

# Nelson City Council

## Nelson Marina Strategy

14 December 2017



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Nelson City Council

Nelson Marina Strategy

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# Table of Contents

ABBREVIATIONS	1
1 INTRODUCTION	2
1.1 Background to the Project	2
1.2 Project Scope	2
1.3 Project Assumptions	2
1.4 Structure of this Report	2
2 WHAT DOES THE NELSON MARINA MEAN TO THE NELSON REGION?	3
2.1 The Nelson Marina	3
2.1.1 Recreational Activities	3
2.1.2 Industrial and Commercial Activities	4
2.2 What Do Other Marinas Do Well?	5
2.2.1 Havelock Marina, NZ	5
2.2.2 Whangarei Marina and Riverside Drive Marina, NZ	5
2.2.3 Nelson Marina – Key Differentiators	6
2.3 Stakeholder Consultation Process	6
2.4 Stakeholder Consultation Outcomes	7
3 THE NELSON MARINA STRATEGY	9
3.1 The Akersten Precinct Strategy and Masterplan	9
3.1.1 Akersten Precinct Land Use	10
3.2 The Vision of the Nelson Marina	13
3.3 Future Development	14
3.3.1 Three Development Stages	15
3.4 What Needs to Happen to Achieve the Vision?	20
3.4.1 Nelson Marina Precinct - Recreation	20
3.4.2 Nelson Marina Precinct – Commercial	23
3.5 Environmental Management	25
3.6 Environmental Considerations	26
3.6.1 Contaminated Land	26
3.6.2 Marine Biosecurity	27
3.6.3 Marina Water Quality	29
3.6.4 Earthquake Status	30
3.6.5 Surge and Inundation Issues	31
3.6.6 Consents and Authorisations	32
4 OWNERSHIP, DEVELOPMENT AND MANAGEMENT OF COUNCIL ASSETS IN THE MARINA AREA	33
4.1 Public versus Private Ownership	34

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## Table of Contents

4.2	Public Developments	34
4.3	Public – Community Partnerships for Development or Management	35
4.4	Public – Private Partnerships for Development and Management	35
4.4.1	Benefits of Public – Private Partnerships	35
4.4.2	Issues Related to Public – Private Partnerships	35
4.4.3	Circumstances where Public – Private Construction Based Models are Suitable	36
4.4.4	Boat Servicing Area	36
4.5	Recommendations Relating to Ownership, Development and Management	37
4.6	Assumptions	37
5	INVESTMENT REQUIREMENTS	40
5.1	Option Assessment	41
5.1.1	Option 1	41
5.1.2	Option 2	41
5.2	Wider Implications	41
5.3	Key Assumptions for the Economic Assessment	41
5.3.1	Dredging	41
5.3.2	Marina Users	42
5.3.3	Sea Sport Facility	42
5.3.4	Safety Improvements	43
5.3.5	Marina Commercial and Hospitality Facilities	43
5.3.6	Boat Servicing Area	43
5.3.7	Public Walkway Developments	43
6	RECOMMENDATIONS	45

### TABLES

Table 1	Report Structure	2
Table 2	Summary of Stakeholders contacted during Pre-Consultation	7
Table 3	Summary of Consultation Participants	7
Table 4	NRMP Activity Status (Modified from the Akersten Precinct Masterplan)	11
Table 5	Stage 1 Development (1 – 3 years)	15
Table 6	Stage 2 Development (3 – 5 years)	17
Table 7	Stage 3 Development (5 – 10 years)	19
Table 8	Miscellaneous Action Items	24
Table 9	Ownership, Development and Management Options	31
Table 10	Benefits of a Public – Private Partnership	33
Table 11	Recommendations relating to ownership, development and management	35
Table 12	Ownership, Development and Management Action Items	35
Table 13	Estimates of Overall Capital Expenditure for Development	37
Table 14	Nelson Marina Strategy Action Plan Stages	41
Table 15	Nelson Marina Strategy Action Items	42
Table 16	Nelson Marina Strategy Action Items - Miscellaneous	44

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## Table of Contents

### FIGURES

Figure 1	Nelson Marina Area	9
Figure 2	Example of a Dry Stack	14
Figure 3	Nelson Marina Strategy – Stage 1 (1 - 3 years)	15
Figure 4	Nelson Marina Strategy – Stage 2 (3 – 5 years)	17
Figure 5	229 Akersten Street – Now and As Proposed	18
Figure 6	Nelson Marina Strategy – Stage 3 (5 – 10 years)	19
Figure 7	Environmental Concerns within the Nelson Marina	25

### PHOTOS

Photo 1	Images of the Nelson Marina taken in 2015	8
Photo 2	Images of Marinas in proximity to the Nelson Marina	13

## **ABBREVIATIONS**

BOOT	Build, Own, Operate, and Transfer
CBD	Central Business District
CMA	Coastal Marine Area
DBOO	Design, Build, Own, and Operate
HAIL	Hazardous Activities and Industries List
LTP	Long Term Plan
NCC	Nelson City Council
NMAG	Nelson Marina Advisory Group
NMS	Nelson Marina Strategy
NRMP	Nelson Resource Management Plan
NZMOA	New Zealand Marina Operators Association Inc.
REOI	Release Expression of Interest
SLR	SLR Consulting (NZ) Limited
TOSIMBSP	Top of the South Island Marine Biosecurity Strategic Plan

# 1 INTRODUCTION

SLR Consulting (NZ) Limited (SLR) has been engaged by the Nelson City Council (NCC) to review comments and feedback received from the Nelson Marina Advisory Group (NMAG) and NCC Councillors and to update the Nelson Marina Strategy (SLR 2016) in consideration of the NMAG and NCC Councillors comments and feedback.

## 1.1 Background to the Project

NCC commissioned SLR in 2015 to develop a Nelson Marina Strategy (NMS) to identify issues relating to the Nelson Marina site, determine what could be achieved from the Nelson Marina site, identify options for the ownership and management of the Nelson Marina and recommend options for development of the Nelson Marina site. The NMS was developed based on a number of previous reports commissioned by the NCC which focussed on identifying options for the future development of the Nelson Marina Area (also referred to as the Akersten Street Precinct).

The intent of the NMS is to inform NCC's vision for the future of the Nelson Marina and set out a ten (10) year plan for improvements in the area.

This report is an update of the 2016 NMS and incorporates the feedback from the NMAG and NCC Councillors. This report brings the outcomes and recommendations in line with the strategic direction of the NMAG.

## 1.2 Project Scope

The scope of this report focusses on the update of the 2016 NMS only, including:

- Identification of the issues and opportunities to develop the Nelson Marina; and
- Identification of the action items required to progress Nelson Marina development opportunities.

## 1.3 Project Assumptions

The following assumptions and limitations apply to this report:

- The update is based on the inclusion of the NMAG and NCC Councillor review comments.
- The update does not include a complete revision and re-write of the NMS.

## 1.4 Structure of this Report

This report has been structured as follows:

**Table 1 Report Structure**

Report Section	Section Objective
Section 1	Introduction
Section 2	What Does the Nelson Marina Mean to the Nelson Region?
Section 3	The Nelson Marina Strategy
Section 4	Ownership, Development and Management of Council Assets in the Marina Area
Section 5	Investment Requirements
Section 6	Recommendations

## 2 WHAT DOES THE NELSON MARINA MEAN TO THE NELSON REGION?

### 2.1 The Nelson Marina

Nelson is a popular destination for yachts and provides many opportunities for sea based activities. The sheltered marina, ready access to the waters of Tasman Bay and the Marlborough Sounds, haul-out and repair facilities all add to the region's attractions of National Parks, beaches, arts, crafts, cafes, wine and outdoor activities.

A 14ha reclamation of the Akersten Street area in the mid-1980's included a new 38 berth marina – now the “Old Boat Harbour”, a three-lane boat ramp, and a combined club facility building for the Iron Duke Sea Scouts, the Talisman Sea Cadets, and the Rowing Club. The reclamation was intended for recreational purposes although it now has considerable area provided for marina industrial and marine commercial activities. The club facility was opened in 1987, with the intention of encouraging locals to spend their leisure time on the water.

NCC currently operates the Nelson Marina with visitor berths and permanent marina berths up to 15m in length. The area surrounding the Marina is mainly industrial and commercial, focused on providing marine services such as boat maintenance and sales. Utilisation of the Marina is currently at approximately 96%, with the majority of berths held by Nelson locals and no set number of berths held for visitors.

Recent amenity improvements include the walkway under SH6 to the Rutherford Park as part of NCC's City to Sea linkage, which has encouraged people to walk to the Marina area.

#### 2.1.1 Recreational Activities

The Marina is a popular area to engage in a range of recreational activities. Stakeholders were consistent in their description of the Marina as the only sheltered launching ramp in The Haven, which is also considered the best boat ramp. Sea sport users primarily used the Marina to launch from due to the sheltered position and good ramp facilities. However, limited areas to store equipment meant that some users (waka ama) are utilising grass picnic areas for equipment storage, and this has limited the use of those areas for other users.

Recreational users include:

- Motor boats;
- Yachts;
- Non-motorised craft e.g. canoes, rowers, kayakers, waka ama and paddle boarders;
- Jet ski's;
- Youth activities e.g. Sea Cadets and Sea Scouts;
- Walkers and those simply enjoying the view; and
- Fishermen.

The popularity of the area has caused some concern among users. Key issues are:

- Increasing numbers and types of sea sport users utilising a limited area – not enough space for growing sport activities;
- Lack of secure facilities for equipment storage;
- Congestion at the boat ramp at specific times e.g. snapper season, weekends and public holidays;
- Frustration and impatience at the boat ramp caused by motorised and non-motorised craft sharing the boat ramp (non-motorised craft may take longer to launch);

- Safety issues as small craft turn the corner of Pontoon B where visibility is poor;
- Safety issues with motorised and non-motorised craft sharing a narrow channel, exacerbated by some users not being adequately aware of marine rules within the Marina; and
- The closure of the Sea Cadet/Sea Scout boat ramp forcing those users to share the main boat ramp, adding to congestion and limiting the ability for youth to learn boat launching techniques; and
- Parking issues – people without trailers using car and trailer park, limited parking for berth holders (and parking too far from berths), and insufficient parking at peak times.

Sea sports, such as canoeing, kayaking, rowing, paddle boarding and waka ama, are a growing area of recreation. In 1988 the existing facilities for the Sea Cadets, Sea Scouts and Rowing Club were established with the hope of encouraging more Nelson residents to participate in sea based activities.

The current issues with congestion in the Marina area, and lack of space for the many sea sport clubs is a testament to the success of this early desire to encourage people onto the water.

The Nelson Water Sports Review produced by Sport Tasman for NCC in 2013 identified:

- There has been an 80% growth in clubs from 1960's, 60% of this growth has been in the last 20 years;
- 75% of the water sports clubs consulted highlighted a particular lack of storage space for water sports equipment in a secure environment;
- 85% of the water sports clubs consulted felt the current level of facility provision is lacking;
- Water sports facility provision hasn't developed over time, as club numbers have increased;
- All clubs that currently use the water sports facility identified that it doesn't have the capacity to meet the needs of water sports in the future; and
- The current water sport facility mix of services doesn't meet the needs of water sport users. And in particularly is lacking, storage, training and changing facilities.

### **2.1.2 Industrial and Commercial Activities**

The Nelson Marina Strategy area is roughly separated into two parts – the northern part of the Marina Strategy area with Schedule M (Marina Schedule) zoning, and an industrial area to the south with Port Industrial zoning – and a privately owned commercial area in the middle.

The commercial area (within Schedule M) is predominantly marine related commercial such as boat sales and chandlery, and supporting activities such as storage sheds and boat storage. The industrial area within Port Industrial zoning is largely unutilised other than the hardstand and a single engineering firm.

Stakeholder feedback from businesses in the area indicated that the area was under-utilised; the unused land especially was an eye-sore that should be allowed to be developed into industrial uses that supported the Marina. Business stakeholders also re-iterated that the marina itself could generate increased custom for marine related industrial businesses if there was a greater focus on attracting visitors to the Marina for off-season boat maintenance.

Businesses and other stakeholders also indicated concern that a significant part of the commercial area was taken up with storage space, rather than being better utilised with marine or sea sport related commercial, hospitality and/or accommodation facilities.

## 2.2 What Do Other Marinas Do Well?

A range of comparably sized marinas were considered in order to identify innovation or ideas which could potentially be applied to the Nelson Marina. Most similar marinas have comparable facilities (such as showers, toilets etc.) available. In some cases facilities are larger or more modern, and there is frequently provision of services such as Wi-Fi, fuelling infrastructure and more expansive boat servicing availability than at Nelson Marina.

