

**QLDC Council
18 April 2019**

Report for Agenda Item: 3

Department: Planning & Development

Consideration of the Flint's Park and Glenpanel expressions of interest for Special Housing Areas located on the Ladies Mile

Purpose

- 1 The purpose of this report is to present the Flint's Park and Glenpanel Expressions of Interest on the Ladies Mile for consideration for recommendation to the Associate Minister for Housing and Urban Development as a Special Housing Area.

Public Excluded (partially)

- 2 It is recommended that Attachments **D** and **E** (Draft Special Housing Area Deeds) to this report is considered with the public excluded in accordance with the Local Government Official Information and Meetings Act 1987 section 7(2)(h) on the grounds that the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Executive Summary

- 3 This report to Council assesses the Flint's Park and Glenpanel Expressions of Interest (**EOIs**) against the criteria of the Council's Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (**the Lead Policy**) for considering Special Housing Areas (**SHAs**).
- 4 The two EOIs would provide 423 of the 1100 homes provided for through the Council approved Housing Infrastructure Fund (**HIF**) Detailed Business Case (**DBC**). A mixed use retail and commercial precinct in the heart of the Ladies Mile that is anticipated to provide convenience retail, food and beverage and potentially a service station and office space. Alternatively if developed under the Proposed District Plan zoning, the land could yield 13 rural lifestyle properties.
- 5 The two EOIs include parks and reserves, walking and cycling trails, creation of additional footpaths and bus stops through the development. The applicants have committed to the 10% contribution of the developed residential land area to the Queenstown Lakes Community Housing Trust.
- 6 The two EOIs require the infrastructure to be provided via the Housing Infrastructure Fund to be serviced for water, wastewater and for the transport improvements including the Howard's Drive roundabout and state highway underpasses. The transport implications of development on the Ladies Mile are covered in a separate agenda item on the wider Ladies Mile area.

- 7 The Flint's Park and Glenpanel EOIs are not consistent with the Operative and Proposed District Plans as they are on land that is zoned Rural / Rural Lifestyle. However the EOI is consistent with the Lead Policy including the Indicative Master Plan for Ladies Mile, the purpose of the Housing Accord and Special Housing Areas Act (**HASHAA**), the Detailed Business Case for the Housing Infrastructure Fund and the Queenstown Lakes District Housing Accord. The proposal was anticipated through the Housing Infrastructure Fund Detailed Business Case application.
- 8 In considering the two EOIs and the related agenda item on the wider Ladies Mile, the Council will have to reconcile the *peak time* transport challenges with the physical limitations of roading infrastructure, the programme of transport work that is in place under the Detailed Business Case and through Wakatipu Way to Go, the high percentage of single occupancy vehicles, the need to encourage mode shift, and the need to provide more land for housing, given the most unaffordable house and rental prices in the country.

Recommendation

That Council:

1. **Note** the contents of this report and;
2. **Note** that public feedback received on both EOIs has been provided to Councillors separately prior to the meeting;
3. **Note** that QLDC, NZTA and ORC agreed a detailed business case for 1100 houses on the Ladies Mile (including the Glenpanel and Flint's Park land) as part of its Housing Infrastructure Fund application, with the detailed business case including a programme of transport related works that aims to address transport issues on the Ladies Mile.
4. **Note** that the Flint's Park residential component is dependent on access across the Glenpanel land, and could not be recommended to the Associate Minister without also recommending the Glenpanel EOI.
5. **Note** that the Glenpanel housing density is less than desired to achieve Council objectives around public transport and the draft Deed requires an increase in density.
6. **Note** that the draft Deeds in Attachments **D** and **E** have not been fully agreed to by the applicants.
7. **Confirm** that Council agrees with the contents of the draft Glenpanel Limited Partnership SHA Deeds (Attachment **D**) and the draft Maryhill Limited SHA Deed (Attachment **E**) and delegate to the General Manager, Planning and Development the authority to execute the Deed on behalf of Council, subject to any minor changes consistent with the Council's Lead Policy and infrastructural requirements identified by Council's Chief Engineer.
8. **Recommend** to the Associate Minister for Housing and Urban Development that the land to which the Flint's Park residential and Flint's Park Mixed Use

