

Before the Hearing Panel  
Appointed by the Central Otago District Council

Under the Resource Management Act 1991

In the matter of Private Plan Change 14 to the Central Otago District Plan

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**Evidence of Iain William Weir**

13 May 2020

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**Applicant's solicitors:**

Sarah Eveleigh  
Anderson Lloyd  
Level 3, 70 Gloucester Street, Christchurch 8013  
PO Box 13831, Armagh, Christchurch 8141  
DX Box WX10009  
p + 64 3 379 0037 | f + 64 3 379 0039  
sarah.eveleigh@al.nz | sarah.eveleigh@al.nz

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lloyd.**

## Introduction

- 1 My name is Iain William Weir.
- 2 My current role is Development Manager for Infinity Investment Group Holdings Limited. Responsibilities in this position include project management for New Zealand Cherry Corp (**NZCC**), in which Infinity is a 50% shareholder. The property that incorporates Plan Change 14 (PC14), also known as Shannon Farm, is owned by NZCC. Over the past 2 years I have been heavily focused on this project and I have had significant input into helping evaluate and determine future uses best suited to the property, culminating in PC14.
- 3 I am a Registered Valuer in both New Zealand and Australia and I hold agribusiness tertiary qualifications from Lincoln University including Agriculture, Farm Management, Valuation and Property Management.
- 4 I have over 30 years' experience in the property sector as a valuer, coupled with advisory work, project development and directorships. On completion of my tertiary studies, I was based in South Australia for 5 years including a period with Knight Frank group in Adelaide, specialising in the viticulture sector. In 1996 I moved to Wanaka and established a valuation practice which serviced the Upper Clutha area including Wanaka and Cromwell. This continued for 18 years, during which time the business expanded and was sold, to now trade as Colliers International. Since 2014 I have worked for Infinity on a number of projects including Shannon Farm. I have now spent a total of some 24 years working professionally in the Southern Lakes region property sector.
- 5 I also hold a pilot's licence which in the context of PC14 has assisted me with assessment of the impact of the local airfield and horticultural related aviation activities. I am also a passionate participant in recreational pursuits such as mountain biking and I have seen what has happened locally in Wanaka as pressure has grown over time and new activity areas have been needed. As such I am well qualified to have input into the merits of the PC14 proposal for public recreation access to the part of the site as set out in the application.
- 6 In preparing this statement of evidence I have considered the following documents:
  - (a) Plan Change 14 application;
  - (b) section 42A report;
  - (c) submissions; and
  - (d) expert evidence for NZCC.

## **Scope of evidence**

- 7 I have prepared evidence in relation to:
- (a) property history and drivers for rural lifestyle development and orchard expansion;
  - (b) development of the Shannon Farm rural lifestyle proposal; and
  - (c) stakeholder engagement.

## **Executive Summary**

- 8 New Zealand Cherry Corp is an established Central Otago business which operates a substantial and vertically integrated cherry production, processing and sales operation, based in Cromwell. The recent purchase of an adjacent property, named Shannon Farm, has allowed the business to pursue an expansion and development programme as outlined herein. The approval of PC14 is a fundamental enabling component of this process.
- 9 The three key elements of the Shannon Farm project, which are each dependent on the other for a successful outcome, are:
- (a) expansion of cherry production which will almost double in size, with an additional 29ha developed as an orchard and associated infrastructure including workers' accommodation;
  - (b) rural lifestyle sites on the suitable central part of the site and lower hill slopes; and
  - (c) public recreation access to the high-country portion of the property, with enhanced landscape protection to this area.
- 10 The proposed use of Shannon Farm under PC14 is based on a comprehensive assessment of the property's key attributes and relevant external factors. It is acknowledged that there are aspects of this proposal that reflect the specific strengths, experience and objectives of NZCC and Infinity Investment Group Holdings Limited. To achieve a long term viable and sustainable outcome this approach is considered both appropriate and warranted.
- 11 A summary of the benefits that will result from PC14 proceeding include:
- (a) productivity and economic growth flowing from the expanded cherry orchard, workers' accommodation, lifestyle block subdivision and new recreation access;