### 2.2.1 Havelock Marina, NZ

Havelock Marina, with 340 berths is only one hour from Nelson. With similar attractions and boat maintenance services available nearby and good facilities, the marina is a key competitor for Nelson Marina. However, berth fees are more expensive than Nelson Marina and the marina location (close to the small town of Havelock) may not be as attractive as being located near to Nelson –which has wider appeal as a place of culture, art and architecture. Havelock has produced excellent quality promotional material, including a comprehensive and attractive website. Despite the promotional material, Havelock Marina has experienced a decline in permanent berths which may be due to the berth fees or a focus on seasonal visitors.



Havelock Marina

### 2.2.2 Whangarei Marina and Riverside Drive Marina, NZ

Whangarei Marina is a comparable marina in the North Island of New Zealand. The 280 berth marina is similar to Nelson, a walk away from the city centre retail and entertainment areas. While facilities are also similar to the Nelson Marina, Whangarei provides a few additional facilities and services such as Wi-Fi, security via gates with keys, cameras and a nearby children's playground. The marina is managed by a non-profit Trust and only offers berth rentals. Fees however, are more expensive than Nelson Marina.

Riverside Drive Marina is a complete working marina, close to Whangarei and Whangarei Marina. With only 30 floating berths, Riverside promotes itself as a *“place to make boat repairs and re-energize”* and *“small enough to receive personal attention and a daily greeting from Karl and staff”*.

Both marinas have comprehensive and attractive websites to attract visitors to the region for both berthage and boat maintenance. Service provision is customer focused and responsive to berth holder's needs; with both marinas clearly focused on visitors and maximising the marina experience, with the atmosphere considered to play an important part in the attractiveness of both marinas. However, the marinas do not attempt to provide retail or entertainment facilities themselves, instead promoting nearby Whangarei for retail or entertainment requirements.



Whangarei Marina

### 2.2.3 Nelson Marina – Key Differentiators

In comparison to the above marina examples, the point of difference for Nelson Marina is its unique closeness with Nelson CBD, its friendly and sociable atmosphere and the cultural experience that could be offered by enhanced recognition of Tangata Whenua o Whakatu in the area e.g. Toi whakairo (art carving) or markers of cultural sites particularly along the City to the Sea walkway. Potential opportunities to broaden the appeal of the Nelson Marina and hence the useability of the area to the public and local boating community may include:

- An expanded website for Nelson Marina highlighting its services, attractions, ‘city to sea’ connectivity and point of difference; and
- Improved social media presence – ensure Nelson Marina has a presence on key platforms e.g. Marina related sites, search engines and Facebook.

### 2.3 Stakeholder Consultation Process

A survey of Marina users in October 2015 indicated that users considered the Marina, and surrounding area as being under-utilised. A large area of land sits unused at the southern end of the reclamation and other NCC owned areas, while well used, are not optimised either in terms of public amenity or return on investment. Those users consulted with and those whom provided feedback during October 2015 also suggested optimisation of Marina and marina activities for Nelson locals.

Following a review of documentation and existing information related to the Marina, a comprehensive stakeholder engagement process was developed and carried out to identify the views and ideas of Marina users and inform the development of the NMS. Overall, stakeholder feedback was gathered and collated from the following sources:

- Consultation with key stakeholders during the development of the Akersten Precinct Strategic Framework Summary Report (2009);
- Consultation with key stakeholders during the development of the Akersten Precinct Masterplan: Review of Implementation Options (2010);
- Feedback related to the Nelson Marina development during the Long Term Plan (LTP) consultation process in (2015); and
- Consultation during the development of the NMS (2016) including:
  - Direct email contact with an initial 138 potential stakeholders / stakeholder groups, identified through previous consultation with NCC, public promotion of the process and active investigation into Marina users (internet searches and questioning known users and groups such as the Chamber of Commerce and sea sport national offices) ;
  - An email from the Chamber of Commerce to their members (two emails were sent, an initial notification and a follow up notification that the online survey was open);
  - An email sent to many sea sports club email lists;
  - A press release by NCC;

- An article in 'Stuff';
- An article on LinkedIn; and
- Radio coverage of the consultation by More FM.

**Table 2** provides a summary of the stakeholder contacted during pre-consultation for the NMS. **Table 3** provides a summary of the NMS consultation participation.

**Table 2 Summary of Stakeholders contacted during Pre-Consultation**

	<b>Groups / Clubs</b>	<b>Iwi</b>	<b>Businesses</b>	<b>Individuals</b>	<b>Other</b>	<b>Total</b>
Initial contacts (by phone or email)	24 Additional contacts via club/group email lists	9	75 directly Additional contacts via Chamber of Commerce email list	31	3 Harbourmaster, Nelson Tourism etc.	142

**Table 3 Summary of Consultation Participants**

<b>Active Participation</b>	<b>Groups / Clubs</b>	<b>Individuals</b>
Face to Face meetings	13	45
Focus Groups	9	27
Survey at Marina	n/a	42
Online survey	n/a	74
Other Submissions	3	9
<b>Total</b>	<b>25</b>	<b>197</b>

The views of stakeholders were combined with stakeholder feedback from previous consultation, including the LTP consultation, and incorporated into the NMS. Overall, stakeholders supported a marina / marine focused area with additional facilities – particularly hospitality; and better layout and delineation between recreational and industrial activities. The outcomes of the above form the basis of this NMS.

## 2.4 Stakeholder Consultation Outcomes

It was noted that stakeholder views in relation to the Marina area tended to indicate a preference for limited growth and new development whereas NCC Councillors favoured optimisation of the value of the Marina and Akersten Street land.

The stakeholder view in relation to development and growth of the area was indicative of the current demographic of the most active stakeholder group (marina berth holders) although not consistently held among either berth holders or other Marina users. This view was also indicative of concerns stakeholders held regarding current levels of congestion and parking issues at the boat ramp – issues which could be addressed via good design of future development.

In other instances, there was strong alignment between stakeholder and NCC Councillor views (e.g. in relation to a sea sports facility and cultural recognition).

The options presented in this updated NMS represent a balanced compromise between differing viewpoints and NCC Councillors reconciling Marina stakeholder views with broader benefits to the Nelson region.

The Marina area is a much used public area (**Photo 1**). The issues of congestion and over-crowding are significant contributing factors driving the NCC's focus on development for the area, to better utilise a limited space while better providing for the needs of Nelson residents and visitors in the future. Stakeholder engagement indicated that the Nelson Marina is a valuable asset to the Nelson Community, both in financial terms, and in terms of the social value to the people who use and visit the Marina and surrounding area. This NMS consolidates the outcomes of the stakeholder consultation process including available data provided to SLR.

Overall, stakeholders indicated that the Marina was well maintained and the facilities generally good. There was a common view that Nelson was all about connection to the sea, and there was an intrinsic value to sailing and yachting to the region and that these were enhanced by public access to the Marina.

The openness of the Marina was valued by both berth holders and other users of the area, and was considered an important aspect to keep for local amenity purposes. The openness and the proximity to the city made Nelson Marina unique. The Marina itself was viewed as a good marina, with fees often seen as either commensurate with the facilities provided or cheap. A smaller number of berth holders felt the fees were too expensive.

This range of views related to berth holder fees is likely to be indicative of the demographic range of berth holders (i.e. those on limited incomes are more likely to consider the fees unaffordable than those with greater wealth or income) and the changing nature of yachting (with small yacht berth holders tending to be older, and younger yacht owners either moving to larger yachts or motorised craft).

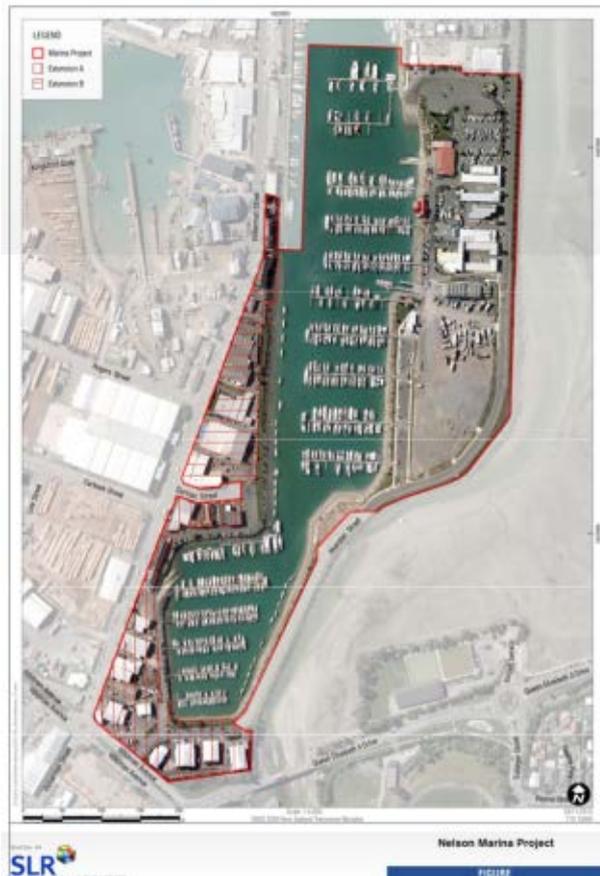


**Photo 1** Images of the Nelson Marina taken in 2015

### 3 THE NELSON MARINA STRATEGY

The intent of the NMS is to refocus the Marina area for recreational purposes, while improving the availability of marine related industrial and commercial support facilities and ensuring the most efficient use of the valuable land and sheltered water area.

The area covered by the NMS is referred to as the “Nelson Marina Area” is shown in **Figure 1** below.



**Figure 1 Nelson Marina Area**

#### 3.1 The Akersten Precinct Strategy and Masterplan

The *Akersten Precinct Masterplan*<sup>1</sup> builds on the earlier *Akersten Precinct Strategic Framework*<sup>2</sup> and focuses on identifying options for the development of the Akersten Street Precinct in Nelson and developing a strategic framework for the wider Akersten Street Precinct to explore the potential for future development of the area.

The Akersten Masterplan reflects a long term vision for the Akersten Street Precinct, an area that extends beyond the land directly covered by the Marina into the Port Industrial Area and open space land.

<sup>1</sup> *Akersten Precinct Masterplan: Review of Implementation Options* (Aurecon 2010)

<sup>2</sup> *Akersten Precinct Strategic Framework Summary Report* (Aurecon 2009)

The *Akersten Precinct Masterplan* suggested a three stage approach to implementing the *Akersten Precinct Strategic Framework*. Progress to date on the implementation of the *Akersten Masterplan* includes:

- Marina dredging to the north (underway) and new Marina berths (completed);
- New Marina amenities block at east of Marina;
- Maitai river walkway connection (completed);
- Upgrade old boat harbour edge for pedestrian priority and public use; and
- Initial discussions for a new multi-use club facility including storage and club rooms.

This NMS builds on these documents and incorporates stakeholder views in order to identify the issues (e.g. biosecurity, climate change, changing usage patterns, safety issues) relating to the site (such as the inclusion of a sea sports facility) to determine what could be achieved from the Marina area, identify options for the ownership and management of the Marina (including associated facilities) and recommend options for future development.

The Masterplan suggested that as a major landowner, and major Port Nelson shareholder, the NCC would be able to take a lead role in giving effect to the Masterplan vision. The Masterplan goes on to note. *“Conversely, if the Council chose to take a market driven approach to development, its major landholdings could be a barrier to efficient, effective market response. Therefore, if a market approach is the Council’s preference, divestment of its landholdings may be an appropriate step”*.

The issue of ownership of land and facilities has been considered as part of the NMS, and is discussed in more detail in Section 4 Ownership and Management of Council Assets in the Marina Area.

### 3.1.1 Akersten Precinct Land Use

The Akersten Masterplan describes the zoning and land use rules of the Akersten St area as:

*“The Akersten Precinct Masterplan area is mainly zoned Port Industrial, and subject to the Port Effects Control overlay (to restrict reverse sensitivity issues). Within that area, part is covered by Schedule M (Marina Schedule) which is more permissive of non-industrial activities.*

*The Nelson Resource Management Plan (NRMP) discourages the use of the Port Industrial zoned land for activities that are not an essential part of the Port’s operation.*

*Council’s approach has been to allow non-industrial activities by way of resource consent “rather than creating either a special zone for marine-related activities or a commercial zoning which would permit more than necessary and conflict with the efficiency of use objective<sup>3</sup>”*

Generally the NRMP’s policies are a barrier to the use of Port Industrial land for non-industrial activities. Therefore the options for development of the area will need to fall within Port Industrial activity status or NCC will need to consider either amending the existing zoning or creating a special zone for the area.