Precinct proposal relates be established as a Special Housing Area, subject to the following:

- a. execution of the draft Deed in **Attachment D** and the performance of any conditions in it;
 - b. a 4 storey and 12m height limit for qualifying developments; and
 - c. minimum number of sections / dwellings to be built 217.
9. **Recommend** to the Associate Minister for Housing and Urban Development that the land to which the Glenpanel proposal relates be established as a Special Housing Area, subject to the following:
- a. execution of the draft Deed in **Attachment E** and the performance of any conditions in it;
 - b. a 4 storey and 12m height limit for qualifying developments; and
 - c. minimum number of sections / dwellings to be built 176.
10. **Agree** subject to the proposal being approved as a SHA by the Associate Minister and resource consent being granted for the Glenpanel and Flint's Park residential and Flint's Park mixed use precinct, that the Council water supply and wastewater scheme boundaries be extended to allow servicing of the proposed developments.

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12/04/2019

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12/04/2019

Background

- 9 The purpose of the HASHAA is:

to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

- 10 Council entered into the Queenstown Lakes District Housing Accord (**the Accord**) with the Government in 2014, which was subsequently updated on 12 July 2017. The Housing Accord applies District Wide. The Accord *“sets out the Government’s and the Council’s commitment to work together to facilitate an increase in land and housing supply, and improve housing affordability and suitability in the*

Queenstown Lakes-District. The Accord recognises that by working collaboratively the Government and the Council can achieve better housing outcomes for the District. The priorities are:

- a. The continued development of additional land supply, as quickly as possible, to alleviate pressures in the housing market*
- b. The development of a mix of housing types that are aligned with the Council's intended plan for residential development to be more affordable, of medium density, closer to key central areas, and on good public transport routes".*

- 11 On 26 October 2017 and 28 June 2018 the Council adopted an amended Lead Policy to guide the Council's implementation of the HASHAA. Eight SHAs have been recommended by Council and approved by the Minister as shown in the table below:

SHA	Under Construction	EOI / Resource Consent Approval – lots/dwellings	Residential parcels created	New dwelling building consents 6 Dec 2018
Bridesdale	Yes	134	136 (2 existing)	124
Queenstown Country Club & Onslow Road	Yes	346 (+aged bed care facility)	14	51
Onslow Road	Yes	21	21	0 ¹
Arthurs Point (Stage 1)	Yes	88	30	43
Arthurs Point (Stage 2)	No	92	0	0 ²
Gorge Road	No	0	0	0 ³
Shotover Country	Yes	101	101	5
A'town Retirement Village	Yes	195 (+aged bed care facility)	2	26
TOTAL		977 +2 aged-bed facilities	302	249

- 12 As the table illustrates, these SHAs will deliver a yield of approximately 977 residential units and 182 beds of aged care facilities, thus contributing significantly to the Council's obligations under the Accord. The Bright Sky and Hawea SHAs (if approved by the Associate Minister) would provide a further 681 residential units (totalling 1658 residential units).
- 13 Six of the eight SHAs are under construction (the recently approved SHAs and Gorge Road are the exceptions). On 6 December 2018 the SHAs have resulted in 249 residential units having building consent. Allowing three people per household, this means housing for approximately 747 residents has already been directly provided through SHAs.

¹ Purchased by Queenstown Country Club and being developed as part of that development

² Was only Gazetted by the Government as a SHA in December 2018.

³ Being developed under the RMA rather than HASHAA following rezoning to BMUZ

- 14 Applicants within any new Special Housing Areas (**SHAs**) will have until 16 September 2019 to apply for a resource consent until they are disestablished. The application may then continue through the resource consent process under the HASHAA but must be completed before 16 September 2021 when HASHAA will expire.

Background to adding Ladies Mile into the Lead Policy

- 15 Council considered three separate agenda items in 2017 before deciding to add the Ladies Mile into the Category 2 of the Lead Policy. These have been summarised in the overarching agenda item on the Ladies Mile.
- 16 Category 2 means that SHAs are anticipated on the Ladies Mile, but that Council still wanted to ensure the right form and density of development noting that *“the Indicative Master Plan is high level and that detailed design and location of activities such as public transport infrastructure, day care centres, schools, and parks / reserves is not precluded and can be addressed through the ‘expression of interest’ process”*.

