters and tack room may also need to be provided.

3.7.4 Hay & Silage Making

83. Areas 12 and 13 could also have potential to be utilised for hay and silage making. This would require cultivation of the land with improved pasture species or lucerne. The existing trees and shrubs would increase the difficulty of cultivating and cutting the grass or crop, however this could be a viable option if the land was cleared.
84. The soils appear to be suitable for this type of land use, with their good water holding capacity and stones characteristics. Fertiliser would need to be applied to ensure soil fertility is maintained and enhanced. Hay and silage making would also complement cattle grazing and would attract a similar rental of approximately \$500 per hectare, equating to a total annual rental of \$9,700.
85. An advantage of utilising the land for hay and silage making is that one individual lessee would be responsible for the whole land and that it is compatible with adjoining residential land uses.

3.7.5 Arable Cropping

86. Arable cropping would also be suitable for the land, however the land formerly containing housing may suffer from compaction. Given the relatively small land area, interest in cropping the land is likely to be limited to nearby arable farmers who can utilise existing infrastructure. The heavy soil type and high water table may limit the viability of cropping this land over the winter months as access to heavy machinery may be limited.
87. Cropping will require the removal of existing trees and shrubs and it may involve the increased use of sprays which may not be as compatible with the amenity of the adjoining residential properties. The remnants of the roading network will also require removal and remediation to provide larger cultivatable paddocks.
88. Dryland arable cropping may command a slightly higher rental than cattle grazing, however may be for a shorter lease duration. We envisage that the annual rental could be within the vicinity of \$550 per annum equating to an annual rental of \$10,670.

3.7.6 Community Gardens

89. The existing network of roading and proximity of Areas 12 and 13 to residential housing may create demand from within the community for use of the land for community gardens. This may be a good idea for smaller parcels within the block, however we do not consider this to be a viable land use over the entire 19.4 hectares.
90. The use of the land for community gardens is probably reliant upon providing the land at no or very little cost to the community groups and will require a strong and cohesive group to manage. Whilst likely demand is considered to be strong the potential financial returns are likely to be minimal.

3.8 Highest & Best Use

91. Having explored the range of potential uses for Areas 12 and 13 of the Kaiapoi East Regeneration Area, we consider that selling the land for four 4 hectare lifestyle blocks is the highest and best use of the land. This use of the land is contingent on the cost of providing a remediated building site on each of the three blocks.
92. If retaining ownership was favoured, we consider leasing the land for cattle grazing to be the next best alternative use of the land. Our consideration of the highest and best use involves the consideration of the following:

“to establish whether a use is possible, regard will be had to what would be considered reasonable by market participants,

to reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, e.g. zoning designations, need to be taken into account,

the requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the cost of conversion to their use, over and above the return on the existing use”.

4 Summary

93. We consider that if the land was to be sold, the highest and best use of the two blocks would be disposal of 4 hectare bareland blocks, each with a remediated building site. We anticipate that these lifestyle blocks would each fetch between \$375,000 and \$400,000, including GST. This option is contingent upon the feasibility and economics of providing a remediated dwelling site to each of the four hectare blocks.
94. Should retaining the land be favoured, we consider that the land is suitable for a range of rural land uses including, cattle grazing, horse grazing, hay and silage making, arable cropping and community gardens. We consider that the next best alternative use is to lease Areas 5, 12 & 13 for cattle grazing. We anticipate that the annual rental for this utilisation of the land is in the vicinity of \$500 per hectare, with the lessee responsible for paying rates, provided they are struck relating to a rural use of the property.
95. We thank you for your instruction. Should you have any questions, please contact the writer directly.

A handwritten signature in blue ink, appearing to read "Greg Petersen".

Greg Petersen
Associate Director
19 May 2016

APPENDIX A

Terms of Engagement & Scope of Work



Valuation Advice on Proposed Lease or Purchase of Land in the Waimakariri Residential Red Zone

Background

The Waimakariri District Council has been directed by the Minister for Canterbury Earthquake Recovery to prepare a Draft Recovery Plan for the Waimakariri Residential Red Zone. Among other things, the recovery plan needs to identify possible land uses for the red zone areas. The Council has prepared and consulted on a preliminary Draft Recovery Plan.

Rural Activities in Rural Areas

The Preliminary Draft Recovery Plan proposes that identified rural areas in Kaiapoi South and Kaiapoi East will be available for private use for rural activities such as:

- Cropping
- Hay making
- Stock grazing
- Horse grazing
- Equestrian activities
- Landscaping
- Private or community vegetable gardens

Private Use - The Pines Beach and Kairaki Areas

The Preliminary Draft Recovery Plan proposes that vacant residential sized sections in The Pines Beach and Kairaki could be available for private lease or purchase for such uses as:

- non-permanent buildings (e.g. relocatable houses, sheds and caravans)
- tennis courts, gardens, storage of boats / trailers, etc

Private Use - All of Red-Zone

Community feedback on the preliminary Draft Recovery Plan has indicated that there may be demand from owners of green-zone property bordering the red-zone to expand their sections into the neighbouring red-zone land through lease or purchase.