**Table 4** of the Akersten Street Masterplan summarises the activity status of proposed activities in the Marina and Akersten Street area and includes:

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<sup>3</sup> Page 8 Akersten Precinct Masterplan: Review of Implementation Options (Aurecon 2010)

**Table 4 NRMP Activity Status (Modified from the Akersten Precinct Masterplan)**

<b>Activity</b>	<b>Schedule M</b>	<b>Industrial Land</b>
Marine Industries	<u>Permitted</u> : Storage, building and repair of boats up to 30m in length	<u>Permitted</u>
Tourism	<u>Discretionary</u> : Other than for recreational purposes which are related to the Marina. Tourism activities are not permitted.	<u>Permitted</u> : if related directly to or supports Port Area / Coastal marine Area (CMA) e.g. aquarium, saltwater baths, maritime museum
Recreation (Built)	<u>Permitted</u> if related to the Marina e.g. clubrooms and Marina facilities	<u>Permitted</u> if related directly to or support for the Port Area / CMA
Recreation (Open Space)	<u>Discretionary</u>	<u>Permitted</u> if related directly to or support for the Port Area / CMA
Commercial / Retail	<u>Permitted</u> : Restaurants, food outlets and liquor license premises, and sale of boats and marine accessories.	<u>Permitted</u> if office or retail is ancillary to industrial activity. Retail limited to small scale (100m <sup>2</sup> ), unless ancillary to industrial use. E.g. Fish market is ancillary to a fish processing business, but not as a standalone business.

Living	<u>Discretionary</u>	<u>Permitted</u> if ancillary to industrial activity <u>Discretionary</u> : Hotel / commercial accommodation
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The NRMP is currently under review and a draft Whakamahere Whakatū Nelson Plan sets out controls to encourage high quality intensive development in the city, focused on Ka ora rawa atu te poho – Giving new life to the city centre:

*“Council wants our city to be a vibrant, attractive place where people can live work and play, and where businesses can operate successfully now and into the future. Nelson’s City Centre should be the premier commercial and cultural heart for the Top of the South. Residential development in the central city should be encouraged, as should good urban design<sup>4</sup>”*

The draft plan indicates that retail and accommodation development should be focused on the city centre, with development in other areas (such as the Nelson Marina area) avoiding any detracting from this focus. This view is supported in other NCC planning documents such as the “*Nelson CBD Position Paper: the economic & social role of Nelson’s CBD*” which proposes:

*“Retail trends suggest that Nelson should not pursue a path to compete on price and volume but capitalise on its wider appeal as a place of culture, art and architecture. A visit to the CBD should be seen an event with shopping one part of that event. Other centres in the region are incapable of competing with the CBD on that basis”*

This direction was considered during the development of the 2016 NMS, with options developed that support the vision of Nelson as a place of culture, art and architecture.

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<sup>3</sup> Ka ora rawa atu te poho – Giving new life to the city centre; Nelson City Council;  
<http://nelson.govt.nz/environment/nelson-resource-management-plan/nelson-plan/topics/city-development/>

### 3.2 The Nelson Marina Vision

The primary strategic vision for the Nelson Marina and the surrounding marina strategy area, is:

1. Efficiently and effectively support marine recreation in Nelson and Tasman by providing marina, dry storage, hardstand and lift, casual launching, marine sports facilities, appropriate commercial services, and ancillary marine recreation services
2. Provide an attractive casual recreation setting for all residents and visitors to Nelson, well-linked to the central city
3. Provide and promote berthage and servicing support for national and international boaters
4. Adhere to a clean marine environment
5. Operate the marina area (as defined) in a low-risk and cost-neutral manner for Nelson ratepayer

Through the 'Nelson Marina Vision' the facility will:

- Provide on and off water boat storage for local boaties and local marine recreation that is affordable and appropriate for the demand;
- Have sufficient space for development of core needs such as boat storage and boat maintenance facilities;
- Understand its environmental impacts and manages to reduce its impacts on the natural setting and biodiversity;
- Manage the biosecurity risks and support the Top of the South Marine Biosecurity Partnership;
- Support a wide range of other marina users with the Sea Sport Alliance;
- Have provision for visiting vessels;
- Have a local industry that supports recreational marine activities;
- Be a key feature of the city that adds to the attraction of Nelson and supports the City to Sea walkway for tourism and residents; and
- The marina is managed in a low risk and cost-neutral manner for Nelson ratepayers

The City to Sea linkage will provide greater connectivity for Nelson residents to access the Nelson Marina area and recreational activities will be enhanced and made safer with the development of a sea sport facility and separate non-motorised launching areas.

Traffic flow and parking issues will be addressed via better design of the parking area, delineation of activities and walking paths to better connect activity areas to facilities. Marine related industrial use will be developed in the unused area of Port Industrial land, clearly separated from recreational areas via landscaping.

**Photo 2** illustrates examples of how the Nelson Marina may be developed to incorporate improved public amenity values and ease of access for marina users.





**Photo 2 Images of Marinas in proximity to the Nelson Marina (Waikawa and Havelock)**

### **3.3 Future Development**

The NMS proposes a future development plan to be undertaken in three steps:

#### **Stage One (1 - 3 years) – Immediate developments**

- Safety and efficiency improvements;
- Investigate boat storage options and feasibility to bring Marina boat storage capacity forward from the current Stage 3 options;
- Initiate changes to District Plans and NRMP (currently under review);
- Initiate consent changes to increase the marina depth;
- Marina operational changes, including provision of recreational re-fuelling facilities; and
- Initiate development of Sea Sport facility at northern part of NCC- owned land (229 Akersten Street).

### Stage 2 (3 - 5 years) – Commence Re-development

- Development of currently unused Akersten Street land into marina related boat storage and servicing hub;
- Re-purposing of northern NCC-owned land (229 Akersten Street area) into Marina or sea sport related commercial hospitality;
- Extend public walkway including boardwalk along Akersten Street marina edge; and
- Develop and/or amend walkway to showcase cultural aspects.

### Stage 3 (5 - 10 years) – Extend development

- Identify capacity and future growth in utilisation of the area and (if required) investigate expansion via declamation or additional reclamation; and
- Development of a dry stack if necessary.

Note: a dry stack is a commercial facility for the dry storage of boats and is an efficient way to safely store boats (**Figure 2**). Boats are stacked on racks, either covered or uncovered. Boats are removed using specially designed hoists and placed in the water for use.



**Figure 2** Example of a Large Scale Dry Stack

#### 3.3.1 Three Development Stages

The following sections provide an overview of the three proposed Marina development stages.

3.3.1.1 Stage 1 (1 – 3 years)

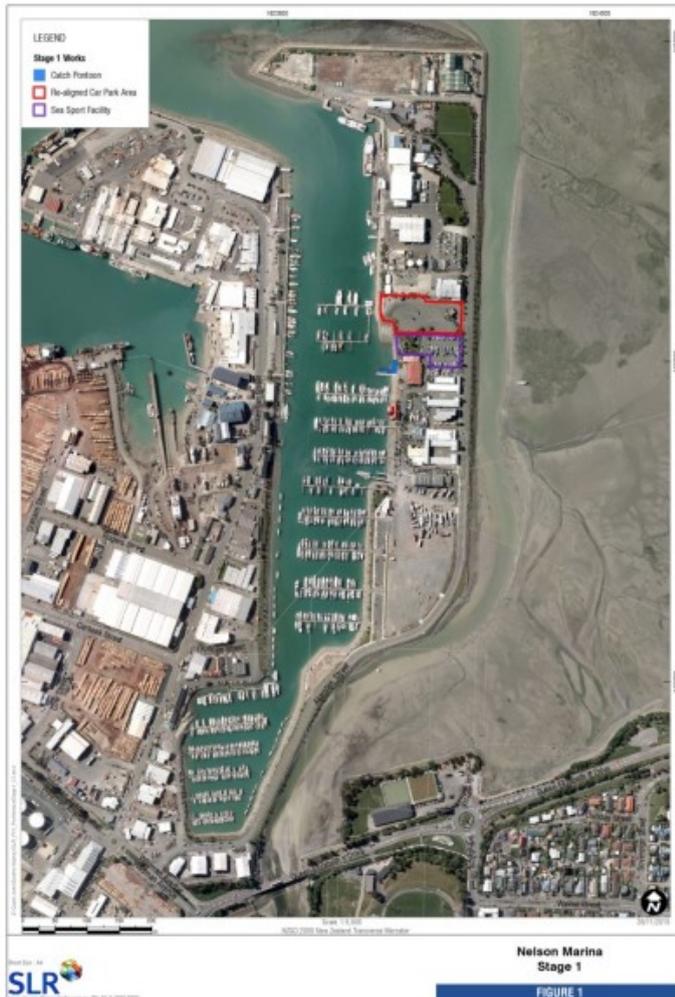


Figure 3 Nelson Marina Strategy – Stage 1 (1 - 3 years)

Table 5 Stage 1 Development (1 – 3 years)

Stage 1 Development	Development Detail
Development of a Sea Sports facility at 229 Akersten Street	<p>Development to include:</p> <ul style="list-style-type: none"> <li>• A facility for equipment storage, clubrooms, changing facilities, public toilets and kitchen access;</li> <li>• Re-alignment of parking and traffic flow;</li> <li>• Improvements to boating rule signage and an education and enforcement campaign to improve user knowledge;</li> <li>• Consideration of on-water traffic flow to mitigate the safety issues on the corner of Pontoon B. Signage to begin with Harbour Master to give tickets to enforce the no wake zone. Education material/signage at the boat ramp and pontoon; and</li> <li>• Installation of a pontoon at the end of the boat ramp, with access from the grassed area, to prevent boat drift and enhance the safety of boaties as they access their waiting craft.</li> </ul>
Other safety and efficiency improvements	<ul style="list-style-type: none"> <li>• Safety and traffic flows for the boat ramp area;</li> <li>• Improve hardstand capacity and turn over;</li> <li>• Establish reporting of near misses and accidents within the Marina in</li> </ul>

Stage 1 Development	Development Detail
Existing council leases	<p>order to develop a data set to better understand the extent of, and available mitigation for identified safety issues (at the moment safety issues are based on anecdotal reporting); and</p> <ul style="list-style-type: none"> <li>• Improve knowledge of marina related boating rules among recreational users by installing boating rule signage, undertaking an education campaign in conjunction with Sea Sport groups to ensure users understand the rules and increasing enforcement for those who break the rules.</li> </ul>
Marina operational changes	<ul style="list-style-type: none"> <li>• Review Akersten Street leases and notify lease holders of development plans where applicable).</li> <li>• Investigate debt servicing, asset condition assessments and depreciation to ensure the Marina continues to operate without funding from rates.</li> <li>• Investigate modifications to the fee structure and conditions to ensure biosecurity, water quality and appropriate usage policies are met. This may require a subsequent review of the management of the system;</li> <li>• Improvement to management practices to make berths more available and reduce underutilised berths and absent owners;</li> <li>• Development of fuelling capability or a stand-alone facility, ensuring appropriate spill response systems are in place; and</li> <li>• Investigation into Marina operational changes and/or modifications.</li> </ul>
Improvements to public amenity	<ul style="list-style-type: none"> <li>• Extend walkway, picnic area enhancement, landscaping; and</li> <li>• Staged development of northern section of NCC-owned Akersten Street land into a prodder recreation area.</li> </ul>

3.3.1.2 Stage 2 (3 – 5 years)



Figure 4 Nelson Marina Strategy – Stage 2 (3 – 5 years)

Table 6 Stage 2 Development (3 – 5 years)

Stage 2 Development	Development Detail
Industrial development	<ul style="list-style-type: none"> <li>Boat servicing area and storage facilities;</li> <li>Development of unused area of Akersten Street land for Marina related industrial use via private development under NCC guidelines for appropriate use;</li> <li>Expansion of the boat storage area where demand exists; and</li> <li>Support to develop the Marina area to provide suitable boat servicing facilities.</li> </ul>
Commercial development	<ul style="list-style-type: none"> <li>Improved utilisation of open space for either recreational, commercial or hospitality developments.</li> </ul>
City to the Sea linkage	<ul style="list-style-type: none"> <li>Potentially develop a 'city to sea' link; and</li> <li>Enhance recognition of Tangata Whenua o Whakatu in the area e.g. Toi whakairo (art carving) or markers of cultural sites particularly along the</li> </ul>