The housing affordability problem in the Queenstown Lakes District

- 17 The Council has previously received advice about the housing crisis facing the district when considering previous SHA proposals. The Laurel Hills SHA agenda item, also to be considered at the 18 April 2019 Council meeting, provides information on the housing affordability challenge and shows increasing rates of unaffordability for the Queenstown Lakes district since 2016.
- 18 An accepted median multiple of household income of 3.0 or less is considered to be a “good” marker for housing affordability. All areas are sitting above this level and the Queenstown Lakes district is the most unaffordable in New Zealand at over 13 multiples of annual household income. The average weekly rent in the Queenstown Lakes district has increased to \$633, also the highest in New Zealand.

The supply of land for housing in Queenstown

- 19 The Council has previously received advice about the supply of land for housing. The Laurel Hills SHA agenda item, also being considered at the 18 April 2019 Council meeting, notes that the Proposed District Plan and Operative District Plan (where relevant) are able to meet all the requirements for the supply of housing under the National Policy Statement for the next 30 years.
- 20 However the analysis shows a shortfall of feasible capacity in the lower band priced housing. The analysis suggests the District Plans provide capacity for the market to provide a substantial share of the shortfall of houses in the lower to medium price bracket. However, because of high demand and the potential for developers to sell houses at much higher prices, the market is not delivering these dwellings. The Flints Park and Glenpanel housing is likely to fall into the lower band priced housing as it includes 303 attached residential units which tend to fall into the lower to medium price bracket.

Description of EOIs

- 21 Glenpanel Limited Partnership and Maryhill Limited have lodged separate but adjoining expressions of interest for Special Housing Areas on the Ladies Mile. Because the two proposals are so closely linked and reliant on each other, this report considers the area covered by the two separate SHAs wherever possible.
- 22 An overview of the combined master plans for the EOIs are shown in Figure 1 below, followed by a description of these areas:

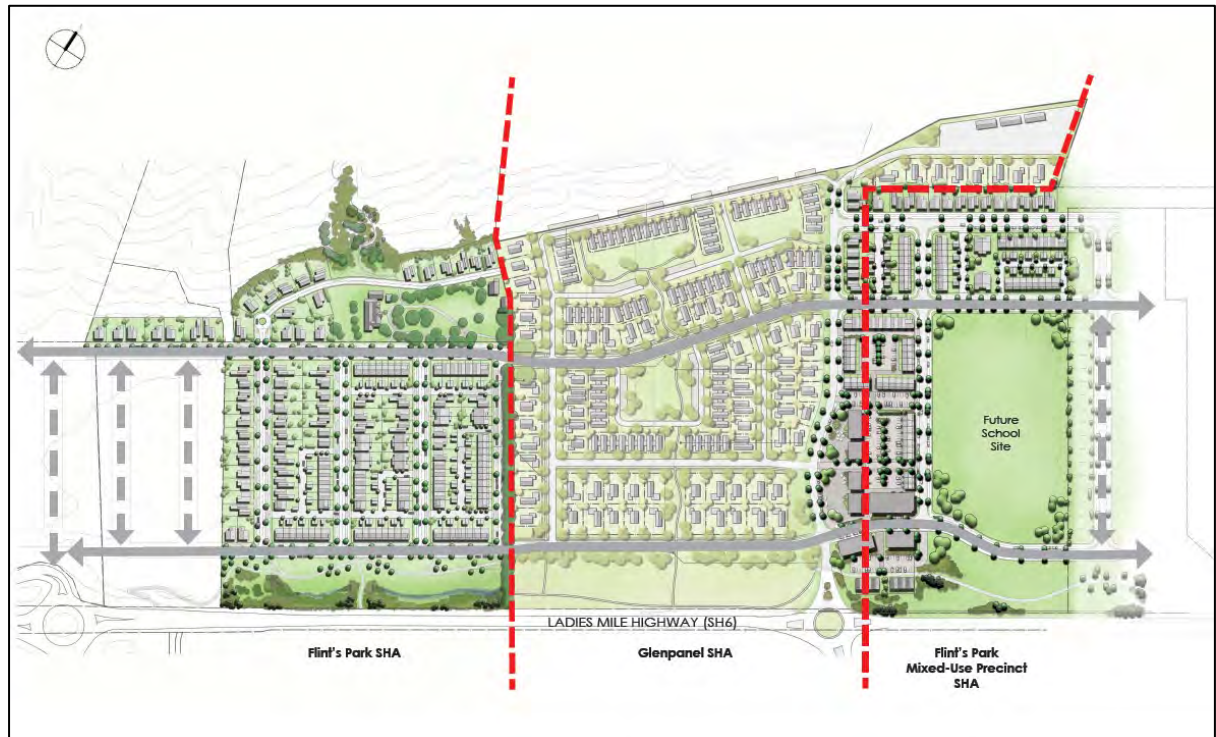


Figure 1: Combined Masterplans for (left to right) Flint's Park, Glenpanel & Flint's Park Mixed Use

Description of Flint's Park Residential EOI

- 23 The EOI is for a predominantly residential development of 151 residential units across 7.1 hectares. Only the key plans from the EOI document are attached as **Attachment A**. All other appendices to the EOIs are not included in the published version of the agenda but are available on the Council's website:

<https://www.qldc.govt.nz/your-council/your-views/ladies-mile-special-housing-areas/>

- 24 The master plan is shown in Figure 2 below:



Figure 2: Masterplan of the Flint's Park residential EOI

- 25 Of the 151 dwellings, 68 are standalone, 12 are duplex and terrace housing comprises 71 dwellings. Approximately 15 residential units would be provided to the QLCHT.
- 26 A 4,500m² neighbourhood reserve is proposed including the established trees adjacent to the heritage 'Glenpanel Homestead' building (a Category 3 listed heritage item under the Council's District Plan). The area of land around the historic Glenpanel homestead was identified in the Indicative Master Plan as a Mixed Use Area, and the EOI anticipates the heritage building being used for a commercial activity such as a restaurant or gallery.
- 27 Access to this EOI area would be via the proposed roundabout at Howard's Drive via the two key east-west roads running parallel to the State Highway. Over the longer term, access would also be via the Stalker Road roundabout to the west although this does not form part of the EOI. The Flint's Park residential EOI cannot proceed without the Glenpanel EOI as it is dependent on it for access from the State Highway.
- 28 *Density:* Figure 3 below shows the Flints Park Residential EOI is located within a Medium Density Residential Area on the Indicative Master Plan. The Lead Policy anticipates a density of around 19 household per hectare in this area. The

proposal has a gross density of 28 households per hectare. The density is therefore acceptable in order to achieve the Indicative Master Plan objectives for what is shown as a Medium Density area.