Output and Timeframe

A report providing advice on the likely market return and any comment on demand of the identified lease and purchase options, with the draft to be completed by midday on Tuesday 10th May and the final report completed by Wednesday 18th May 2016.

Assumptions

For the purposes of this exercise the following can be assumed:

- Access and other infrastructure will be provided / maintained by the council as usual for land in The Pines and Kairaki. However, infrastructure provision will be on a case by case basis for other areas.
- Tenure: could be anywhere from 12 months to 33 years, or private ownership.
- Maintenance: any maintenance requirements would be covered in the lease conditions. These could relate to fencing, access, ground maintenance, nuisance effects etc.

- Any leased or purchased land will need to meet the district plan residential zone provisions (or gain a resource consent).

Supporting documentation to be supplied

- The preliminary Draft Residential Red Zone Recovery Plan which identifies the areas for proposed lease and purchase
- Other information upon request

WDC Contacts:

Andrew Willis

Planning Consultant – Waimakariri Red Zone Recovery
Mobile 021 108 3600

Rachel McClung

Rachel McClung | Senior Policy Analyst – Waimakariri Red Zone Recovery | Mobile 022 067 7919
T (03) 311 8900 ext 8664 | E rachel.mcclung@wmk.govt.nz
Waimakariri District Council | waimakariri.govt.nz

SCHEDULE 1 (Scope of Work)

(a) Identification and status of the valuer(s)

Valuer responsible

Greg Petersen

With assistance of Ryan Bratty, Jack Powell and Tim Crighton as required.

The valuer(s) are in a position to provide an objective and unbiased valuation;

The valuer(s) have no material connection or involvement with the subject of the valuation assignment or the party commissioning the assignment;

The valuer(s) are competent to undertake the valuation assignment. Should we need to seek material assistance from others in relation to any aspect of the assignment, the nature of such assistance and the extent of reliance shall be agreed and recorded.

(b) Identification of the client and any other intended users

Client

Waimakariri District Council

Other intended users

Planning Matters

(c) Purpose of the valuation

A consultancy report detailing the likely market demand and suitability for rural activities of identified land within the Kaiapoi Residential Red Zone.

The report will include commentary on lease and purchase options associated within the identified rural land uses.

(d) Identification of the asset to be valued

Property owner	Legal description (or as described in the valuation report)	Area (more or less) (hectares)	Interest
Her Majesty the Queen	Land identified for rural use within the Kaiapoi South Residential Red Zone	Approximately 11 hectares	
Her Majesty the Queen	Land identified for rural use within the Kaiapoi East Residential Red Zone	Approximately 18.9 hectares	

(e) Basis of value

Market Value which is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Market Rental which is defined as "the estimated annual amount for which an asset should rent on the date of valuation between a willing lessee and a willing lessor in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

(f) Valuation date

6 May 2016

(g) Extent of the investigation

Full inspection, enquiry and analysis of all pertinent information will be undertaken. Should any required information not be available, it will be reported under special assumptions within the body of the report.

(h) Nature and source of information to be relied on

The client will make available to the company all relevant property, soil, farm production data and financial information. All public information and other sources of information shall be relied upon without specific verification. Any assumption shall be reported within the body of the report.



Accelerating success.

(i) Assumptions and any special assumptions

Any assumptions or special assumptions will be reported within the body of the report.

(j) Restrictions on use, distribution and publication.

Use of the report is restricted to those named in schedule 1 (b) and no distribution or publication is permitted without the express authority of the company.

(k) Confirmation that work will be undertaken in accordance with International Valuation Standards 2013 (IVS)

Unless otherwise stated the valuation will be undertaken in accordance with IVS and any other relevant standards, applications or guidelines.

(l) Description of report

The report is to comply with IVS 103 (Reporting).