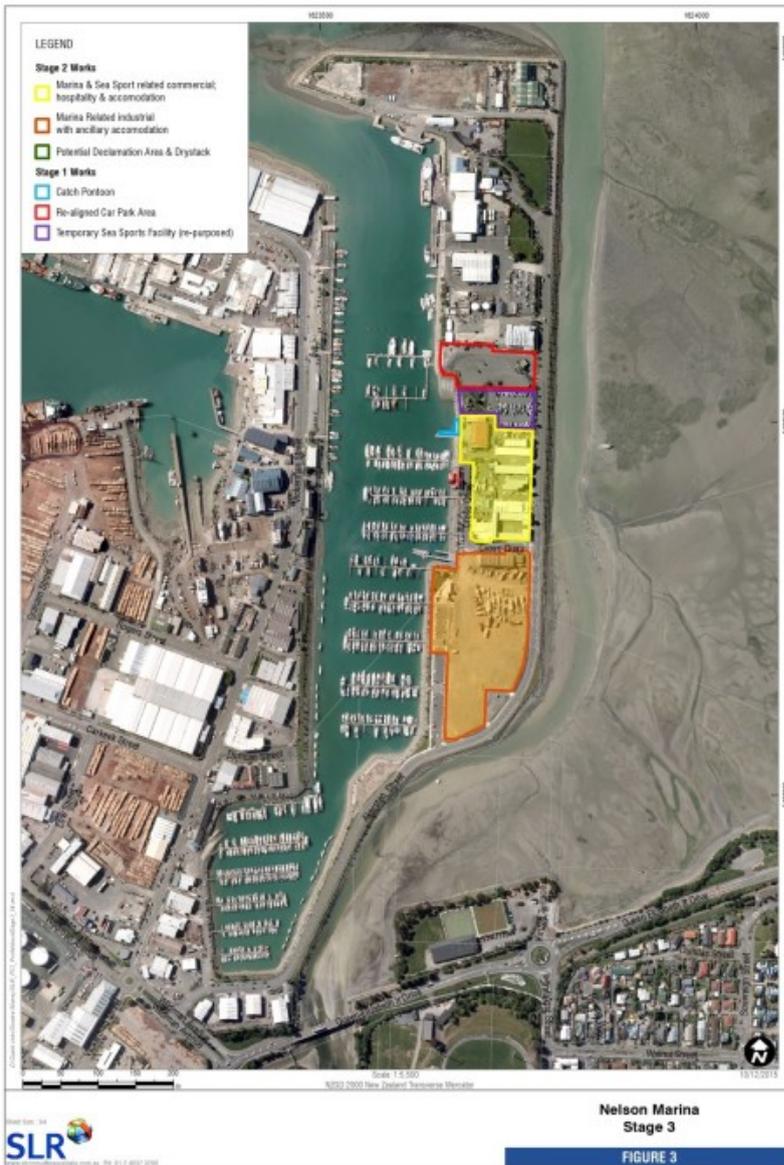
Stage 2 Development	Development Detail
	City to the Sea walkway. Create a journey including signage from the Marina leading back to the city centre.

**3.3.1.3 Stage 3 (5 – 10 years)**

Changes to 229 Akersten Street include the development of a sea sport facility; commercial and hospitality premises and recreational users. **Figure 5** provides an indicative depiction only of the proposed Stage 3 development.

**Figure 5 229 Akersten Street – Now and As Proposed**





**Figure 6 Nelson Marina Strategy – Stage 3 (5 – 10 years)**

**Table 7 Stage 3 Development (5 – 10 years)**

Stage 3 Development	Development Detail
5 year review of progress	<ul style="list-style-type: none"> <li>Review of utilisation and growth projections. If applicable commence planning for extension of facilities via further development (by NCC or via public/private partnerships) of procured land, declamation, and reclamation or public/private partnership for a new marina.</li> </ul>
Further development of area	<ul style="list-style-type: none"> <li>Potential development of a small scale dry stack facility.</li> </ul>
Industrial development	<ul style="list-style-type: none"> <li>Continuation of development of industrial area; and</li> <li>Develop Nelson Marina to provide boat servicing facilities (e.g. small modular containers as workshops).</li> </ul>

### 3.4 What Needs to Happen to Achieve the Vision?

The majority of marinas are in a continual state of change including the pressure on berth numbers and berth sizes. Included in this change is the need to maintain safety and environmental standards. As this change in berth size occurs over time, the change will push smaller boats off the water, decrease availability to the less affluent, and reduce the total number of boats kept in any marina that cannot expand its water use area<sup>5</sup>. Nelson Marina is no exception to this trend, as its smallest berths start at 8 - 12m length. Customer preference is changing towards larger (12 - 15m) berths with a waiting list for berths of this size.

Over time, and as the Marina develops, fewer small berths will be on offer, and more medium sized berths will be developed. In conjunction with this will be the necessity for better and deeper dredging to ensure the larger sized boats are able to navigate the Marina safely even at low tide. This will necessitate a complex resource consent, solely for the Marina (as opposed to a shared consent with Port Nelson as is currently the case) for dredging the Marina to a consistent depth for most of its length.

While facilities are generally viewed by stakeholders as adequate, upgrades to facilities would be beneficial, such as provision of better electrical supply and access to internet services. These could be developed as part of normal maintenance activities.

In relation to visitors, there is a need to acknowledge the difference between a recreational visitor (one who is visiting the area and using the Marina) and a maintenance visitor (one who is using the boat maintenance facilities in the marina area). NCC berth holder agreement defines visitors as:

- A recreational visitor may use a visitor berth for up to 3 months; and
- A maintenance visitor may use a visitor berth for up to 6 months, but must be using the services of a maintenance provider in the boat servicing facilities area during that time.

#### 3.4.1 Nelson Marina Precinct - Recreation

The Akersten Street reclamation was created with the intention of the area being used for recreational purposes. Future development of the Nelson Marina may include improved public amenity and useability values combined with the enhancement of commercial interests (including fishing, boat servicing activities and small scale hospitality).

On-water safety will be an important component of any proposed redevelopment. The NMS also recommends that an area be identified for a potential second boat ramp and dry stack area for Stage 3 development to address mid-long term projections of growth which have the potential to increase congestion within the Marina and on the boat ramp.

Most marinas of comparable size focus their marketing on the atmosphere of the place. While this is sometimes referred to as the customer experience, it is acknowledged that enjoyment of a place is linked inextricably to the atmosphere. In particular, the ability and willingness of those at the marina to chat, laugh, make new friends and have fun.

Interestingly, the vibrant and friendly social atmosphere of Nelson Marina was regarded by stakeholders as one of its best aspects and while this is something that Nelson Marina already does well, it is worth noting the importance of the social atmosphere of marinas to ensure that development promotes public use of the area. The incorporation of a small coffee cart or other hospitality opportunities (e.g. restaurant) were considered by stakeholders and the NMAG as a potential focus particularly during the warmer summer months.

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<sup>5</sup> FUNDAMENTAL TRUTHS ABOUT MARINAS PAST, PRESENT & FUTURE COMMON SENSE RULES OF THUMB  
University of Wisconsin 34th National Course and Conference Docks and Marinas 2008

### 3.4.1.1 Sea Sport Facility

Fundamental to the future of the Nelson Marina is the development of a Sea Sports facility. Stakeholders have clearly indicated that the growth in sea sports has exceeded the capacity of existing facilities. The provision of a new Sea Sport facility would support the more than 15 sea sport clubs and over 1,880 sea sport participants and volunteers that are currently involved in the Nelson Marina.

*“Nelson is a region which has a long maritime history, and offers wonderful coastal waters to its local community and visitors. For the water sport club members and other users of the marina and port area work is needed to ensure all these varying needs and levels of growth can be catered for now and in the future<sup>6</sup>”* Nelson Water Sports Review

A new sea sport facility may include:

- Secure storage facilities for all clubs, with room for future inclusion of additional clubs;
- Toilet and shower facilities;
- Club room / social facilities including a kitchen;
- A staging area for preparation before launch;
- Ramp facilities (separated from the motorised craft launch ramp) which catered to the requirements of different craft, including waka; and
- Provision of parking or the development of public transport routes to the area.

Improved sea sport facilities would be an additional draw card for visitors to Nelson. Good facilities in Nelson would be another attraction for the area as sea sport enthusiasts are encouraged to visit the area for the opportunity to enjoy their chosen sport in a different area, supported by facilities that accommodate their needs.

In addition, improved facilities may mean that local and national sea sport events could be based in Nelson; attracting people to the area and encouraging involvement in sea based recreational activities. The development of a facility would require strong collaboration with sea sport clubs, and specialist technical input for the design of the facility, the launch ramp and traffic flow around the area. In particular, this location for the Sea Sport facility could potentially exacerbate existing issues such as parking and congestion around both the boat ramp and the corner of Pontoon B, and measures would need to be put in place to ameliorate these issues.

A development design and business case are required to initiate development of a sea sport facility and should include initial facility design based on stakeholder input; the new non-motorised launch ramp; the commercial area; public amenity area; a re-design of the car and trailer parking area; and an assessment of traffic flow management for both on-land and on-water users.

### 3.4.1.2 Parking and Traffic Flow

Parking is an issue which many stakeholders raised during consultation. The parking area near the boat ramp is designed for use predominantly by car and trailer units – intended for use by those using the boat ramp. The flow of traffic around the parking area is less than optimal, with only one entrance and a boat wash tap at the top of the boat ramp, hindering free traffic movement. However, for most of the year parking is sufficient to meet needs. Limited parking and the flow on effects including on-street parking congestion occurs on public holidays and during the snapper season with the months between October to April resulting in the greatest onsite parking and traffic issues.

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<sup>6</sup> Nelson Water Sports Review produced by Sport Tasman for Nelson City Council (2013)

Berth holders of Pontoons A and B are concerned with the difficulty of parking close to their berth to transport equipment to/from their boats. Additionally, the sea sport participants have difficulty parking close by, or use the car and trailer parks, to the frustration of those with cars and trailers.

The current payment regime is also focused on payment of a fee for those with a car and trailer who use the boat ramp. This causes discontent when sea sport participants do not have to pay for use of the ramp. In addition, there is no monitoring or enforcement of the boat ramp fee.

With the development of the sea sport facility, parking will become more of an issue, with a period of increased congestion prior to this easing once all developments have been completed. Easing of congestion will require the Phase 3 development of a second motor boat ramp and the establishment of a dry stack to take the pressure of the single boat ramp currently available.

During the development of the Sea Sport facility, it is recommended that:

- The parking area is realigned to provide an entrance and an exit;
- The tap at the top of the boat ramp is removed to discourage car and boat trailer units blocking access to the ramp while they wash the boat down;
- Parking be available for cars only and for car and trailer units; and
- That all parking incurs a charge, and that this is enforced. The charge can be set low, but the aim is to encourage sea sport participants to park elsewhere and walk, to carpool or be dropped off. In addition, it is to encourage motor boat users to utilise a dry stack (once developed).

**Table 8** outlines the miscellaneous opportunities related to the development of the Nelson Marina.

**Table 8 Miscellaneous Action Items**

Area	Description	Actions
Capacity	Developments in the Marina Strategy area are likely to increase utilisation of facilities. A review of growth and utilisation should be undertaken in five years to assess the need for an increase in capacity, and identify the options for development, as capacity increases are likely to require substantial planning.	Review utilisation of the Marina Strategy area and assess need for increase in capacity. If required initiate investigation of options for capacity increase.  Investigate options to reconfigure the Marina to cater for an increase in capacity.

### **3.4.2 Nelson Marina Precinct – Commercial**

To the north of the Marina area (229 Akersten Street), the focus is primarily marine related recreational activity. The development of the Sea Sport facility opens the area for commercial activity such as hospitality (see section on hospitality below) and boating/sea sport related commercial activity such as sales and maintenance of sea sport craft; sale of sea sport related equipment; fishing equipment and supplies etc. Space for such activities is limited by local demand for recreational space as a priority.

The commercial activity could generate income to contribute towards the maintenance of the public facilities, and contribute to the economic well-being of Nelson as a whole. The development of a marine recreational area and subsequent growth of sea sport users is likely to encourage the growth of related services.

#### **3.4.2.1 Development Levy**

The Nelson Marina currently imposes a Development Levy on new berth holders. This levy was initially introduced to ensure new berth holders contributed to the development of the Marina as older berth holders had done, and that this funding would assist in future developments. However, economic assessment shows that current development spending outstrips contributions by the Development Levy considerably. Between 2005 and 2015 a total of \$54,013 was collected in Development Levies; while a total of \$8,286,075 was spent on capital expenditure and renewals.

Stakeholders indicated that the application of the levy may have caused ill-feeling between berth holders and marina management; and that unintended consequences were occurring, such as boat owners failing to inform of ownership changes in order to avoid the levy; and anger when boats passing to family members after the death of a loved one triggering a requirement for a levy to be applied. As a result of these issues it is recommended to cease collection of the Development Levy. Instead, future projections for development costs should be incorporated into the berth holder fees so those causing wear and tear are contributing to the future replacement of infrastructure “as they go”. In short, any contributions related to marina establishment costs have been accounted for via depreciation and replacement of assets.

### 3.4.2.2 Income from Berth Holdings and Leases

The Nelson Marina is primarily a *Homeport* marina (with boats cruising out of to go other places, and returning to) and a *Residential* marina (live-aboards, houseboats). To a lesser extent, it is a seasonal marina (berth rental by boating season). The Marina and the NCC-owned land generate some income for NCC.

In the 2014/2015 financial year, the Marina area generated a profit of \$231,988 from berth holders, property leases and other income (e.g. showers, parking etc.), after marina costs of \$1,559,844 (which includes development costs). Overall, in the period between 2005 and 2015, the Marina and surrounding areas generated a \$2,588,746 profit for NCC. The profit primarily pays down Marina related debt. A strategy is required that helps manage the debt levels for future developments and considers the most suitable revenue streams and fee structures. This should include transparency around where income is derived from, the linkage with user pays, and the cost of the relevant services. The financial strategy should focus on providing affordable services for local marine recreation.