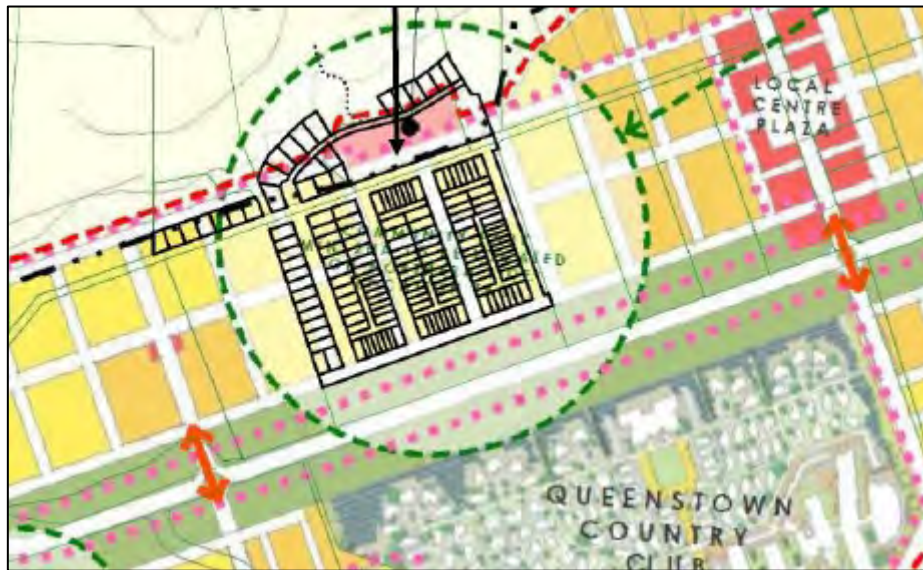


Figure 3: Flint's Park residential in context of Indicative Master plan

Description of Glenpanel EOI

- 29 The Glenpanel EOI is for a predominantly residential development comprising 176 residential units across a 15.5 hectare site. The 176 residential units is made up of 86 townhouses and 90 lots.
- 30 A central reserve of 3000-4000m² is proposed, as well as two reserve spaces in front of the medium density townhouses measuring 4950m² and 2350m². Approximately 18 residential units would be provided to the QLCHT.
- 31 The master plan is shown in Figure 4 below:



Figure 4: Masterplan of the Glenpanel EOI

- 32 Only the key plans from the EOI document are attached as **Attachment B**. All other plans and appendices to the EOIs are not included in the published version of the agenda but are available on the Council's website at the link above.
- 33 *Density*: Figure 5 below shows the Glenpanel EOI is located mainly within the High Density area on the Indicative Master Plan, and also partly within the Mixed Use local centre area. The Lead Policy anticipates a density of over 30 household per hectare in this area. The proposal has a gross density of 13 households per hectare. The density is therefore a lot less than anticipated in the Indicative Master Plan (30hh/ha) due to the number of detached dwellings proposed (90 of 176), and the area of land for commercial with no apartments above.
- 34 The Draft Deed for Glenpanel therefore requires an increase in density to 20 households per hectare, to help achieve public transport objectives that require a density of 25-35 households per hectare (refer separate agenda item on the wider Ladies Mile area). At the time of completing this report, this requirement has not been agreed to by Glenpanel.

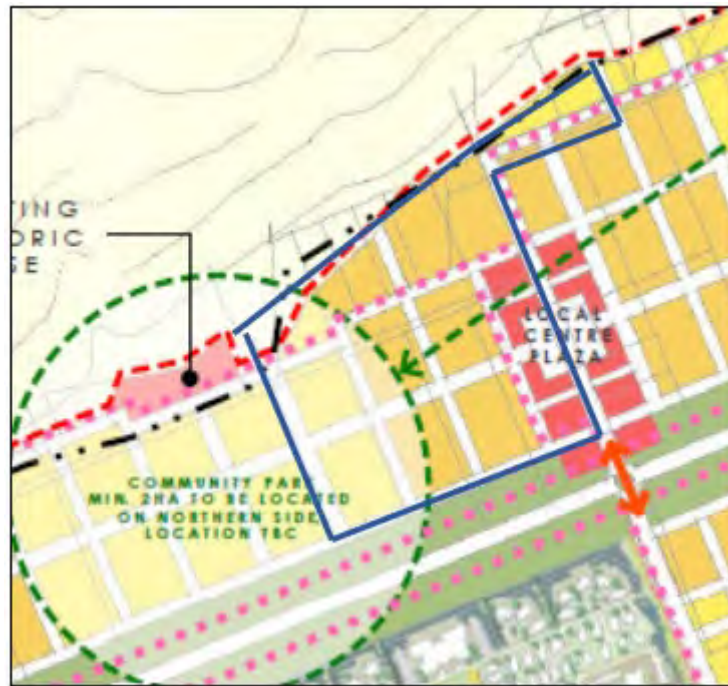


Figure 5: Glenpanel in context of Indicative Master plan

Description of Flint's Park Mixed Use Precinct

35 The Flint's Park Mixed Use Precinct EOI is to the east of the Glenpanel SHA proposal and is for a predominantly residential development including 96 residential units, commercial precinct and possible school site. The 96 residential units comprise 82 attached residential units and 12 detached. An artist's impression of the Mixed Use Precinct and the master plan are shown in Figure 6 below:



Figure 6: Masterplan of the Flint's Park Mixed Use Precinct EOI

- 36 The Mixed Use Precinct includes approximately 3375m² of commercial space for convenience retail or food and beverage. Higher density residential development would be integrated into the area.
- 37 The commercial area is proposed on the key east-west and north-south road junction at a central location in the heart of the wider Ladies Mile / Lake Hayes Estate / Shotover Country area.
- 38 The commercial area would seek to have convenience retail such as a local metro style supermarket such as a Raeward Fresh or Four Square along with complementary businesses such as café / bar / restaurant / doctor / potentially some upper level office space and residential.