APPENDIX B

Quality Control & Valuation Policies



Quality control – Valuation Desk Review

Note	Review Valuer's Statements	Check
Identify the client and intended users of the valuation review, the intended use review valuer's opinions and conclusions & the purpose of the assignment.	Client: Waimakariri District Council Review users, use & purpose: CAPI for internal purposes.	✓
Identify the subject property, the date of the valuation review, property & ownership interest valued in the report, the date of the report, the effective date of the opinion in the report, & the Valuer(s) who completed the report.	Subject property: Kaiapoi Residential Red Zone, Regeneration Areas 5 & 12 Review date: 10 May 2016 Interest valued: Freehold Report date: 10 May 2016 Effective valuation date: 8 May 2016 Report valuer(s): Greg Petersen	✓
Identify the scope of the review process to be performed.	Desk review for CAPI internal quality control purposes.	✓
Identify all assumptions and limiting conditions in the valuation review.	No field or sales inspections have been undertaken by the reviewer and the review is based entirely on information provided with the report.	✓
Develop an opinion as to the completeness of the report under review within the scope of work applicable to the assignment.	I am of the opinion that the report is complete in relation to the scope of work.	✓
Develop an opinion as to the apparent adequacy and relevance of the data and any adjustments.	I am of the opinion that the data and any adjustments referred to in the report are both adequate and relevant.	✓
Develop an opinion as to the appropriateness of the methods and techniques used and develop the reasons for agreement or any disagreement with the report under review.	I am of the opinion that the methods and techniques used in the report are appropriate. I agree with the report because it adopts a valuation methodology appropriate to circumstances and provides all analysis and assumptions.	✓
Develop an opinion as to whether the analyses, opinions & conclusions in the work are appropriate, reasonable and supportable.	I am of the opinion that the analyses, opinions & conclusions in the work are appropriate, reasonable and supportable.	✓
Is all known pertinent information included?	All known pertinent information is included.	✓
Are all facts and information on which the Valuer relied available for the purposes of the review?	All facts and information on which the Valuer relied are available for the purposes of the review.	✓

I certify that I have completed this review as per the above guide.

Reviewer name: Praveen Menon
Qualifications: B.Com VPM MPINZ
Title: Associate



Signed _____ Registered Valuer

Notes:

The review Valuer has not considered events affecting the property or market that occurred subsequent to a valuation, but only information that was readily available in the market at the time of the valuation.

Valuation Policies

1. Taxation - Goods and Services Tax

In preparing our appraisal, no allowances are made for any liability which may arise for payment of income tax or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. Our appraisal is exclusive of any Goods and Services Tax that may be incurred, unless specified otherwise.

2. Information Supplied

Where it is stated in the report that information has been supplied to us by another party, this information is believed to be complete and reliable but we can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate sources.

3. Inspections

We undertake such inspections and conduct investigations as are, in our opinion, correct, appropriate and possible in the particular circumstances.

4. Structural Inspections

We have been engaged to provide a valuation only and while due care was taken to note obvious building defects in the course of our inspection, we have not been engaged for any purpose other than the valuation and we are not able to advise on matters such as structural or site surveys or any other defects in the building.

5. Site Conditions

We do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. Unless notified to the contrary, our appraisal is on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances.

In the case of properties that may have redevelopment potential, unless otherwise stated in the body of the report, we assume that the site has a load bearing capacity suitable for the anticipated form of development without the need for additional expensive foundations or drainage systems.

6. Title – Computer Register

Unless specifically stated in the report, we have searched the title and we assume that:

- all improvements lie within the title boundaries;
- the subject property has a good and marketable title free from any pending litigation.

We also assume that all documentation is satisfactorily drawn and that there are no unusual or onerous easements, restrictions, covenants or other outgoing which would adversely affect the value or negotiability of the relevant interest(s). Such registrations may include Wahi Tapu and Historic Places Trust Registrations.

7. Legislation

Building Act 1991,

Health and Safety in Employment Act 1992,

Resource Management Act 1991

Fire Safety and Evacuation of Buildings Regulations 1992

Disabled Persons Community Welfare Act 1975

Unless otherwise stated in our report, our appraisal is on the basis that the subject property complies with all relevant legislation (including but not limited to the above Acts) or it has no significant impact on the value of the business. In particular, our appraisal assumes all necessary resource consents have been obtained for the proposed water and irrigation development.

8. Valuation Relevance

This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a rapidly changing economic environment experiencing fluctuations in interest rates, availability of finance, insurance, rents, building expenditure and returns on investments, values can be susceptible to variation over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, mortgage advance, shareholding restructure or other transaction that you consult further with us.

9. Confidentiality and Disclaimer of Liability

Our valuation and report is strictly confidential to the party to whom it is addressed and is prepared solely for the specific purpose to which it refers. No responsibility whatever is accepted for reliance on the valuation report for other purposes. Further, no responsibility whatever is accepted to persons other than the party to whom the valuation and report is addressed for any errors or omissions whether of fact or opinion.

10. Publication

Neither the whole nor any part of our reports, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not Crichton Anderson Property & Infrastructure Limited (trading as Colliers International) is referred to by name and whether or not the reports are combined with others.