### 3.4.2.3 Marina Hospitality

Stakeholder engagement strongly supported the development of marine focused hospitality facilities in the NCC-owned land around 229 Akersten Street. This was seen as complementary with the recreational facilities in that area, although required clear delineation and separation from the industrial area to the south. This separation could be readily achieved via landscaping.

Hospitality could include cafes, a restaurant and availability of quick food carts such as ice cream, take-always or drinks to cater for a variety of customers (returning motor craft users and sea sport participants; visitors walking to the marina; fishermen) and as a unique dining destination.

Limitations on space and the nature of the surrounding activities favours entertainment focused on the current activities in the area – such as sea sport activities, boating, fishing, walking and could be enhanced by passive recreational facilities such as picnic areas and seating, or a children's playground.

### 3.4.2.4 Accommodation

Nelson Marina is unique in NZ for the closeness of the main CBD including many quality hotels and motels along Trafalgar Street – just a short walk away from the Marina. In alignment with the NCC document "*Nelson CBD Position Paper: the economic & social role of Nelson's CBD*"<sup>7</sup> the development of the Nelson Marina should avoid detracting from the CBD retail sector, and should focus on intensification of accommodation (permanent and temporary) in the central city area.

In addition, zoning for the Marina area is either Port Industrial or Schedule M (Marina Schedule) which largely excludes permanent or temporary accommodation other than as ancillary accommodation attached to marine commercial or marine industrial activities. Therefore, it is proposed that any accommodation should be secondary to the focus of the marina environment (ancillary rather than stand-alone). Where appropriate, accommodation opportunities could be explored further, but not at the expense of limited land resources in the area. In particular, care should be taken to avoid conflict between residential and marine industry activity.

### 3.4.2.5 The Boat Servicing Area

The industrial area to the south of the Nelson Marina Strategy area may be transformed from unused land to the boat servicing area – an area of marine industrial service facilities providing key boat servicing activities. Surrounded by landscaping to delineate the area from the northern recreational facilities, and reduce dust and wind borne pollution, the boat servicing area will maximise the efficient use of the industrial land

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<sup>7</sup> *Nelson CBD Position Paper: the economic & social role of Nelson's CBD* Urbancity (2014)

NCC has recently procured 3,065m<sup>2</sup> of land at 1 and 5 Cross Quay St (Dickson Engineering). This

area includes the existing hardstand facility, as well as a wharf, jetty and other infrastructure associated with the operation of a hardstand. This hardstand area was previously operated by a private business and stakeholders noted that this reduced access to maintenance facilities. The procurement of this facility – including the travel lift, has allowed the development of additional boat maintenance businesses to establish themselves in the area, utilising the NCC-owned travel lift. The facility provides services to help maintain clean hulls and reduce biosecurity risks. Further investment is required at the hardstand to help it manage current and future demand. A business plan is required to help develop the hardstand into a more efficient service.

There is also potential for a dry stack to be developed in this area also, reducing the congestion at the boat ramp. This option should be proposed during the development of the industrial area to determine market interest in such a development at this location. If there is no market interest in developing a dry stack in this location, the issue should be re-visited during stage 3 once an alternative location has been identified.

Development of this area should be in conjunction with private operators, with long term land leases available (with condition of use clauses to maintain marine-related activities). Development should be planned to ensure a balanced mix of boat servicing facilities of a nature that enhances the service offering for visiting yachts and fits the overall theme of the marine industrial area (i.e. linked to facilities that require travel lift facilities to operate).

### **3.5 Environmental Management**

An assessment of environmental impacts for the Nelson Marina should be completed to identify actual and future environmental impacts and create a management plan. The assessment should also include biosecurity risks and use support from the Top of the South Marina Biosecurity Partnership. The option of the Clean Marina Programme should be considered as a useful tool to help manage environmental impacts.

The Clean Marina Programme is an industry led programme developed by the New Zealand Marina Operators Association. The program encourages marina operators, boatyards, contractors and recreational boaters to do their part to protect coastal and inland water quality by engaging in environmentally sound Best Management Practices such as regular boat engine inspection and maintenance, proper waste disposal and reduction of discharge. These practices will contribute to safer, cleaner marinas, as well as cleaner waterways.

“The Clean Marina initiative is a voluntary programme promoted by New Zealand Marina Operators Association Inc. (NZMOA) that encourages marina operators and recreational boaters to protect coastal water quality by engaging in environmentally sound business and operational practices. A number of marinas in NZ and around the world are certified as a Clean Marina, including Westhaven, Opuia and Marlborough Marinas. Others have taken the Clean Marina pledge but are not yet certified including Gulf Harbour, Half Moon Bay and Orakei marinas”.

### 3.6 Environmental Considerations

This section provides a high level qualitative summary of the broad environmental parameters at the Nelson Marina. Where possible, a range of recommendations have been suggested to manage potential risks. These recommendations are suggestions only and further detailed analysis will be needed prior to any development at the Marina.

Figure 7 illustrates the environmental concerns within the Nelson Marina.



Figure 7 Environmental Concerns within the Nelson Marina

#### 3.6.1 Contaminated Land

The NCC Hazardous Activities and Industries List (HAIL) database was used to identify potentially hazardous sites within the Nelson region and the Marina area. A HAIL site is a site which could be at risk of contamination by hazardous materials because of potential historical land use (e.g. land which may have been previously used for the storage of chemicals or fuels).

The HAIL database identifies all known hazardous sites in the region and was created using information including historical aerials and property information. The Nelson Marina area clearly shows a number of HAIL sites, but not all these sites have undergone a preliminary or detailed site investigation to assess the actual levels of site contamination.

**Figure 7** illustrates the areas within the Nelson Marina which are listed as HAIL sites (purple areas). It is clear that the entire boat berthing area of the Nelson Marina is classed as a HAIL site with many of the properties along Akersten Street also falling within the HAIL categories. The area suggested in Section 3 for the Sea Sport facility is also identified as a HAIL site. The large carpark area servicing the boat ramp launching area and adjacent to the sea sports facility however, is not classed as a HAIL site (**Figure 7**).

This strategy provides a number of recommended measures to provide better management of potential contaminated land issues at the Marina and have outlined these below in Section 3.6.1.1.

### 3.6.1.1 Recommendations

Suggested recommendations are as follows:

- All future development at the Marina to comply with the Building Act 2004;
- Any future development at the Marina should be managed according to the HAIL list and the National Environmental Standard for assessing and managing contaminants in soil to protect human health (2012); and
- Future industrial developments at the Marina should include containment facilities where contaminated waste is produced or where contaminants are temporarily stored prior to offsite treatment and/or disposal.

### 3.6.2 Marine Biosecurity

In November 2008, the Top of the South Island Marine Biosecurity Strategic Plan (TOSIMBSP) was developed with the aim of preventing the introduction and minimising the spread of unwanted marine species throughout the top of the South Island.

The TOSIMBSP provides a regional strategic plan within the overarching national biosecurity framework and provides guidance and principles for better coordination of marine biosecurity actions in the region, including management of biosecurity issues in the Nelson Marina. The TOSIMBSP also considers potential biosecurity issues (e.g. marine pest incursions) from other locations which may have an effect on the Nelson region.

The location of Nelson at the top of the South Island and in close proximity to the Marlborough Sounds and Abel Tasman National Park means biosecurity is an important issue. Nelson is also the location of a large Port operation which receives a significant number of international freight vessel movements including the occasional super yacht.

While these vessels must comply with our maritime laws and regulations (Biosecurity Act 1993), the potential for biosecurity incursions still remains (e.g. Mediterranean fan worm detected in Nelson harbour in 2013<sup>8</sup>).

The proximity of Nelson Marina to the adjacent port and commercial fishing moorings means any biosecurity incursion has the potential to expand into the adjacent marina leading to colonisation on vessel hulls and other marina structures. Alternatively an increase in visitor numbers may also provide a greater source of marine pests to other areas through the movement of contaminated vessels to other coastal environments.

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<sup>8</sup> [www.biosecurity.govt.nz](http://www.biosecurity.govt.nz)

Marina biosecurity high risk areas include boat ramps, berths and areas where hull cleaning occurs. For example TOSIMBSP notes that boats taken out of the water for hull cleaning at Dickson Marine Ltd are cleaned over a holding tank however no information was provided on disposal of this contaminated water (i.e. frequency of disposal, location (e.g. landfill, discharge to marina), etc.). A review of the draft Nelson Marina Annual Berth Holder Licence Terms and Conditions (2015) Condition 11 (Vessel Maintenance) provides recommendations on hull cleaning activities including:

*Condition 11.2 (i) – Hull Cleaning: “The Berth-holder shall keep hulls clean of designated marine pests and free of conspicuous bio-fouling, and undertake regular cleaning and antifouling”.*

While these Terms and Conditions provide some measure to avoid unwanted organisms from colonising and establishing within the Nelson Marina, greater clarity on vessel maintenance measures would remove any ambiguity in relation to the obligations of berth holders.

### 3.6.2.1 Recommendations

The following recommendations are provided to better manage biosecurity in the Nelson Marina:

- Develop a set of clear conditions to support draft Annual Berth Holder Licence Terms and Conditions: Condition 11.2 (Hull Cleaning) including:
  - Information on the frequency of hull cleaning for permanent berth holders (e.g. annually);
  - The location of cleaning (e.g. designated slipway with holding tanks to capture waste); and
  - No vessel hull cleaning to be carried out while vessels are in the Marina (i.e. moored or moving through the Marina).
  - Develop the Boat Haulout facility to support the biosecurity objectives and hull cleaning requirements.
- Develop a biosecurity strategy for the Nelson Marina to manage vessels arriving at the Marina that takes into account the level of biosecurity risk (e.g. where a visiting vessel has come from). Specific conditions may include the visitor or berth holder to demonstrate biofouling of vessels at specified time periods (e.g. receipts of bio-fouling carried out every 6 months).

### 3.6.3 Marina Water Quality

The NCC’s regular freshwater and marine monitoring program, measuring water quality at the key bathing beaches indicates water quality is generally very good<sup>9</sup>. Unfortunately, no sampling within the Nelson Marina was carried out as part of the water quality monitoring program.

An area of the Haven, located adjacent to the marina, is regularly sampled as part of the NCC monitoring program with results indicating possible faecal matter contamination. While the point source of this contamination was not identified, contamination from the sewerage treatment plant, land runoff and water fowl were identified as the most likely sources.

In addition to reported environmental factors influencing water quality, anecdotal evidence collected during stakeholder engagement reported possible faecal matter contamination originating from vessels moored within the Marina. As faecal matter monitoring is not carried out within the Marina as part of the NCC led environmental monitoring program there is no clear indication of faecal matter contamination levels. This is likely to be problematic once the Sea Sport facility is developed and increasing numbers of sea sport participants enter the Marina waters.

In order to ensure the water quality is sufficient to allow sea sport participants to regularly immerse themselves in the water, an initial investigation into water quality is recommended. If poor water quality is identified, particularly if high levels of faecal matter are measured, an ongoing monitoring program may be required.

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<sup>9</sup> “Annual Monitoring Summary: Recreational Bathing Water Quality” Nelson City Council (2014/2015).

The Draft Nelson Marina Annual Berth Holder Licence Terms and Conditions (2015) do not currently include any requirement to maintain on board sewerage facilities (e.g. holding tanks) or to use designated facilities for the collection and disposal of sewage. It is recommended that such a condition be included.

Stormwater discharges into the Marina is another potential source of contamination as stormwater is known to carry contaminants from road runoff, roofs, rubbish from stormwater drains, etc. These contaminants are typically discharged during high rainfall events and can contribute to an increase in site specific water and sediment contamination, particularly where water flow is low (e.g. sheltered marinas).

A review of **Figure 7** clearly shows a number of stormwater outfalls entering the Marina as well as discharging along Akersten Street into the Matai River/Haven area. Each of these discharges has the potential to contribute to water quality issues at the Marina. It is also clear from **Figure 7** that the marina boat ramp has an existing discharge to water permit with an adjacent groundwater take permit.

As NCC is looking to improve the amenity value and encourage greater sea sport use in the Marina, SLR has provided the following recommended measures to provide better management of water quality including potential faecal matter contamination in the Marina.

### 3.6.3.1 Recommendations

Recommendations to better manage water quality in the Nelson Marina:

- Develop a set of clear conditions to support the draft Annual Berth Holder Licence Terms and Conditions: Condition 11.1 (Maintenance) requiring:
  - Regular (e.g., annual) maintenance of on-board sewage holding facilities; and
  - No disposal of any sewage into the Marina (e.g. from ballast or bilge tanks).
- Extend existing water quality monitoring into the Marina area. If initial investigations raise water quality issues, prohibit use of the affected area(s) as necessary, and:
  - Identify sites within the Marina for inclusion in the recreational bathing water quality monitoring program

### 3.6.4 Earthquake Status

The Building Act 2004 requires that all New Zealand Councils have a policy on earthquake prone buildings. The aim of the Act is to reduce the risks that earthquakes present to the public and buildings by putting in place an approach to evaluate a buildings structural performance.