- 39 The Flint's Park Mixed Use Precinct includes a Village Square open area and is adjacent to a potential future school site measuring 2.8 hectares. This could be for a future public or private school. If the site is not used for a school, it could be used for residential although not through a resource consent under the HASHAA legislation.
- 40 The vision is to create attractive streets that promote a walking and cycle friendly environment. The buildings are proposed to be mainly two storey, and there is a suite of 'Built Form Design Principles' in the EOI that seek to ensure that the local centre has a distinctive character reflective of the unique location and landscape.
- 41 The commercial precinct at Stonefields in Auckland has been given as an example of the type of local centre proposed, and a selection of photographs of this area are shown below:



Figure 7: Photographs of the Stonefields commercial area illustrating the type of development envisioned in the Mixed Use precinct.

- 42 *Density:* Figure 8 below shows the Flint's Park Mixed Use Precinct is located mainly within the High Density and Mixed Use local centre area on the Indicative Master Plan. The Lead Policy anticipates a density of around over 30 households per hectare in both areas. The proposal has a gross density of 24 households per hectare (excluding school site and Ladies Mile setback). The density is therefore less than anticipated in the Indicative Master Plan, most likely due to the small number of above floor apartments anticipated by the Indicative Master Plan above the ground floor commercial activities plus the State Highway setback.



Figure 8: Flint's Park Mixed Use Precinct overlaid on the Indicative Master Plan.

43 Only the key plans from the EOI are attached as **Attachment C**. All other appendices to the EOIs are not included in the published version of the agenda but are available on the Council's website at the link above.

44 The Ladies Mile Pet Lodge land has been shown in the master plan but is not owned by Glenpanel LP.

Inconsistencies between the EOIs

45 Two inconsistencies are apparent between the EOIs:

- a. The Flint's Park residential EOI shows a reserve space over the row of Oak trees that are subject to a private covenant, whereas the Glenpanel EOI shows the trees removed and 7 sections with detached dwellings in their place. Following feedback from Council's Parks and Reserves team, the row of Oak trees should be retained, and the draft Deed for Glenpanel (**Attachment E**) seeks to resolve the inconsistency by requiring the retention of the row of Oak Trees.
- b. The Flint's Park Mixed Use Precinct EOI shows a different commercial precinct layout at the entrance from the Howards Dive roundabout compared to the Glenpanel EOI. The draft Deeds seek to resolve these inconsistencies by referring to the Flint's Park plans which comprise the majority of the Mixed Use Precinct and has a more comprehensive design.

Summary

46 A summary table of the three components to the two EOIs is set out in Figure 9 below:

	<i>Flint's Park residential</i>	<i>Glenpanel</i>	<i>Flint's Park Mixed Use Precinct</i>	<i>TOTAL</i>
Residential units	151	176	96	423
Site size	7.1 hectares	15.5 hectares	7.9 hectares	30.5 ha
Site size minus setback	5.4 hectares	13.4 hectares	3.94ha**	22.74ha
Gross Households / ha*	28	13	24	21.6 average
QLCHT contribution TBC	15	18	10	43
Detached houses	68	90	14	172
Attached houses	83	86	82	251
Developer	Glenpanel LP	Maryhill Ltd	Glenpanel LP	
Residential development enabled under PDP zoning***	Rural Lifestyle (3 dwellings)	Rural Lifestyle (7 dwellings)	Rural Lifestyle (3 dwellings)	13

* includes roads and reserves but excludes Ladies Mile setback of 60m (75m – 15m road corridor)

** excludes 2.8 ha school site and includes retail and other uses in Local Centre so residential yield lower

*** Rural Lifestyle is one dwelling per 2 hectares average

Figure 9: Summary table of Glenpanel and Flint's Park EOIs

47 The Lead Policy requires a 10% contribution of the developable land area to the Queenstown Lakes Community Housing Trust (**QLCHT**). The Glenpanel and Flint's Park EOIs will result in a total of approximately 43 sections for the QLCHT for zero consideration. The developers have confirmed their agreement to the 10% of developed residential land area.