11. International Valuation Standards (IVS) 2013

All valuations comply with the International Valuation Standards (IVS) 2013, together with any other relevant standards, applications and guidelines

12. Conflicts of Interest

Please note that personnel in this firm will or may have stocks, shares or other interests in entities that directly or indirectly hold properties which are the subject of this valuation and/or may have direct or indirect personal relationships with third parties with interests in these same entities. Colliers' valuers are required to abide by an industry standard disclosure regime and Colliers internal policies with respect to conflicts of interest, and will disclose any material conflict of interest that arises in its capacity as the valuer concerning the property which is the subject of this valuation.

13. Value Basis

Unless otherwise stated no allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages either in respect of capital or interest accrued.

14. Currency

Unless otherwise stated all figures including the valuation contained within this report are expressed in New Zealand Dollars (NZD).



Attachment I

WDC – Value of Greenspace

WAIMAKARIRI DISTRICT COUNCIL

MEMO

FILE NO AND TRIM NO: POL-08-51-04.02 / 160531050897

DATE: 30 May 2016

MEMO TO: Rachel McClung, Red Zone Recovery – Project Lead

FROM: Michelle Flanagan, Greenspace Regeneration Coordinator

SUBJECT: Red Zone Recovery – Value of Green Space

1.0 Introduction

Green space, in this case parks and reserves, provides a variety of direct and indirect benefits to individuals, the community and the economy. Green space, and its use for sport and recreation benefits community health and wellbeing, strengthens communities and enhances social cohesion, makes places vibrant and attractive to live in, enhances development and learning, and contributes to economic development. The benefits of green space can be summarized as follows:

Table 1 – Benefits of green space

Health and wellbeing	<ul style="list-style-type: none"> • Enhancing physical health • Enhancing mental health • Ecosystem services enhancing wellbeing • Nourishing the body
Social Cohesion	<ul style="list-style-type: none"> • Bringing people together – forming networks • Providing physical links in the community • Providing public, community space • Supporting different cultures • Building social capital
Place-making	<ul style="list-style-type: none"> • Conserving cultural landscapes and history • Providing a local identity • Greening our cities, urban relief • Conserving nature and biodiversity
Development and learning	<ul style="list-style-type: none"> • Enhancing physical and mental skills • Providing a variety of experiences • Encouraging co-operation between different groups and organisations • Encouraging creative and innovative thinking • Encouraging leadership and resolving challenges • Supporting environmental location

Economic value	<ul style="list-style-type: none"> • Contributing to the local and national economy • Ecosystem services
----------------	--

1.1. Purpose of this paper

The purpose of this paper is to support the green space land use options proposed for the Kaiapoi Regeneration Areas (Kaiapoi South, Kaiapoi East, Kaiapoi West, The Pines Beach and Kairaki) in the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan.

The aim of this paper is not to give a comprehensive account of the value of green space. Such a topic is incredibly complex with multiple aspects and interactions. This paper seeks to give a high level and broad overview of key points. It does not explore any of the benefits or value in depth, nor explore the connections between these. Valuing green space is a complex task, incorporating monetary and non-monetary values, market and non-market values and is often influenced by stakeholder or user values and perceptions. However it is useful to bring to the foreground the fact that green space has value over and above the 'face' value that is well understood (open, public and green space for our sport, recreation).

The first part of this paper looks at sport and recreation as a continuum of activities with green space as a multi-faceted space. The high level of participation by New Zealander's in sport and recreation is then outlined. Each of the five key benefits of green space are then introduced.

2.0 Sport and recreation

Green space is one of the key places where sport and recreation takes place. Sport and recreation are not mutually exclusive activities; they can be viewed as being a continuum.



At one end is sport; generally physical activities or games that are organized and involve the observation of rules. Sport can be individual or team based. At the other end of the spectrum is recreation; physical activity for lifestyle, well-being and enjoyment. Recreation can be individual or team based. Both sport and recreation can take place in a variety of green spaces, recreation can occur in sporting spaces, conversely sport can occur in recreation areas. For this reason green space is typically flexible and adaptable to cater for different uses.

2.1. Participation

Sport and recreation is an important part of New Zealander's lives. In the 2013/2014 Active New Zealand Survey, almost all adults (94%) identified that they took part in at least one sport or recreation activity in a year, and 74 percent identified that they took part in sport and recreation in

any given week. Recreational activities such as walking, swimming, cycling and exercising (with equipment) were the most popular activities for adults. The most popular sports for adults are netball, golf, cricket, football, tennis and touch rugby. 28 percent of adults were also involved as sport and recreation volunteers, most often as coach, parent helper or in an officiating or administration role (Sport New Zealand, 2015^a).

