

Savvy Consulting Ltd  
46 Kennedy Crescent  
Wanaka 9305

27<sup>th</sup> September 2024

Adam Vincent  
Planning Officer  
Central Otago District Council  
[Adam.vincent@codc.govt.nz](mailto:Adam.vincent@codc.govt.nz)

Dear Adam

Thank you for your recent review of the Economic Assessment report submitted with the Private Plan Change 23 application. Based on your letter dated 17<sup>th</sup> September 2024, two bullet points in the Request for Further Information (RFI) related to the Economic report. This letter is intended to provide you with an overview of the changes I have now made to the Economic report and to provide my response to one of the matters you raised.

#### Constrained Vacant Industrial Zone Land

With respect to the constrained vacant land assessed, the following changes have been made to the report:

1. Lot 1 DP 650263 in Cromwell's Industrial Zone has been reclassified as just readily available 'vacant' land based on updated information of the orchard being cleared and development underway. Thank you for this new information.
2. The Vacant – Sloped site at the rear of the eastern Alexandra Industrial Zone has also now been amended. One third of the land is now treated as sloped and unsuitable for industrial development (identified as having a slope of 1:4 by Patersons), and the remaining two thirds of the site has been reclassified as just readily available 'vacant' land.
3. This retains just one site in Omakau as being 'Vacant – Sloped'. This site is small, and drops down below the road, with only a narrow strip of flat land adjacent to the road. I do not consider it necessary to measure the slope of that site in order to justify its classification.

4. The constraints of the large vacant site in the west Alexandra Industrial Zone were explained in the original report by way of a footnote. To avoid this important explanation being missed by future readers of the report, this text has now been moved up into the main body of the text. The site has multiple, and compounding constraints as advised by Patersons (who have investigated the site for previous owners over an extensive period). I rely on Paterson's land development expertise that this site does not represent suitable development capacity.
5. The only other constrained vacant site is classified as 'Vacant – Bush'. This site is located in Naseby. This classification is not considered ambiguous. The report notes that extensive vegetation clearance may be a deterrent for development, particularly if it triggers a consent for example. The classification of that site is not material to the conclusions of the Report.
6. The above changes have required changes to some graphs, tables or maps. The following have been updated and replaced: Figure 2.4, Table 2.4, Figure 2.6, Figure 2.7, Table 3.3, Appendix B map 1. Text changes have been made throughout the Report to cater for the above changes, including updates to the sufficiency results (although this has not changed the outcomes or final conclusions).

#### Long Term Benefits

With regard to your feedback that only the short-term benefits during construction have been considered, respectfully, this is not the case. While only the construction impacts have been quantified, all relevant short and long term economic benefits (and costs) have been identified in the report. As you'll be aware, there is no requirement under s32 for those to be fully quantified. Please refer to Section 5 of the Report where I have set out both benefits and costs of the proposal.

A key point made in the Economic Report is that there are no costs associated with loss of productive capacity on the site as the site is constrained for land based primary production and this is expected to apply over the long term. On that basis, only a small long term economic benefit of the proposal is needed to generate a net benefit from rezoning (and satisfy clause 3.6(1)(c)). There are multiple economic benefits (set out in the Report) that apply to the proposal in the short and long term. Other potential costs not limited to loss of primary production potential have also been identified.

With specific regard to the scope of effects required to be assessed under clause 3.6(1)(c), I consider that my report provides coverage of socio-economic costs/benefits (as applicable

and at a level of detail commensurate with the effects of the proposal). Cultural costs/benefits (if applicable) are outside the scope of the Economic Report.

I have made some minor amendments in Sections 4 and 5 of the Report to help clarify the matters above.

#### Other Amendments

I have taken the opportunity to make a few other minor edits to the Report. This includes adjusting the size of the proposed industrial zone within the landowner's site (now amended as a result of the RFI). I have also provided an update on the Council's recent acceptance of PPC21 in the text, but do not otherwise include the new industrial zone in the analysis as I understand it is not yet in the Operative District Plan (and continuing to exclude it does not have any material effect on the assessment).

I hope the above overview makes sense and helps you identify what has changed. The updated Economic Report is now dated 27<sup>th</sup> September 2024. The previous version of the Report should be disregarded.

Kind regards

Natalie Hampson

Director

[natalie@savvyconsulting.co.nz](mailto:natalie@savvyconsulting.co.nz)