- (b) employment opportunities across a wide range of local businesses and sectors;
- (c) quality and diversified rural lifestyle living options for the district within a close proximity of Cromwell township;
- (d) provision of recreation opportunities for the general public and associated enhanced wellbeing;
- (e) strong environmental outcomes in key areas such as landscape impact, efficient use of natural resources and mitigating the effects of competing land uses; and
- (f) the confidence the Cromwell community can have that the project will be delivered as envisaged by New Zealand Cherry Corp and Infinity Investment Group Holdings Limited, both of which are well established local companies with a sound track record in horticulture and development of successful lifestyle community projects.

### **Property History**

- 12 The property that PC14 relates to was purchased by New Zealand Cherry Corp (Leyser) LP Limited, a subsidiary of New Zealand Cherry Corp, in early 2018. The 244ha farm has been operated by the previous owners (Leyser family) over the past 40 years as a pastoral grazing operation, latterly based mostly on stock trading, along with summer stone fruit production. Due to this historical use, over an extended period and somewhat passive management, the property is in a rundown condition, with a number of dated production systems, improvements and buildings of minimal utility.
- 13 Given the location of the property and its physical attributes, plus market sentiment, the site is at a stage where a change of use is warranted if the asset is to be optimised.
- 14 The property has been called Shannon Farm, which is the name of the original owners of the property. This name has been chosen for its special historical significance for the district.

### **Strategic Drivers of Horticulture Expansion & Rural Lifestyle Development**

- 15 Over the last 2 years significant effort has been applied to finalise a comprehensive plan to allow Shannon Farm to be developed as envisaged under PC14. An overview of this strategy is set out herein and more detail will be provided by the evidence of various experts engaged by NZCC and NZCC representatives.

- 16 As noted above NZCC is a neighbouring owner to the PC14 site, where the company has an existing cherry orchard. Operational information for this business and relevant details in regard to the development plans of NZCC are detailed in the evidence of our General Manager Mr Ricky Larsen. From his evidence it is apparent that whilst cherry production can generate good returns it is also a relatively high risk, specialised and management sensitive business. It requires well capitalised ownership and a diverse balance sheet to remain viable long term.
- 17 The events that have impacted on New Zealand and internationally in relation to Covid 19 are also a relevant point to consider. A business sector that becomes too heavily weighted on one product can be severely impacted as tourism operators are now finding. Diversification of asset base and income is one answer to this issue and it applies to all sectors including cherries. Markets for primary produce are cyclical and as has occurred in the past, for example in viticulture, apples and kiwifruit, significant changes can happen quickly due to one off events. To remain viable during these times diversity of income base is crucial.
- 18 As a long-term strategy NZCC has been planning to increase its cherry production base at the appropriate time. There are clearly a number of synergies that result from NZCC expanding on this adjacent site. However, there is also a degree of compromise from using this land, examples being the high \$/ha purchase price (mostly due to close proximity to Cromwell township), risk of having all production in a single location, and localised site-specific features and limitations.
- 19 On balance the available land on the PC14 site, that NZCC considers is suitable for cherry expansion, has been maximised taking the above factors into account.
- 20 A key element of our proposal is the background of the shareholders. Infinity Investment Group Holdings Limited, which holds a 50% share in NZCC, is a well-regarded property development company, with an established track record. Infinity has completed numerous successful projects in the South Island over the last 25 years and is the proud recipient of the following awards:
- (a) Property Council of NZ Urban Land Developments Award Winner 2013, awarded for Peninsula Bay in Wanaka;
  - (b) Canterbury Architecture Award 2010, presented to Mason & Wales Architecture Ltd, awarded for Pegasus Golf & Sports Club, Pegasus;
  - (c) Property Council of NZ Urban Land Developments Award of Merit 2007, awarded for Far Horizon Park Development in Wanaka;
  - (d) Queenstown Lakes District Council Heart of the District Award 2005, awarded for contributions to the community in the business category; and

(e) Fish & Game New Zealand Environment Award for Excellence in Riparian Management 2005, awarded to Foveran Deer Park<sup>1</sup>.