Sport and recreation is also an important part of young people's lives. Sport New Zealand's Young Peoples Survey identified that almost all participants engaged in some form of sport and recreation activity, that most like playing sport; that the majority of young people spend three or more hours a week taking part in sport and recreation; and that a substantial number of young people take on volunteer roles (Sport New Zealand, 2012).

The Young Peoples Survey showed that both schools and clubs play an important role in providing sport and recreation opportunities. About 50 percent of young people belong to a school sports team, and most 10-18 year olds had taken part in activities organized by their school. Similarly about 50 percent of young people indicated that they belonged to a sports club. Informal recreation spaces also play a key part in young people's lives with participation rates for sport and recreation activities highest when young people are 'mucking around' with friends and family (Sport New Zealand, 2012).

The top recreation activities participated in by boys include swimming; running, jogging, cross-country; football, soccer, futsal; athletics track and field; and cycling (not mountain biking). For girls the top activities were the same except football, soccer and futsal was replaced by walking for fitness (Sport New Zealand, 2012).

3.0 Health and wellbeing

Sport and recreation is a key contributor to individual and community health and wellbeing. Physical inactivity has been identified as being at a serious level with New Zealand being ranked 27 out of 122 countries for physical inactivity. Nearly half of our population does not engage in sufficient physical activity (Market Economics, 2013). This physical inactivity has both direct and indirect cost implications for health and wellbeing.

While most New Zealanders report being in good health (in the 2014/15 New Zealand Health Survey), physical inactivity rates are increasing. The New Zealand Health Survey indicates that one in seven adults is physically inactive, i.e. getting less than 30 minutes physical activity in a week (Ministry of Health, 2015). This rate is increasing, with the 2006/2007 rate being one in ten adults. The Survey also notes that three in ten adults are obese, with excess weight being *"leading contributor to a number of health conditions, including type 2 diabetes, cardiovascular diseases, some types of cancer (eg, kidney and uterus), osteoarthritis, gout, sleep apnoea, some reproductive disorders and gallstones"* (Ministry of Health, 2015, p.19).

Physical inactivity has a cost. As well as affecting health and wellbeing it can lead to premature death. In 2009, the premature death of 246 New Zealanders was attributed to physical inactivity (in comparison to 420 motor vehicle fatalities that year) (Market Economics, 2013). Physical inactivity



was estimated to cost New Zealand \$1.3 billion dollars in 2010; comprising both direct and indirect health costs (Market Economics, 2013). Direct health costs include actual health expenditure, e.g. spending on treatment and health promotion. Indirect costs include loss of productivity, pain, suffering and premature death. These costs are borne by individuals, the community, local and central government (Market Economics, 2013).

A 2011 report into the Economic and Social Value of Sport and Recreation to New Zealand looked at the direct benefits and costs of participation in sport and recreation. The direct benefits of activity included improved health outcomes and work productivity. The costs of activity focussed on injuries and accidental death (e.g. drowning) from sport and recreation activity. The following table summarises these costs and benefits.

Table 2 – Direct benefits and costs from participation in sport and recreation, 2009

Benefits and costs	Estimated Value (\$ millions)
Increased work productivity	\$281
Improved health outcomes	\$3,947
Total Personal Benefits	\$4,228
Accidental premature deaths	-\$336
Suffering from injuries	-\$1,887
Other costs of injuries	-\$967
Total Personal Costs	-\$3,190
Total Net Benefits	1,038

(Sport and Recreation New Zealand, 2011, p.19)

From the table it is evident that there is a net benefit (in 2009) from participation in sport and recreation activity.

In addition to the benefits of active sport and recreation, natural recreation spaces also contribute to health and wellbeing. A Department of Conservation study in 2013 identified that public conservation areas have positive mental health benefits. Aside from the mental benefits of physical activity in natural spaces, there are also restoration effects which encourage *“recovery from stress and attention fatigue, enabling people to reflect on issues beyond their routine thoughts and activities”* (Blaschke, 2013, p.10). Natural spaces also have therapeutic benefits with improvements in mood, reduced anger and aggression, and increased vigour (Blaschke, 2013).

The proposed green spaces in the Kaiapoi Regeneration Areas, including the sport and recreation reserve, recreation and ecological linkages, and Heritage and Mahinga Kai Area are expected to deliver the health and wellbeing benefits outlined above to the Kaiapoi community.

4.0 Social cohesion

4.1. Bringing people together

Green space is essentially community space, it is a neutral, public space that creates opportunities for sport, recreation and interaction. It is a third place, away from home and work, where there is freedom to enjoy activities and the environment.