Draft Deeds

48 The draft Deeds are appended as Attachments **D** and **E**. Officers are satisfied the Deeds are appropriate for the Council to be able to recommend the SHAs to the Associate Minister. However, neither Deed has been fully agreed to be the applicants. If the Council recommends the SHAs with unchanged deeds, the applicants will need to agree to the Deeds attached.

49 With regard to the Glenpanel draft Deed, the matters not agreed relate to:

- a. The requirement to increase the density to at least 20 households per hectare (gross) excluding the Ladies Mile Setback.
- b. The requirement that the row of Oak trees be retained as a reserve or otherwise protected. The EOI shows the Oak trees being removed.
- c. The full restriction on visitor accommodation

d. The affordability clauses and QLCHT clauses, as Glenpanel had proposed a lease back arrangement that was not acceptable to officers.

50 With regard to the Flint's Park draft Deed, the applicant is almost in full agreement with the draft Deed however a different wording was proposed around the QLCHT contribution that was not acceptable to Council officers.

Comment – Assessment of the Proposals against Councils Lead Policy on SHAs

Criteria and process for considering SHAs

51 The Lead Policy is Council's framework for the consideration of proposed SHAs, although other factors such as planning and RMA matters may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. Both applicants have prepared an assessment of the proposal against the Lead Policy.

52 The Council considers each proposed SHA on its own merits. In addition, to the degree of consistency with the Lead Policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The below process is followed when assessing the EOI:

Step 1 - An initial review by officers of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to assess it;

Step 2 - Seek public feedback including statutory agencies and iwi;

Step 3 - Seek comments from internal Council departments and others as necessary;

Step 4 - Report to Full Council to consider whether or not to agree in principle the establishment of an SHA;

Step 5 - Should the EOI be agreed in principle, negotiate an appropriate Stakeholder Deed that fulfils the requirements of the Lead Policy (and other matters that are deemed to be relevant) and any other outstanding matters;

Step 6 - Council considers the draft Stakeholder Deed and makes a determination on whether or not to recommend the EOI to the Minister as a potential SHA; and

Step 7 - If a Stakeholder Deed is agreed and signed, the proposed SHA will be recommended to the Minister.

53 Steps 1 to 3 have been completed. In this case Steps 4-7 are progressing together due to the Ministerial timeframes.

54 Public feedback on Flint's Park and Glenpanel EOIs was sought from 15 March 2019 to 11 April 2019. This feedback has been circulated to Councillors.

- 55 It is important to note that Council is not being asked to assess the details of the proposal like a resource consent, but rather determine at a high level whether the land area should be recommend the EOI to the Minister as a potential Special Housing Area. The detailed assessment will occur when subdivision and resource consents are submitted. Council appoints Commissioners for SHA consents.
- 56 An assessment of the criteria from the Lead Policy for recommending a SHA to the Minister is set out below:

Location (Point 3.1 of the Lead Policy)

- 57 The sites are within the Indicative Master Plan area for the Ladies Mile set out in Council's Lead Policy. Ladies Mile was put into Category 2 rather than Category 1 by Council. As noted in paragraph 16 above, this was because SHAs were anticipated, but Council wanted to ensure the right density and type of development occurred on the Ladies Mile to facilitate public transport.
- 58 Both EOIs are in close proximity to the existing Lake Hayes and Shotover Country residential areas accessed off Howard's Drive and Stalker Road and located approximately 11km from central Queenstown and 3km from the approximate centre of the Frankton Flats (Pak 'n' Save).
- 59 The location is consistent with the Lead Policy. The road layout does depart slightly from that envisaged in the Indicative Master Plan, however the critical through routes running parallel to the State Highway for public transport are maintained.



