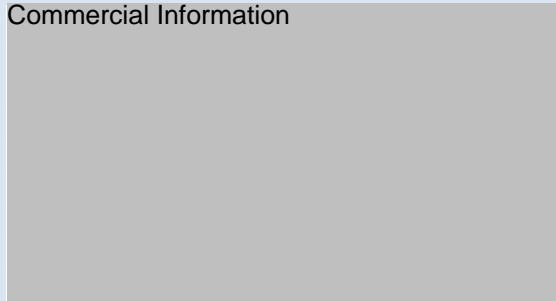


COVER SHEET

2.5 Manawatu River Loop at Foxton Project		For: Decline	
PGF Application			
Tier:	1 - Regional	Sector:	Feasibility Study
Background & context:		Recommendation:	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Horowhenua District Council (HDC) <p>Location:</p> <ul style="list-style-type: none"> Foxton, Manawatu/Whanganui <p>Proposal:</p> <ul style="list-style-type: none"> Further investigation into the preferred option for reconnecting the upstream reach of the Foxton Loop to the Manawatu River. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ <small>Commercial Info</small> PGF Funding: \$100,000 <small>Commercial</small> \$ <small>Commercial Info</small> <p>Note: HDC has already funded the completed project scoping/development phase at \$ <small>Commercial Info</small>.</p> <p>Background:</p> <ul style="list-style-type: none"> The Manawatu River Loop at Foxton is the former path of the Manawatu River which has over the years become stagnant. The objectives of the Manawatu River Loop at Foxton project are to: <ul style="list-style-type: none"> Restore the river flow; Begin the process of improving the health of the waterway; Enable access to the water from Foxton town centre; and Develop and implement a Te Awahou Business and Visitor Development plan. In 2016, Horowhenua District Council (HDC) commissioned <small>Commercial</small> (engineering consultancy 		<p>We recommend that the SROs:</p> <p>a) Note The Manawatu River Loop at Foxton has been the subject of ongoing discussion with government over many years. The original concept of a flood protection scheme that incorporated a weir and utilised the Whirokino Cut as a spillway was never successfully implemented by the Ministry of Works. The District and Regional Council, other Government agencies, and the community have continued to do what they can to address the Loop's lack of flow and environmental degradation, but their resources are limited. The outcome of past discussions with government is that there has been no obvious source of funding for a project of this nature.</p> <p>b) Note That Horizons Regional Council has voiced concerns that there is a real risk that the expectations the community have in regard to the benefits that the project provides will exceed what will actually be realised, and focus will shift to the need for a weir to complete the job. Building a weir has significant construction risks associated with it - aside from the stopbank modifications that would be required. The cost of the weir may well exceed the cost associated with forming the link channel. Horizons has identified other challenges to the restoration of the Foxton loop, the most significant being the high silt content of the channel which may make it unsuitable for extending and constructing the required stopbanking. The Council also has concerns around the costs to maintain the river diversion - removing silt from the channel that will accumulate with future flood events will likely default back to Horizons.</p>	

company) to undertake a feasibility study for reconnecting the upstream reach of the Foxton Loop to the Manawatū River. Two options were identified:

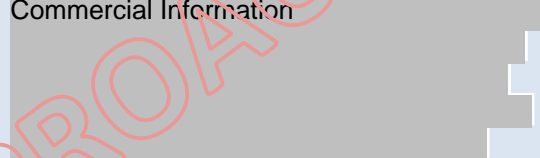
Commercial Information



Commercial Information



- Option 2 was identified as the preferred option, **Commercial Information**



In addition, an annual maintenance cost of \$ **Commercial Info** per annum is estimated to maintain a clear passage through the Foxton Loop. The applicant suggests that these costs can be met by Horizons RC and the HDC

- Horizons Regional Council (Horizons) recommended further investigation into option 2, specifically:

- **Commercial Information**
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-

- This application is to fund three separate investigations in relation to the proposed

c) Note Horizons supports the proposal to undertake a peer review of the technical report undertaken by **Commercial Information** to cover off the questions raised in relation to the preferred option.

d) Note Over recent years DOC has contributed \$ **Commercial Info** towards fencing and project planning undertaken by HDC.