Sport and recreation can be a catalyst for community gatherings, forming new relationships and bringing together parts of a community that may not otherwise interact. Shared physical activities under a common banner, via either a code or club association, can break down social and cultural barriers, connect people and create social networks (Auckland Council, 2014). The relationships and networks formed then often extend beyond the activity to strengthen communities. The proposed

sport and recreation reserve in the Kaiapoi East Regeneration Area will provide a recreation 'cluster' or hub via which multiple interactions can take place.

Sporting associations are not the only networks formed. The different types of green space proposed for the Kaiapoi Regeneration Areas will allow relationships to form across various social, cultural, play and sporting activities. The opportunities provided for edible landscapes will encourage like-minded community members to work (and relax) together. The proposed Heritage and Mahinga Kai Area will create opportunities for cultural education and interaction, thereby building shared understanding and respect. The green spaces throughout will also provide a flexible setting for incidental relationships based on shared interests (e.g. two dog walkers meeting and chatting over their pets).

4.2. Physical links

In the Kaiapoi East Regeneration Area the proposed green space serves an important role of linking communities previously separated by the residential red zone. The green space is a key link between the remaining northern residential neighbourhoods and neighbourhoods north of Beach Road. The green space provides a key pathway to the Kaiapoi Town Centre and the Kaiapoi River. Similarly, in the Kaiapoi South Regeneration Area the proposed Heritage and Mahinga Kai area links the Courtenay Drive neighbourhood to the river and existing reserves and the town centre.

4.3. Volunteering

Volunteering in the sport and recreation sector is significant and is a key activity for creating community and social cohesion. The latest Active New Zealand Survey (2013/2014) recorded that 28 percent of adults (aged 18 years or over) volunteered at least one during the previous year, In the Canterbury/West Coast Region sport and recreation activities were supported by 110,000 volunteers. These volunteers contributed seven million hours to sport and recreation in 2013/2014. The estimated market value of these volunteer services was \$107.3 million (Sport New Zealand, 2015). Volunteering is also valued by young people with just under 50 percent of young people (aged 10 to 18 years) taking on a volunteer role (Sport New Zealand, 2012).

Volunteering in the natural recreation spaces also has benefits. As well as facilitating social capital, volunteering enables people to interact with each other and their natural environment. This interaction encourages attachments or community networks, as well as attachment to the natural environment (Blaschke, 2013). The flow-on benefits from this are a sense of duty, care, pride and ownership.

Prior to and during the preparation of the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan community groups expressed a desire to be involved in the Regeneration Areas. This could be via establishing and managing edible landscapes, through involvement in native planting programs, through involvement in sporting or other activities. The provision of green space in the Kaiapoi Regeneration Areas provides opportunities for volunteer involvement which in turn is expected to bring economic and social benefits.

5.0 Development and learning

The Ministry of Education publication, Physical activity for healthy, confident kids, Guidelines for Sustainable Physical Activity in School Communities states that *“physical activity experiences are an integral part of human development. They contribute to people’s physical health and well-being, growth, personal development, and self-esteem”* (Ministry of Education, 2007, p.11).

This guideline states that there are three key benefits to physical activity; health, mental and social and emotional benefits. The health benefits of physical activity have been discussed previously. The mental benefits of physical activity include higher levels of academic achievement and students who *“are in a better position to benefit from opportunities to learn”* (Ministry of Education, 2007, p.12).

The World Health Organisation indicates that physical activity gives young people opportunities to *“express themselves, develop self-confidence, relieve tension, achieve success, and interact with others as well as learning about the spirit of solidarity and fair play”* (in Ministry of Education, 2007, p.12). Physical activity also promotes values of leadership, dedication, honesty, courage, fairness, resilience and encourages young people to tackle challenges (Ministry of Education, 2007). Physical activity also a significant contributor to the five key competencies identified in the New Zealand Curriculum; thinking, using language, symbols and texts, managing self, relating to others and participating and contributing (Ministry of Education, 2007).

While the guideline is directed at the provision of physical activities through the school environment, it does note that *“schools are not isolated places. They are part of their communities and the wider society”*. This means that green spaces play an important role in augmenting the physical activity culture of schools and providing experiences different to the school.

As well as providing additional sport and recreation reserve in Kaiapoi East and West to meet the district’s future needs, this green space also supports local schools and the physical and mental growth of local children. The Heritage and Mahinga Kai Area proposed for Kaiapoi South provides an additional and unique learning and development opportunity with physical, social and cultural benefits. The opportunities for edible landscapes and native planting in the proposed recreation and ecological linkages also create potential learning opportunities.