In 2006 the NCC, after public consultation, developed and implemented the Earthquake Prone Buildings Policy. This policy was developed as a result of the requirements of the Building Act 2004 and follows the procedures for the evaluation of buildings from the New Zealand Society for Earthquake Engineering's Guidelines for 'Assessment and improvement of the structural performance of buildings in earthquakes'. The NCC policy applies to all buildings except single storey residential dwellings and two (or more) storey residential dwellings that contain only one or two household units.

To date, NCC has carried out limited structural earthquake performance evaluations of buildings within the city, with no such evaluations of the buildings located within the Marina<sup>10</sup>. **Figure 7** illustrates the location of earthquake prone buildings at the Marina and in the surrounding areas. It is clear that no recorded earthquake prone buildings are recorded at the Marina, although there are a number along Vickerman Street and within the Port area.

<sup>10</sup> <http://nelson.govt.nz/building-and-property/commercial-building-information/earthquake-prone-building-information/council-buildings-evaluated-for-earthquake-risk/>

However, NCC policy also notes that “buildings designed after 1976 are unlikely to be earthquake prone unless they have a critical structural weakness from a design deficiency or unauthorised alteration”<sup>11</sup>. As the Nelson Marina (including all buildings located along Akersten Street) was opened in 1987 or later, all buildings are assumed to be consistent with NCC policy.

#### 3.6.4.1 Recommendations

SLR has outlined below a number of suggested recommendations to better understand whether buildings at the Marina pose a potential earthquake risk:

- NCC to carry out:
  - A comprehensive structural evaluation of NCC owned buildings, where those buildings are to remain intact post-development (Dickson Engineering; and the Tasman Bay Cruising Club) and there are grounds to consider that the building may be structurally compromised e.g. there have been structural changes to the building. Due to the recent development of the Marina office block, this building should not require investigation; and
  - An assessment of the structural integrity of the reclaimed land in areas where additional development is to take place.
- NCC to require all future development of infrastructure at the Marina to comply with the Building Act 2004.

#### 3.6.5 Surge and Inundation Issues

In November 2015, the Parliamentary Commissioner for the Environment released her report “*Preparing New Zealand for rising seas: Certainty and Uncertainty*”<sup>12</sup>. In part, this report discussed how a rising sea level will increase the frequency, the duration, and the extent of coastal flooding in New Zealand and how exceedances of high water levels that are currently expected to occur only once every hundred years – today’s ‘100 year event will occur more and more often. For example<sup>13</sup>, “Preparing New Zealand for rising seas” projected sea levels in New Zealand to rise by about 30 centimetres between 2015 and 2065. For a rise in sea level of 30cm, such extreme high water levels would be expected to occur about:

- Every 4 years at the port of Auckland;
- Once a year at the port of Wellington;
- Once a year at the port of Christchurch; and
- Every 2 years at the port of Dunedin.

However, due to uncertainties in methods of estimating sea level rise, projections vary, with NIWA indicating a 18-59cm rise (New Zealand average) between 1990 and 2100<sup>14</sup>. In relation to Nelson, the “Preparing New Zealand for rising seas” report stated:

*“In Nelson, the industrial area around the port, the airport, and the suburbs of The Wood, Tahunanui, and Monaco are all low-lying. Minor ponding occurs in parts of the central city when king tides cause seawater to flow back up stormwater pipes. At times, waves crash over the seawall along Rocks Road.”*

<sup>11</sup> (<http://nelson.govt.nz/building-and-property/commercial-building-information/earthquake-prone-building-information/earthquake-prone-building-user-guide/>).

<sup>12</sup> <http://www.pce.parliament.nz/media/1380/preparing-nz-for-rising-seas-web-small.pdf>

<sup>13</sup> *Preparing New Zealand for rising seas: Certainty and Uncertainty*, Parliamentary Commissioner for the Environment, Nov 2015

<sup>14</sup> Coastal Hazards and Climate Change: A Guidance Manual for Local Government in New Zealand ; 2008

### 3.6.5.1 Recommendations

The following recommendations are provided:

- Future development at the Marina is to take into consideration potential sea level rise and construct buildings at an appropriate height (i.e. future proof the long-term economic viability of the marina);
- Assess the structural integrity of the current Marina reclaimed land predominantly along the seaward margins, including the potential inclusion of coastal defences and sea walls as required; and
- Future development at the Marina to take into consideration predicted changes in weather patterns (i.e. increased frequency of extreme storm events).

### 3.6.6 Consents and Authorisations

The future development of the Nelson Marina will need to meet the rules and assessment criteria detailed in the Nelson Resource Management Plan<sup>15</sup> and the Nelson Air Quality Plan<sup>16</sup>.

The NRMP set out assessment criteria reflected in the Resource Management Act 1991 and has effect throughout the Nelson region up to 12 miles off the coast. As a result, any development at the Marina should comply with the rules and criteria detailed in the NRMP and the Building Act 2004 which should be detailed in an Assessment of Environmental Effects (AEE) which will support any resource consent application. The purpose of the AEE is to determine the likely adverse effects that the activity will have on the environment and how these effects can be avoided, remedied or mitigated.

While it is not the intent of this section to provide a detailed assessment of the resource consents required for development of the Nelson Marina, there are five types of resource consents detailed by NCC which may be applicable to developments at the Nelson Marina. These consents are:

- Land use consent for the use of land;
- Sub-division consent for sub-dividing land;
- Water permit for the taking of water;
- Discharge permit for the discharge of contaminants in water, soil or air; and
- Coastal permit for the use or occupation of coastal space.

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<sup>15</sup> Nelson Resource Management Plan (2004). Nelson City Council.

<sup>16</sup> Nelson Air Quality Plan (2008). Nelson City Council.

## 4 OWNERSHIP, DEVELOPMENT AND MANAGEMENT OF COUNCIL ASSETS IN THE MARINA AREA

The ownership, development and management of the assets currently in NCC control is an important aspect of the re-development of the Marina Strategy area, and the 'best' model for ownership and management is dependent on the outcomes that NCC intends to achieve.

The Vision for the Nelson Marina is that NCC intends to transform the Marina and the Akersten Street area into an active and vibrant Marina for Nelson residents and visitors to the Nelson City by optimising the use of valuable land and the Marina asset including:

- On and off water boat storage for local boaties and local marine recreation;
- Facilities that cater that to visitors to the region (including those from the neighbouring Marlborough Sounds and further afield);
- Provision of efficient boat service opportunities; and
- Marina to be managed in accordance with environmental principles.

**Table 9** outlines a number of options for ownership, development and management options.

**Table 9 Ownership, Development and Management Options**

	<b>Nelson Marina</b>	<b>229 Akersten Street Area</b>	<b>Industrial Area</b>
<b>Owner</b>	NCC	NCC	NCC
	Private (divest asset) – either to a private company or a Trust.	Private (divest asset).	Private (divest assets).
	Public – Community Group Ownership.	Public – Community Group Ownership.	Mixed public and private ownership.
<b>Developer</b>	NCC develop Marina.	NCC develop 229 Akersten Street.	NCC develop industrial area.
	Private party develops Marina.	Private party(ies) develops 229 Akersten Street.	Private party (ies) develop industrial area.
	NCC - Community Partnership for development.	NCC - Community Partnership for development.	NCC - Private Partnership for development.
<b>Manager</b>	Managed directly by owner.	Managed directly by owner.	Managed directly by owner.
	Private (managed under contract to a party other than the owner).	Private (managed under contract to a party other than the owner).	Private (managed under contract to a party other than the owner).
	Managed by a community group.	Managed by community group(s).	

Examples of other developments of Council owned land and assets were also considered, including:

- The development of Wynyard Quarter in Auckland as an example of a Council vision for a specific type of development being implemented with the Council Controlled Organisation Waterfront Auckland being both land owner and developer for much of the Wynyard Quarter on behalf of the Auckland Council.

- Vector Arena (now Spark Arena): Auckland Council works in conjunction with QPAM Ltd; the company responsible for building, management and operation of Vector Arena. The development of the arena is a BOOT project (Build Own Operate Transfer). Under BOOT, Auckland Council has a public/private partnership with QPAM Ltd to build, own, operate and maintain Vector Arena over a 40 year period. At the end of this rights period, ownership will be transferred to Auckland Council.
- Materials Recovery Facility - Christchurch City Council / Meta New Zealand – this project was a Design Build Own Operate (DBOO) project for the development of a new materials recovery facility.
- Tasman District Council – Shed 4 Mapua Wharf: The recently completed redevelopment of Council-owned developed and managed Mapua Wharf was tendered to a construction company and completed in October 2015. In order to ensure the Council's vision of the area was realised, the seven spaces in the Council-owned Shed 4 development have all been leased to locally owned businesses.

The benefits and issues associated with ownership and development models were also considered.

#### **4.1 Public versus Private Ownership**

Managing assets such as the Nelson Marina and the industrial and commercial areas in the Nelson Marina area are not a core business for NCC. Some would argue that local authorities should be focussed only on essential services and that assets should be returned to the private sector in order to obtain a balanced Council budget and protect taxpayers. However, Councils own assets for a range of reasons:

- To generate income to help meet the cost of providing services to local people;
- For important strategic purposes e.g. protecting greenbelt land from development;
- To provide facilities that would not exist if it were not for Council owned; and
- To provide cost-effective access to the disabled and disadvantaged groups.

To generate value for money for residents, Councils need to minimise the cost of maintaining assets like sports facilities and parks, while maximising income from the income generating assets they own.

##### **4.1.1.1 Recommendation**

It is considered that the greater benefit to the Nelson region as a whole would come from NCC retaining ownership of the assets in the NMS area. This would enable greater oversight to development of the area whilst encouraging development that meets the needs of local Nelson residents and providing facilities that also provide for good recreation activities (including the Sea Scouts).

#### **4.2 Public Developments**

Where NCC seeks a specific vision for a development, with the intention of fostering a particular industry or attraction that will generate value to the region as a whole, it is now common for such developments to be Council owned and managed - e.g. Wynyard Quarter in Auckland and Mapua in Tasman District. There are a number of drivers for this:

- Planning tools such as zoning are a blunt instrument. The open market, constrained only by zoning rules, will deliver the best outcome for the developer, which may not be in alignment with the vision NCC has for the region or what is best for the region;
- Councils are under increasing pressure to make high value areas, such as waterfront land, open to the public. Left to the open market such areas may end up in high value residential developments, possibly excluding public access. Council led developments can ensure that public access is retained, and the waterfront development provides long term benefits to the region; and

- Councils are under increasing pressure to keep rates to a minimum. Development of income producing assets assists an alternative source of revenue while providing public facilities that may not otherwise be available and improved amenity for residents.

The Vision for the Nelson Marina area is a mix of public good and recreational facilities (e.g. the boat ramp, walkway, picnic areas); community facilities (Sea Sport venue) and income generating property (the marina and commercial, hospitality and industrial sites).

Due to the extent of the public good, community and regional objectives, it is recommended that NCC take a leading role in the development of the area either via contracting design and build services or via a partnership with a developer (or a community/developer/council partnership) – potentially a BOOT arrangement where the commercial and industrial sites are owned and operated by the partner for a set period (e.g. 30 years) in return for expertise and funding to re-develop the entire area.

### 4.3 Public – Community Partnerships for Development or Management

The local sea sport community have indicated a willingness to fund half the development costs of the Sea Sport facility. This funding would come from fundraising and grants. It is recommended that NCC establish a governance body of NCC and local sea sport group members to design and build the sea sport facility; with ongoing management incorporated into the Marina management contract for day-to-day management (under the guidance of the governance group).

### 4.4 Public – Private Partnerships for Development and Management

The main argument for private sector involvement in infrastructure delivery and operation is the efficiencies that can be driven by the involvement of private interests; integration of whole of life responsibility and exposure to competition. Generally speaking, the public sector enters into a fixed price long term contract with the private sector for the design, construction, maintenance and operation of an asset, with the assets reverting back to the public sector at the end of the contract term.

#### 4.4.1 Benefits of Public – Private Partnerships

**Table 10** outlines the benefits of a potential public – private partnership.

**Table 10 Benefits of a Public – Private Partnership**

Public Sector	Private Sector
Reduced level of capital expenditure	Provides specialist management and technical skills
Reduced exposure to risk	Manage whole-of-life risks
Shared ownership responsibilities	Coordinate capital costs with whole-of-life operating costs
Certainty of results	Improve the efficiency and quality of services
Use experts to deliver public good outside skill/experience of Council	Assess market needs and capacity
Freedom to fund other projects	Raise financing

#### 4.4.2 Issues Related to Public – Private Partnerships

As with any partnership, there is the potential for tension between public sector and private sector objectives during a partnership project. It is important to understand that the drivers for development may be different for a private sector partner compared to a public sector partner.