e) Note DOC supports the project as the Foxton River Loop is in need of considerable remedial work. The proposal is upstream of the Manawatu Estuary Ramsar site (one of six wetlands in NZ recognised under the international Ramsar Convention).

f) Note Should the project proceed, PGF funding would be requested.

g) Note The PDU Investment Team has assessed the application and acknowledge that the project has a strong environmental focus. However there is minimal, if any, alignment with the primary objective of accelerating regional productivity through sustainable economic growth.

h) Support the recommendation to **decline** \$100,000 from the PGF fund towards the Manawatu River Loop at Foxton Project on the basis that it does not sufficiently align with the criteria of the fund.

reconnection of the Manawatū River Loop at Foxton. This will cover: <ul style="list-style-type: none"> ○ Investigation and report on the aquatic environment aspects of the proposed diversion; ○ Peer review of the original feasibility study; and ○ The economic benefit for the community 		
PGF criteria that this proposal supports:		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	<ul style="list-style-type: none"> • No clear alignment with the creation of permanent jobs. 	
Delivers benefit to the community	<ul style="list-style-type: none"> • Increases the attractiveness of Foxton as a place to live. A restored and regenerated waterway to be used and enjoyed by the local community and visitors. 	✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> • Possible investment in opportunities aligned with a regenerated waterway (e.g. eco-tourism). 	✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> • Potential regeneration of the Foxton Loop waterway. The project has a strong environmental focus for a waterway that is currently in a poor and unhealthy state. 	✓✓✓
Mitigation of climate change effects	<ul style="list-style-type: none"> • Increasingly severe weather events are expected to put more pressure on flood protection assets. Further development of the Manawatu River catchment flood protection scheme will be required. Restoring flow in the loop may lead to a considerable ongoing maintenance requirement – removing silt from the channel that will accumulate with flood events. 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> • The contemporary aspirations for the Foxton Loop are to build on the success of the adjacent Te Awehou Nieuwe Stroom centre to strengthen the local tourism offering and flow on benefit to businesses. From November 2017 to end May 2018 the centre had 81,000 visitors. Visitor numbers are up 54% on the previous year. • Possibly building on eco-tourism (alignment with the 	✓✓

	RAMSAR ecological site situated on the Manawatu river estuary).		
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> Possibly support marine-related tourism activities – wakeboarding, kayaking and boating. 	✓	
Connected to regional stakeholders and frameworks			
Alignment with regional priorities	<ul style="list-style-type: none"> The project is seen as a key factor in the Foxton town regeneration plan outlined in the Horowhenua 2040 strategic plan. 	✓✓	
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> The project has support from local Iwi Ngati Raukawa and neighbouring Iwi Rangitaane and Muaupoko. 	✓✓✓	
Governance, risk management and project execution			
Robust project management and governance systems	<ul style="list-style-type: none"> Not assessed 		
Risk management approach	<ul style="list-style-type: none"> Not assessed 		
Future ownership / operational management	<ul style="list-style-type: none"> Not assessed 		
The purpose of this briefing is to consider declining PGF funds to the Manawatu River Loop at Foxton Project			
Risks Issues:			
Eligibility points of note:			
<ul style="list-style-type: none"> <i>Due diligence:</i> Full due diligence has not been undertaken as the recommendation is to decline the application. If approved, due diligence will be undertaken to the satisfaction of the Head of PDU Investment team. <i>Conflict(s) of interest:</i> Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further. <i>Illegal Activity:</i> Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity. <i>Alignment with Regional development plans:</i> The project is seen as a key factor in the Foxton town regeneration plan outlined in the Horowhenua 2040 strategic plan. <i>Commercial funding availability:</i> Given the nature of the project which is to undertake further investigation, access to commercial funding is not considered a feasible option. 			
Consultation undertaken or implications:			
Legal	N/A	HR	N/A
Finance	N/A	MBIE policy	N/A
Other	DOC		
Supporting proposal:			
No			

Appendices:	Yes - Applications and supporting letters are as annexes
Sponsor(s):	N/A
Manager/Author of paper:	Nick Hough, Investment Team

PROACTIVELY RELEASED