6.0 Place-making

Green spaces help make urban areas vibrant and attractive places to live. They also help create a local identity and can become a destination for locals, the wider district and tourists. The proposed green spaces in the Kaiapoi Regeneration Areas seek to enable Kaiapoi to build on a unique identity, including celebrating its riverside location. The green spaces enhance links to the Kaiapoi River and Town Centre, and detailed design of green spaces through any approved recovery plan would have a unique palette of materials, colours, style and plantings to support a local identity. The introduction of cultural and historical elements (for example a sculpture walk) will further reinforce the sense of place.

Recreation spaces make a significant contribution to place-making. A Department of Conservation study in 2013 suggested that New Zealanders derive a sense of identity from indigenous plants, animals and natural areas. This is supported by the New Zealand Biodiversity Strategy which states *“New Zealand’s biological world is the inspiration for our national icons – the kiwi, silver fern and koru. As New Zealanders, we are shaped by these symbols of our natural environment and our relationship to it – whether by cabbage trees or kahikatea forest, weta or whitebait. We would be impoverished kiwis indeed if our national icons went the way of the huia and the moa”* (Ministry for the Environment, 2000, p.3). As enhanced sense of identity is considered to evoke positive emotions and general wellbeing (Blaschke, 2013).

As well as the place-making values, biodiversity through direct use (e.g. food and raw materials), ecosystem services, and biological wealth is also significant economic contributor. A 1997 study suggested that the *“total annual value provided by New Zealand’s indigenous biodiversity could be more than twice that of New Zealand’s gross domestic product”* (in Ministry for the Environment, 2000, p.3).

Biodiversity also has strong intrinsic values. The Mahaanui Iwi Management Plan states that for Maori, *“indigenous biodiversity, and the landscapes and ecosystems that support it, is a fundamental part of the culture, identity and heritage of Ngai Tahu, particularly with regard to Mahinga kai and the connection between people and place through resource use”* (2013, p.131). The Iwi Management Plan goes on to identify that a *“healthy economy relies on a healthy environment” and that ecosystem services have “immense value to cultural, social and economic wellbeing”* (2013, 131).

The proposed green spaces in the Kaiapoi Regeneration Areas seek to enable Kaiapoi to build on its unique biodiversity. Recreation and ecological linkages contribute through native revegetation and links to the river. More importantly, the Heritage and Mahinga Kai Area enables the creation of a distinctive environment that focuses on enhancing biodiversity and natural habitats. It is through the provision of these green spaces that Kaiapoi will generate the place-making and identity benefits.

7.0 Economic value

7.1. Value of sport

The value of the sport and recreation sector to the New Zealand economy is significant. A national study on the value of sport and recreation identified that in 2012/2013, sport and recreation contributed \$50 billion, or 2.3% of New Zealand’s gross domestic product (GDP) (Dalziel, 2015).

A study commissioned by Sport New Zealand in 2015 sought to value the benefits of sport and recreation in the Canterbury/ West Coast area. The study found that the sport and recreation sector contributed \$593 million to the region (2% of the region’s GDP) (Sport and Recreation, 2015). This



contribution comprises the estimated value from 17 key sport and recreation industries¹ (\$382.3 million), the estimated value from physical and human infrastructure (\$103.7 million) and the estimated market value of volunteers (\$107.3 million) (Sport and Recreation, 2015, p. 7).

It is anticipated that the additional sport and recreation reserves proposed in the Kaiapoi East and West Regeneration Areas to serve the future wider district will potentially contribute to the local and regional economy.

7.2. Value of ecosystem services

Ecosystem services can be defined as “*the benefits that people obtain from ecosystems*” (Roberts et al, 2015, p.1). Services can be considered to be supporting (e.g. soil formation), provisioning (e.g. fresh water), regulating (e.g. climate regulation), and cultural (e.g. recreational) (Roberts et al, 2015).

Ecosystem services contribute to our health and wellbeing by satisfying our fundamental needs (as identified by Max Neef’s (1991) theory of Human Scale Development) as follows:

- Sustenance – the essentials for our existence (fresh air, clean water, food, shelter, clothing)
- Protection – from floods, drought and disease
- Affection – relaxing and restorative effects
- Understanding – opportunities for learning and knowledge gain
- Participation – being involved with others and sharing experiences
- Leisure – settings for sport and recreation
- Creation – inspiring creativity and innovation
- Identity – sense of self-identification is bound up with our natural world
- Freedom – the right to explore and experience different settings
- Material wealth – employment opportunities, primary production, tourism, energy generation.

(Roberts et al, 2015)

Valuing ecosystem services is a difficult task given the complexity of the services and their interactions, the perceived value from stakeholders, the market, and the timeframe. Patterson and Cole (2013) attempted to identify the total economic value of New Zealand’s land based ecosystems and their services through measuring their use values (provisioning, cultural, regulating, supporting). The study by Patterson and Cole identified that in “*2012 New Zealand’s land-based ecosystem services contributed \$57 billion to human welfare (this is equivalent to 27% of New Zealand’s GDP)*” (2013, p.1).