For example, integration with wider public sector objectives (employment, social fairness, amenity value, community benefits) may seem irrelevant to the private sector partner, who is largely focused on project delivery and profit/outcome. In addition, the public sector partner is likely to have long term considerations (what happens to the facility in 30 years or if it is sold) whereas the private sector partner may have no such concerns.

BOOT partnerships are sometimes one way of managing these issues, as the end-of-term transfer of the asset to NCC ownership alleviates long terms concerns.

#### **4.4.3 Circumstances where Public – Private Construction Based Models are Suitable**

Public – private partnerships for construction based projects can be suited to situations where a shorter delivery time is critical or where large unquantifiable risks exist that a contractor would be unable or unwilling to price (e.g. Christchurch rebuild horizontal infrastructure and the London Olympics). However, the key disadvantage of these approaches is that price risk is not transferred to the private sector and remains with NCC.

The key decision for NCC to make for the Nelson Marina re-development is whether speed of delivery and uncertainty outweigh the risk transfer benefits of long term service models. For the 229 Akersten Street area, a public-community partnership, with NCC as the main developer would appear most appropriate as the long term service model will likely deliver the greatest benefit (given the public good outcomes). However, a long term partnership may be appropriate for the industrial area (the boat servicing area – see below) in order to achieve a shorter delivery time and manage commercial leases effectively.

#### **4.4.4 Boat Servicing Area**

The development of a boat servicing area would potentially have three (3) key outcomes:

1. The development should meet the NCC's aim of an industrial area specifically providing services to boat owners that cannot be established elsewhere due to the need for access to the travel lift.
2. The development should be attractive to operators e.g. it offers security of lease arrangement, suitable land areas or premises, meets environmental protection requirements e.g. around containment of contaminants, and offers access to customers.
3. The boat servicing area should be attractive to prospective customers as a place they want to have their boat serviced. Examples might include a modular containerized area.

Submissions from real estate agents with expertise in the Nelson region suggest that land ownership is the preferred model of industrial users. Inability to purchase the industrial land for development will reduce the opportunity for Outcome 2 above. However, relinquishing ownership will significantly reduce the opportunity for outcomes 1 and 3 above.

While ownership is preferred, due to the option for capital gains on the property, leases were considered to be in demand if there was security around ground lease increases being held to reasonable levels in the future. Real estate agents stressed that previous experience of ground leases unexpectedly increasing by significant amounts had made industrial users wary of taking leases on NCC or Maori owned properties. However, a Council-private partnership with a developer to build, own and operate the area for an extended period (e.g. 30 years) could offer an opportunity for all three (3) outcomes to be met.

For example, a developer could develop marine industrial premises and offer long term leases to tenants; while the agreement between NCC and the developer could specify the type of activity allowed and offer Marina berth discounts to customers using the services at the boat servicing area. At the end of the contracted period, the development would revert back to NCC ownership.

#### 4.4.4.1 Recommendation:

The boat servicing area to be developed in conjunction with a private developer under a BOOT arrangement or similar.

### 4.5 Recommendations Relating to Ownership, Development and Management

**Table 11** outlines the recommendations related to ownership, development and management of the Nelson Marina Area.

**Table 11 Recommendations relating to ownership, development and management**

	Nelson Marina	229 Akersten Street Area	Boat Servicing Area
Ownership	Remain in NCC ownership		
Development	NCC development.	NCC/Community partnership with contracted design/development.	NCC/Private partnership under BOOT arrangement or similar.
Management	NCC with delegations to the Marina Advisory Group. Operations and maintenance undertaken by contract,	NCC, as part of Marina Management contract - extension of contract to include management of commercial premises and day to day management of Sea Sport facility (Sea Sports facility to be under governance of Sea Sport/Council body).	Private management while under BOOT arrangement.

### 4.6 Assumptions

The following assumptions have been made in the consideration of the best model for ownership, development and management of the Nelson Marina.

- A sea sport facility would not be able to be self-funding or commercially viable, although some commercial activities could be incorporated in order to mitigate social and community aspects of the development;
- Due to the inclusion of a sea sport facility, and the predicted growth in participants of these activities, safety and water quality issues would need to be addressed to cater for increased use;
- The Marina itself is not a fully commercial enterprise, and serves social and community functions e.g. as a sheltered place for recreational users to launch their vessels. This aspect of the Marina would need to be preserved regardless of ownership of the Marina itself; and
- While zoning and planning restrictions are able to guide development to some extent, the specific nature of NCC's vision would be difficult to achieve using only these tools.

**Table 12** outlines the action items related to the ownership, development and management of the Nelson Marina.

**Table 12 Ownership, Development and Management Action Items**

Area	Description	Actions
Planning	Develop a staged development plan supported by a business case for the 229 Akersten Street area.	A design plan and business case should be developed which includes: stakeholder engagement to determine requirements of a Sea Sport facility and surrounding area (229 Akersten Street).
	Develop a staged development plan supported by a business case for a boat servicing area.	Develop a staged development plan for the Nelson Marina.
Development	In Stage 1, existing leaseholders should be notified of upcoming changes in order to prepare.	Notify affected existing lease holders of upcoming development.
	In order to commence design and development, a formal partnership arrangement is required between	Establish governance group with Sea Sport community.

<b>Area</b>	<b>Description</b>	<b>Actions</b>
	NCC and the Sea Sport community.	
	Once the governance group has been established, a design/build partner should be determined.	Identify design/build partners through an agreed mechanism (e.g. Registration of Expression of Interest).
	The market should be tested to ascertain interest in a partnership with Council for the development of the boat servicing area.	Canvas industry for views on the development of a boat servicing area.
Management	Ensure management partners are capable and willing to engage.	Negotiate amendments to the Marina Management contract to extend responsibility to all NCC-owned developments including the Sea Sport facility.

## 5 INVESTMENT REQUIREMENTS

To achieve the Marina Vision a financial strategy is needed alongside a long term work program for capital developments. Under the current vision new capital investment is required at a minimum, for short term developments, such as of the boat ramp and car park or the new boat storage facilities and the investment at the Hardstand. Within these projects cost recovery is possible through user charges. However seed funding is required from either debt, current income or partnerships. Based on the assumption that ownership is retained with NCC then a financial review is required to ascertain the best model to progress developments.

This review should assess the best options for cost recovery and the streams from which revenue can be increased to help support developments. Because the Marina has a local recreation focus it is important that user charges are fair and equitable. A financial review should be completed in direct consultation with users and could be managed with the support of the Marina Advisory Group. An option which should be considered is the simple process of setting Marina fees to meet the development needs. This would be dependent on creating an agreed, staged development plan for the Marina, based on demand and its ability to pay for itself.

An early indication of possible investment required to deliver on the Vision has been provided, based on the Vision; and the assumption that ownership would be as recommended in Section 4.

The purpose of economic analysis related to the development of the NMS is first to assist the consultative process in providing background information that will enable interested parties to have a greater understanding of the trade-off's involved with alternative options. The second aspect is to assess the relative merits of the preferred strategy, and to identify the risk factors that are likely to be critical for ensuring strategy success.

Nationwide economic forecast models of all regions and territorial authorities have been used in the economic analysis to generate business as usual forecasts (i.e. a more meaningful benchmark than comparisons with how things are done today) and population forecasts based on economic prospects (rather than just demographic trends as New Zealanders typically move to where there are better jobs and better job prospects).

An increased focus by the Marina on visiting vessels, as well as the cost recovery assumed for ancillary activities near the Marina, could be expected to generate an increased revenue stream for the Marina and NCC with a present value of \$9.6m. This implies from an NCC perspective the present value of expected revenue growth exceeds expected cost increases by \$2.6m.

This approach is not supported by the Marina Advisory Group due to a limited number of berths which are already at capacity, which recommends a focus on local boating with berths allocated through the Waiting List. Development would be limited by the ability of the beneficiaries to pay through fees. The Marina Advisory Group recommends ring fencing the various Marina activities to ensure a more transparent accountability process.

**Table 13 Estimates of Overall Capital Expenditure for Development**

	Full Cost	Input from Partners	NCC Cost	Year
Sea Sport Facility	\$1,200,000	\$600,000	\$600,000	1-2
229 Akersten Street re-development (excl. Sea Sport Facility)	\$850,000		\$850,000	1-3
Development of the boat servicing area	\$1,300,050	\$1,300,000	\$50,000 est business case and RFP development	3-5
Other improvements (safety and public walkway improvements)	\$56,000	-	\$56,000	1-5
Marina Communications	\$10,000 p.a.	-	\$10,000 p.a.	ongoing
Enhanced dredging	\$245,000	-	\$245,000	5-10

## 5.1 Investment Option Assessment

The present value of development costs is \$5.0m (calculated using an 8% discount rate over a 30 year horizon). Revenue and economic stimulus impacts depend on the revenue option.

### 5.1.1 Option 1 – Allocate Berths Specifically for Visitors

Assumes that there is a reduction in annually rented berths from around 490 to 402 and an increase of 117 berths available to visitors.

Option 1 generates an increased revenue stream for the Marina with a present value of \$9.6m. This implies from an NCC perspective the present value of expected revenue growth exceeds expected cost increases by \$2.6m.

### 5.1.2 Option 2 – Double Fees to Free-Up Berths for Visitors

Assumes that the fee for annual berth rates doubles, with the discouragement effect of the fee rise freeing up 27 berths for visitors

As the fee rise in this option is more general it generates considerably more revenue growth, with an estimated present value of \$21m. This implies from the NCC's perspective a net return of \$16m.

### 5.1.3 Option 3 – Double Fees to Free-Up Berths for the Waiting List

As per Option 2 but with the additional berths gained made available to the Waiting List.

### 5.1.4 Option 4 – Status Quo

Implement fee increases to service and pay off development costs. Modest increases are unlikely to encourage freeing up of underutilized berths. Other methods of encouraging turnover should be investigated to ensure progress in reducing the berth waiting list and provide berths for local boaties.

## 5.2 Wider Implications

These results indicate that a change in the Marina's price model is likely to yield higher financial returns for NCC than an approach that targets visitors but does not adjust the pricing model.

The perspective is slightly different when the implications are viewed from a Nelson City perspective. Extra visitors to the Marina will generate a stimulus to the Nelson economy as they spend money on goods and services in Nelson that would otherwise be spent elsewhere. Taking the extra spending of visitors to the Marina, both in terms of expenditure on boat maintenance and supplies, as well as on personal consumption, Option 1 looks more attractive.

In terms of economic impact it is estimated that the present value of the economic stimulus is \$3.6m per year or 0.15% of the total value added by the Nelson economy. On the completion of Step 2 of the Marina Strategy, more visitors to the Marina are expected to generate an extra \$6.5m of spending in Nelson each year (valued at current 2015 prices). Under Option 2, the size of this stimulus falls to \$1.5m.

Considering community well-being and meeting the Council's Community Outcome of access to a range of recreational facilities and activities, Option 3 allocates the berths freed up to the Waiting List which predominantly consists of local boaties. The economic stimulus of \$3.6m per year is not obtained through increased visitor numbers. Increased revenue from berth rentals is available to contribute towards future development works or the repayment of debt.

Option 4 which is the preferred option of the Marina Advisory Group, is an increase set to meet specific development servicing and consequently frees up less berths and allocates them to the Waiting List. A moderate increase in revenue from berth fee increases is available to contribute towards future development works or the repayment of debt. The increase will be less than that from Option 3.

Both Options 1 & 2 are dependent on visiting boats journeying south from the Bay of Islands, Auckland or Tauranga.

## 5.3 Key Assumptions for the Economic Assessment

### 5.3.1 Dredging

Dredging occurs in the Marina on a regular basis as part of overall maintenance of the Marina. In addition to this, it is suggested that dredging occurs to a deeper level (to a uniform depth of 4.5m) in the northern area of the Marina (the area around pontoons A, B, C, D and potentially E - an area of approximately 6,900 m<sup>2</sup>) to improve access for larger vessels.

However, there is an additional costs (over and above the costs associated with general maintenance of the current depth) associated with the deeper dredging of this area. This would require the removal of close to 13,000 m<sup>3</sup> of sea floor, which priced at close to \$19<sup>17</sup>/m<sup>3</sup> implies an estimated additional dredging cost of about \$245,000. It is assumed that this dredging is spread over a six (6) year period from year 5 to year 10, and has no meaningful disruptive impacts on Marina activities.