- 21 Conceptual work that has driven the rural lifestyle and recreation access components for PC14 has benefited from the experience of Infinity. This factor should not be underestimated as the Cromwell region and its residents can benefit if development design encompasses what has worked as markets have matured in other localities such as Wanaka. Infinity is experienced and well positioned to progress a sound land use outcome at Shannon Farm. Anyone in doubt of this statement is encouraged to look at the projects completed to date by Infinity to see first-hand the exceptional results and high level of owner satisfaction achieved.
- 22 The other 50% shareholder in NZCC is the Van der Velden family who have lived and worked in Cromwell for several decades. The family own and live on the adjoining cherry orchard – Henry and Pam Van der Velden together with their three sons all work in the business. The Van der Velden family have consistently contributed to the development of Cromwell over the years, also operating a real estate and property management business, developing a subdivision at Lowburn and a commercial building complex, Traders Lane on McNulty Road, Cromwell. The family are enthusiastic supporters of Cromwell and experienced orchardists.
- 23 Plan Change 14 and the resultant progression of this project forms another chapter in the strong commitment by Infinity and the Van der Velden family's long term commitment to appropriate, successful and sustainable growth in the district.

### **Design of Rural Lifestyle Proposal for Shannon Farm**

- 24 A range of qualified and experienced experts have been engaged to assist in formulating the Structure Plan which governs what can occur under PC14. The foundation of a successful development model is based on two main factors being design that is appropriate for the specific site and secondly providing a product that has market appeal.
- 25 Key determinants when the Structure Plan design for the PC14 site was completed include - landscape effects, land stability, flooding and hazard advice, traffic safety and access, availability of services and infrastructure capability, surrounding land uses and associated impacts. Controls to regulate how the Structure Plan and the above matters relate have been imposed by carefully considered site and zone standards under PC14 via the new Rural Resource Area (5) zone rules.

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<sup>1</sup> Foveran Park farm is an award winning farm that currently holds world records for animals it has produced over the years <http://www.foverandeerpark.co.nz/>

- 26 Successful property developments are demand driven as they must attract end users who find the product desirable. Such market related matters that have influenced the PC14 Structure Plan include consultation with local real estate participants and independent advice in regard to both supply of and demand for lifestyle blocks in the Cromwell region. This will be further detailed in the expert evidence of Ms Natalie Hampson of Market Economics.
- 27 The experience of Infinity in the Wanaka area over the past 20 years has also been an important component in this process. This matter especially relates to the density of development proposed and resultant mix in sizes of lifestyle sites that can be produced. This is critical as it allows a greater degree of choice both in terms of site area and also a wider range of entry prices, plus impacts on land utility and efficiency of use. A number of local and regional developments were reviewed as part of testing and evaluation during this process. Producing sites that have desirable attributes for future owners – for example high amenity values, desirable building sites, productive and useable balance land areas, and sensible design controls are all important and have been thought through and applied in the application.
- 28 In regard to the nature of the house sites provided under the PC14 Structure Plan and zone rules this has been set up on the basis this is a genuine rural living product. Future lot owners will get a commensurate setting including large areas of open space that they can access, privacy and additional land that is available to them on each site for a range of productive uses if so desired.
- 29 The productive uses referred to above are achievable and are part of what contributes to making Shannon Farm sites a genuine rural lifestyle product. Uses envisaged on the lifestyle blocks on either a personal or commercial basis include orchard trees, viticulture, raising livestock for consumption and also recreation (e.g. horses), vegetable production, glasshouses / market gardens, plant nursery, poultry, woodlots, etc.
- 30 Examples of such productive uses on lifestyle blocks are shown below.