7.3. Value of a recreation reserve

A study undertaken by Lincoln University in 2013 sought to value the benefits of a recreation reserve or river park in the Avon River Residential Red Zone in Christchurch. The benefit value was

¹ These businesses include manufacturers and retailers of sports and recreation equipment, as well as individuals involved in sports coaching, recreation guiding and related activities (Sport and Recreation, 2015, p. 10).



estimated using qualitative (in-depth interview) and quantitative (choice experiment) methods. The study estimated the following:

- Benefits (willing to pay) to Christchurch residents (excluding tourists) of a recreation reserve could be as high as \$35 million each year.
- Savings to public health costs could be as high as \$50.3 million each year.
- The incorporation or restoration of various ecosystems services, including water quality improvements, flood mitigation and storm water management could yield a further \$8.8 million (\$19, 600) per hectare/year at 450 ha).

Based on the above the study estimates that the combined annual benefits to Christchurch of a recreational reserve in the Avon River Residential Red Zone are about \$94.1 million per year (excluding benefits from tourism, property equity gains, or the effects of economic rejuvenation) (Lincoln University, 2013, p.57)

The Avon River Residential Red Zone is approximately 450 hectares. If a simple extrapolation exercise is undertaken, it could be estimated that there are \$209,111 worth of benefits for each hectare developed for recreation. Given that similar green space areas and activities are proposed for the Kaiapoi Regeneration Areas there is the potential for such benefits for Kaiapoi (although at a smaller scale).



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Attachment J

WDC – Residential and Commercial Infrastructure Costs



WAIMAKARIRI DISTRICT COUNCIL

MEMO

FILE NO AND TRIM NO: POL-08-51-06 & IRU-17-01/ 160531050993

DATE: 10 May 2016

MEMO TO: Rachel McClung

FROM: Gary Boot

SUBJECT: Red Zone Recovery – costings for infrastructure repairs to meet residential and business capacity

Hi Rachel,

Below is the table of additional costs for Roothing, Water, Sewer, and Stormwater services which are over and above the costs we have already budgeted in either the Earthquake Infrastructure Recovery Budget or the Recovery Plan budgets.

I have not allowed for other services such as power and telecom as I understand they have already been accounted for in the Colliers development costings. If you were to require these costs, then a typical cost for a residential development is around \$9,000 per lot.

As discussed previously, it has been assumed there would be no Development Contributions payable. In reality, this would depend on the nature and density of development.

I must stress that there is a very large number of variables involved here and it is extremely difficult to determine actual costs without having a proposed scheme plan.

I have considered a number of approaches and have presented the numbers based on what I know of the existing or reinstated services and what I feel might be developed. I think you could use these figures for the purposes of a coarse cost / benefit analysis, but they should not be relied upon for budgeting. If you were to want some figures for budgeting, then this would require considerably more time and you would need to provide a clearer definition of what the developments would look like.

As outlined previously, these costs would be met by the developer, rather than be incorporated into the recovery works, which are jointly funded by CERA and the Council.

The “Additional Cost” column includes costs for Roothing, Water, Sewer, and Stormwater.

Additionally, some broad assumptions made were as follows:

- 1) The costs allow for services to the boundary of each lot.
- 2) The estimates include a confidence based contingency and engineering fees, but exclude GST.
- 3) The existing Stormwater Management Area in Courtenay is adequate for future development needs.

- 4) The roading layout in the Red Zone is broadly the same as the existing area, with the exception of the new roads already identified through the preliminary Draft Recovery Plan.
- 5) New residential and commercial development would require a gravity sewer system.
- 6) Any residential development in the Red Zone would have the same density as the existing land.
- 7) Any existing roads to be retained roads would remain at their current levels.
- 8) Roads would be designed with a level of service appropriate to the end use.

	Additional Cost (\$)	Additional Cost / Lot (\$/Lot)	Additional Cost / Ha (\$/Ha)
Residential Areas			
Kaiapoi East	\$6,240,000	\$34,667	\$373,653
Kaiapoi South	\$2,410,000	\$30,109	\$344,107
	\$8,650,000		
Commercial Areas			
West Kaiapoi	\$430,000	NA	\$215,000
Courtenay Drive (Inner Loop)	\$2,550,000	NA	\$345,000
Extension over Mahinga Kai Area	\$440,000	NA	\$365,000
East Additional Area	\$3,320,000	NA	\$365,000
	\$6,740,000		

Regards,

Gary Boot
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Waimakariri District Council



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