### 5.3.2 Marina Users

Four options were modelled along with a fifth option of negotiation in favour of the Waiting List:

- **Option 1 – Allocate Berths Specifically for Visitors**

The first option is that from year 2 the use of Pontoons A-E is reserved for the use of visitors. This assumption results in an increase of 117 berths available for visitors, and, after allowing for some infilling in the remainder of the Marina, a reduction in the number of annual berths from 490 to around 402. The calculations presume that it takes up to three (3) years for an expansion of visitor numbers to increase visitor utilisation rates to the current average berth utilisation rate of 250 days per year. The impact of this change is expected to result in a net increase in annual Marina income by around \$650,000; and

- **Option 2 – Double Fees to Free-up Berths for Visitors**

The second option is, rather than changing access rules, to double the fees for annual berths from \$232 to \$464 per metre (excluding GST). At present, the annual berth fee of 12m to 20m vessels range from \$2,784 to \$4,640. This compares with revenue of \$7,500 to \$11,250 from Marina visitors (based on an average utilisation rate of 250 days per year). Assuming that the visitor rates reflect the commercial value of the berths supplied, the revenue differential suggests that annual berth holders are effectively receiving an annual subsidy of around \$5,000. Doubling the fee would significantly reduce the size of this subsidy (effectively from Nelson City ratepayers to berth holders)<sup>18</sup>.

- **Option 3 – Increase Fees to Free-up Berths for Visitors**

Assuming that the price increase reduces berth holding rates from 95% to 90% (with freed-up spaces being made available for visitors) these price increases are expected to free up an extra 27 berths for visitors (about 90 fewer berths for visitors than implied in Option 1), but generate a significantly larger annual revenue boost of \$1.74m for the Marina.

- **Option 4 – Increase Fees to Free-up Berths for the Waiting List**

As per Option 3 but with freed-up berths made available for the Waiting List.

- **Option 5 – Encourage owners no longer using their boats to relinquish their berths for the Waiting List.**

The Marina Advisory Group do not support the use of financial pressure to free-up berths. Their preference is to encourage direct discussions with boat owners no longer actively using their boats to relinquish their berths. The Group felt that financial pressure on active boat users with limited means was in conflict with the Council's Community Outcomes. Option 5 is the preferred option.

### 5.3.3 Sea Sport Facility

A two storied sea sport facility with a floor area of approximately 600m<sup>2</sup> is constructed on NCC-owned land on Akersten Street. It is assumed that the consent process takes place in Year 1, with construction completed in Year 2. The assumed construction cost is assumed to be approximately

\$1,200,000 with 50% of the construction cost being met by local sea sports clubs and 50% by the NCC. Based on previous arrangements between the Marina and some of the sea sport clubs, it is assumed that each of 15 participating clubs pays \$400 a year towards the sea sport facility's up-keep. Such payments would remain well short of what would be considered commercial rent levels - assuming 15 tenants the average cost covering lease would be around \$3,200 per organisation.

A further consequence of the construction of the sea sport facility is that it will need to take up space currently used for trailer storage. This is calculated to result in a reduction in Marina revenue of \$41,000 per year<sup>19</sup>.

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<sup>17</sup> Note: Cost information has been determined by extrapolation from generic information available. Costs of dredging vary according to location, volume to be dredged, availability of competition within the dredging market and timing of activity. It is recommended that further investigation occur to determine the cost of dredging specific to the Nelson region; and that a detailed cost benefit analysis occurs to balance the additional cost against the anticipated market benefits of increasing the depth for this area.

### 5.3.4 Safety Improvements

The analysis here includes the following initiatives for mitigating the identified risks relating to Pontoon B:

- Remove berths on the corner of Pontoon B (two on the ends and two down the length of the pontoon) to improve vision lines for craft coming around the corner;
- Install better signage to ensure craft obey marine traffic rules;
- Undertake an education campaign to ensure users understand the rules;
- Undertake an enforcement campaign for those who break the rules; and
- Establish mandatory reporting of near misses and accidents in order to develop a data set to better understand the extent of the safety issues (at the moment safety issues are based on anecdotal reporting).

The key cost of these initiatives is the loss of income associated with the removal of 4 berths. It is assumed that this will imply foregone annual income of \$11,136 representing the annual berth fees for four (4) 12m berths. The other safety initiatives are assumed to cost \$11,000 in Year 1, with ongoing costs of \$2,500 per year.

### 5.3.5 Marina Commercial and Hospitality Facilities

The calculations include construction costs for 400m<sup>2</sup> of commercial and hospitality space to be located nearby the proposed sea sport facility. Construction is assumed to take place in Years 4 and 5, with total construction costs of around \$850,000. Income calculations assume a rental stream that will compensate the Council for financing this construction.

### 5.3.6 Boat Servicing Area

The development of a boat servicing area on currently unused land on Akersten Street is assumed to commence in Year 4, have construction activities over a three (3) year period and have a total construction cost of around \$1.3m. It is assumed that the costs of these primarily commercial developments will be borne by relevant private sector operations.

### 5.3.7 Public Walkway Developments

Pedestrian access to be facilitated by walkway and lighting upgrades along the Marina edge in Year 4, with a budget of \$45,000.

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<sup>18</sup> To put the scale of this subsidy in context estimates for the proposed sea sport facility suggest that assuming that clubs contribute \$350,000 to the facility construction costs, then the annual commercial rent due to the Council from each club would be around \$2,100. The calculations presented here assume that clubs will actually only pay on average \$400 per year for use of the sea sport facility. A doubling of the annual berth fee would still leave most berth holders with a subsidy in excess of the subsidy that the proposed sea sport facility offers water sport clubs.

<sup>19</sup> This calculation includes an assumption that there will be a partial offset of \$4,000 more revenue for ramp use, as ramp use is part of the trailer storage fee at the Marina

## 6 RECOMMENDATIONS

### 6.1 Recommended Actions

In order to achieve the Vision (3.2 pg13) the following actions are recommended:

- Revise the management structure of the marina to retain asset ownership by Nelson City Council but to devolve management to an appointed management committee with agreed level of service, development, community service and financial performance targets.
- Agree to a ten-year vision for the Marina area.
- Review the marina's financial performance, including a valuation of the Marina assets, and seek approval for a ten-year investment programme based on achieving :
  - a. A regional Sea Sports facility and other community recreation opportunities, including City to sea links
  - b. Redevelopment of the hardstand area to comply with consent conditions and best environmental practice, and demand
  - c. Redeveloped small boat launching opportunities for safety and efficiency
  - d. Redeveloped on-shore boat storage services to cope with new and existing demand
  - e. Agreed service levels for berth holders, including parking
  - f. A clean marina programme and support for the Top of the South Marine Biosecurity Partnership
  - g. A review of marina capacity for visitors and existing and new permanent berth holders and a business case for growing or reassigning marine berths
  - h. Efficient management of all commercial and community services
  - i. High levels of user satisfaction
  - j. Cost neutrality for the NCC, including servicing existing marina debt

### 6.2 Staged Development

The implementation of the NMS is recommended to be carried out in three (3) stages.

- **Stage One** implementation focuses on the development of a Sea Sport facility and associated safe launching area for non-motorised craft.
- **Stage Two** focuses of establishing a boat servicing area and Marina/Sea Sport commercial and hospitality area.
- **Stage Three** finalises the boat servicing area and Marina/Sea Sport commercial and hospitality area, then has a pause point to assess the success of the Stage One and Two implementation processes; before re-focusing on addressing growth and utilisation via long term capacity building.

In order to deliver Stage One and Two over the next five (5) years, an Action Plan has been developed, setting out action points for NCC to undertake (**Table 14, Table 15** and **Table 16**).

**Table 14 Nelson Marina Strategy Action Plan Stages**

Key	Stages
	Start now (within 1 – 3 years)
	Start a little later (3 – 5 years)
	Start much later (5 – 10 years)

**Table 15 Nelson Marina Strategy Action Items**

Area	Description	Actions	Comments	Start Now (1–3yrs)	Start a Little Later (3–5yrs)	Start Much Later (5 10yrs)
Local use of the Marina	Change policy and operational management to refocus the Marina on local users with provision for visitors.	Berth agreements to continue to be annual to allow for adjustments to visitor berth numbers, changes in conditions of berth to ensure water quality and marina safety, and to discourage the marina being used as a boat store (i.e. discourage un-used boats).	Commence immediately.			
Clean water	Change management practices to improve water quality.	Zero tolerance for sewage discharges into the marina, specified within the berth holder licence.  No hull cleaning allowed within the Marina (on the water). Install testing stations at the end of each pier to identify boats that have discharged inappropriately. Conditions of berth to include proof of annual anti-fouling or cleaning.	Make changes to berth holder's agreement immediately.  Install testing stations at the end of each pier within 2 years.			
Clean Marina	Take the pledge to become a Clean Marina.	Start the process of becoming a Clean Marina by taking the pledge	Commence process within 6 months			
New developments	New boat launch pontoon (motorised craft).	Installation of a pontoon at the end of the boat ramp, with access from the grassed area, to prevent boat drift and enhance the safety of boaties as they access their waiting craft.	Develop in association with Sea Sport facility / 229 Akersten Street re-development as pontoon development			

			should be integrated into design process for sea sport ramp.		
Access to re- fuelling.	Option1: Negotiate re-fuelling availability with appropriate landowners, ensuring appropriate spill response systems are in place.  Option 2: Install a separate re-fuelling facility within the Marina and managed by the Marina.		Commence negotiations with appropriate landowners as soon as possible.  If partnership unattainable, commence development of separate facility within 1 year.	Option 1	Option 2
Safety enhancements.	Installation of safety ladders on pontoons.  Installation of safety barriers in the travel lift area, to divert or slow walkers and cyclists as they approach.		Commence immediately.		
Planned electrical maintenance.	Electrical maintenance (replacement of electrical wiring) is planned for the Marina. Consideration should be given to upgrading electrical facilities, such as to 3 Phase.		During planned maintenance, but within 3 years.		
Dredging	Increasing marina use will have an expectation of a deeper marina being available.	In the long term, the Marina should obtain its own dredging consent for the entire Marina.	years.		
Fees	Fees to remain at level that attracts locals but discourages non active boats.	Live aboards to be charged an increased rate in recognition of the additional burden on facilities, including the requirement for enhanced water quality maintenance.			
Development Levy	Development Levy to be abolished.	It is recommended that the development levy cease from 1st July 2016.	Development Levy.		
Health and safety improvements	Safety is paramount within the marina area. In order to	Improve vision lines for craft coming around the corner of Pontoon B by removing some berths.	Commence immediately.		

	address reported issues and ensure the area is safe for growth predictions, safety measures will be introduced.	Improve knowledge of Marina related boating rules among recreational users by installing boating rule signage, undertaking an education campaign in conjunction with Sea Sport groups to ensure users understand the rules and undertake an enforcement campaign for those who break the rules. Establish mandatory reporting of near misses and accidents within the Marina in order to develop a data set to better understand the extent of the safety issues (at the moment safety issues are based on anecdotal reporting).				
Parking re-alignment	As part of the Sea Sport facility development, parking and traffic flow should be re-designed to reduce congestion.	Assessment of traffic flow management. Re-design of parking and traffic flow.				
Dry stack	In the medium – long term, investigate the development of a Dry Stack facility to reduce congestion at the boat ramp and accommodate future growth.	Investigate market interest in provision of a dry stack in the boat servicing area.	Make initial investigations, however, it is recommended that this is a private enterprise facility.			
Sea Sport Facility	Development of a new Sea Sport facility at 229 Akersten Street.	A development plan and business case is required to initiate development of a sea sport facility.				

**Table 16 Nelson Marina Strategy Action Items - Miscellaneous**

Area	Description	Actions	Comments	Start Now (1–3yrs)	Start a Little Later (3–5yrs)	Start Much Later (5–10yrs)
Development	In Stage 1, existing leaseholders should be notified of upcoming changes in order to prepare.	Notify affected existing lease holders of upcoming development.				
	In order to commence design and development, a formal partnership arrangement is required between NCC and the Sea Sport community.	Establish governance group with Sea Sport community.				

	Once the governance group has been established, a design/build partner should be determined.	Release Expression of Interest (REOI) for design / development of 229 Akersten Street area and on water developments (e.g. ramps, pontoons).		
	The market should be tested to ascertain interest in a partnership with NCC for the development of a boat servicing area.	Release Expression of Interest (REOI) documents to gauge level of interest in partnership for development of a boat servicing area.		
Planning	Develop a Business Case for the 229 Akersten Street area.	A Business Case should be developed which includes: stakeholder engagement to determine requirements of a Sea Sport facility and high level design of the area.		
	Develop a Business Case for a boat servicing area.	A Business Case should be developed specifically for a boat servicing area that investigates build, own and management options and included market information.		
Management	Ensure management partners are capable and willing to engage.	Negotiate amendments to the Marina Management contract to extend responsibility to all NCC-owned developments including the Sea Sport facility.		
Capacity	Developments in the Marina Strategy area are likely to increase utilisation of facilities. A review of growth and utilisation should be undertaken in five years to assess the need for an increase in capacity, and identify the options for development, as capacity increases are likely to require substantial planning.	Review utilisation of the Marina Strategy area and assess need for increase in capacity. If required initiate investigation of options for capacity increase.		