*Viticulture - 557 Aubrey Road, Wanaka.*



*Viticulture - Far Horizon Park, Wanaka.*



- 31 Another relevant matter which is significant is the scale of the project. Larger proposals such as this have the capacity to adsorb costs and provide a higher level of amenity – specific examples at Shannon Farm include the provision of public access to the hill country area for biking and walking which has met with an enthusiastic response from Cromwell locals. Provision of parkland spaces, water features and amenities are other examples of what is possible in bigger developments. Factors such as the above allow a project to develop a positive identity.

### **Development benefits**

- 32 Economic benefits that will result from PC14 progressing will be significant, with income generated contributing to both the local and national economy. The expansion of the cherry orchard will create direct employment opportunities for both full time and for seasonal workers, plus a range of third parties such as contractors, suppliers, transport, tradesman etc. The “before and after” production assessment on Shannon Farm by Compass Agribusiness, presented in the evidence of Mr Paul Edwards, supports this conclusion with an improvement in productivity in financial terms of in excess of c.1000% pa once PC14 is completed.
- 33 Development associated with the rural living sites will create economic benefits across a wide range of business sectors associated with subdivision and construction. Resultant increased capacity and population growth will provide ongoing growth for the Cromwell area across a wide range of sectors – retail, services, community groups, tourism, schools etc.
- 34 The granting of public access to the ONL area for recreation is without question a major benefit of PC14, to the whole community. Having walking and biking access to this area will benefit Shannon Farm residents as well as Cromwell locals and the region as a whole over the decades to come. This is a far more productive use of the land than would be achievable under the traditional use. There will be resultant economic benefits to sectors such as tourism and retail, along with intangibles such as wellbeing and associated health benefits.
- 35 Under PC14 a voluntary change to the ONL boundary has been sought to provide a higher degree of landscape protection to the lower slopes of the hill area. There are also already acknowledged ecological benefits that will flow from protection of this area and revegetation, control of weeds and exotic plants.
- 36 To counter the severe economic downturn that has resulted from the Covid19 outbreak there has been a clear message from central Government to fast track approval of development works, across a range of sectors (infrastructure, building, subdivision etc). PC14 is at a stage where it is “shovel ready” and can contribute

to creating immediate economic benefits. NZCC is in a position to begin Stage 1 of the lifestyle block component of the project as soon as the Plan Change is approved. This will contribute to providing the economic stimulus that is required during what is an unprecedented time for New Zealand.

### **Stakeholder Engagement**

- 37 A focus in the progressive design of the Shannon Farm concept, especially in relation to the lifestyle blocks and recreation areas has been consultation with the Cromwell community. This has occurred at a number of levels as the Plan Change application matured. There has been a strong commitment to work with the community on our proposal and identify areas where changes were needed. Specific examples of engagement follow:

#### *Consultation - CODC*

- 38 During the Plan Change application process, various parties at Central Otago District Council have been contacted for input. A number of meetings were held with Council during the initial scoping and preparation stages for PC14 and advice given was, where appropriate, adopted.

#### *Open days*

- 39 Public open days for Plan Change 14 were facilitated by NZCC and held at our Cromwell cherry packhouse. These were widely advertised in local print, radio and on line, and in total approximately 120 people attended. Feedback from these sessions was taken on board by NZCC and it was apparent that a number of people who attended left with a much better understanding of the project.

#### *Community groups*

- 40 Where possible relevant community groups, such as the Cromwell Business Network have been contacted and given a presentation and opportunity for membership feedback.

An example of the positive result from the effort put into consultation is what evolved in relation to proposed recreation access to the hill country area, specifically via the Cromwell Mountain Biking Club.

### **Conclusion**

- 41 Plan Change 14 is based on a review of the attributes of Shannon Farm and its surroundings, professional advice from qualified experts, plus public feedback. The resultant proposal is a comprehensive development model being a mix of horticultural expansion, lifestyle blocks and recreation areas.

- 42 We have placed strong emphasis on achieving a positive and sustainable outcome and mitigating any effects to a point where they have minimal impact. NZCC firmly believes this objective has been achieved.

**Iain William Weir**

13 May 2020