Figure 10: Site layout in the context of the wider Ladies Mile area (extent of Florence Park incorrectly shown)

Strategic Direction (Point 3.2 of the Lead Policy)

60 The current Lead Policy specifically refers to Strategic Direction Objective 3.2.2.1 set out in the PDP as it was notified in 2015. In particular, Objective 3.2.2.1 of the PDP is listed (as notified):

3.2.2.1 Ensure urban development occurs in a logical manner:

- *to promote a compact, well designed and integrated urban form;*
- *to manage the cost of Council infrastructure; and*
- *to protect the District's rural landscapes from sporadic and sprawling development.*

61 The proposal is considered to be a 'logical' urban development of the Ladies Mile, recognising the limited greenfield growth opportunities for Queenstown. Other greenfield growth options were reported to Council on 26 October 2017 when Council was contemplating whether to add the Ladies Mile into the Lead Policy.

62 The proposal is considered to be compact, well designed (at a high level) and will ultimately form part of an integrated urban form as part of the wider Ladies Mile. The alignment of the roads to provide future links to the east and west is considered crucial to ensuring adjoining land can also be interconnected without also needing separate access roads or cul de sacs.

63 If approved the proposal will result in the loss of rural landscapes, however it is not considered to be a sporadic or sprawling development because it is part of a master planned development of the Ladies Mile that adjoins an existing urban area.

64 With regard to the landscape values, the land is not identified as being an Outstanding Natural Landscape but is in open pasture and currently retains a strong degree of rural character and provides a high degree of visual amenity. Full landscape assessments are provided with the EOs that recognise the area is subject to change as a result of the Rural Lifestyle rezoning.

65 Overall, the proposal is considered to be well located for SHA purposes, and not contrary to the Strategic Direction Objective 3.2.2.1 as notified.

Decisions Version of Objective 3.2.2.1

66 With the release of the 'decisions on submissions' on Stage 1 of the Proposed District Plan, the Strategic Direction chapter has changed. The new equivalent Objective and related policy is set out below:

3.2.2 Urban growth is managed in a strategic and integrated manner.

3.2.2.1 Urban development occurs in a logical manner so as to:

- a. promote a compact, well designed and integrated urban form;*
- b. build on historical urban settlement patterns;*
- c. achieve a built environment that provides desirable, healthy and safe places to live, work and play;*
- d. minimise the natural hazard risk, taking into account the predicted effects of climate change;*
- e. protect the District's rural landscapes from sporadic and sprawling development;*

- f. ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in;*
 - g. contain a high quality network of open spaces and community facilities; and*
 - h. be integrated with existing, and planned future, infrastructure.*
- (also elaborates on S.O. 3.2.3, 3.2.5 and 3.2.6 following)*

- 67 With regard to the first part of the policy, the location of the urban development proposed in the EOIs is considered to be in a 'logical' location for urban development.
- 68 With regard to (a) as noted above, the proposals will still retain a compact, well designed (at a high level) and integrated urban form. The draft Deed requires the Glenpanel to achieve a greater density that will facilitate public transport on the Ladies Mile. Again the provision for interconnections through to adjoining land is crucial to ensure connections with adjoining land and to avoid a series of isolated developments between the multiple different landowners on the Ladies Mile.
- 69 In terms of (b), the proposal will arguably build on historical urban settlement patterns by extending the existing QCC, Lake Hayes Estate and Shotover Country areas, rather than a whole new town.
- 70 With regard to (c), the proposal will form part of the wider 'Ladies Mile' built environment envisaged through the Indicative Master Plan. This area has desirable, healthy and safe places to live and play, but offers very little opportunity for employment, which is centred across the Shotover River in the Frankton Flats and in Queenstown. This has consequent transport implications which are discussed in the overarching agenda item on the Ladies Mile and later in this agenda item.
- 71 With regard to (d), Ladies Mile area is identified as being potentially susceptible to liquefaction and has alluvial fans present at the base of Slope Hill. All geotechnical reports conclude future development of the site is feasible from a geotechnical perspective. Standard planning or engineering solutions will be available to address any likely geotechnical issues or hazards that may arise.
- 72 With regard to (e), as noted in paragraphs 60 above, the proposal is not considered to be sporadic or sprawling.
- 73 With regard to (f), the development will ensure a mix of housing opportunities that are more affordable options for residents to live in.
- 74 With regard to (h), the EOI sites are part of the detailed business case area for the Ladies Mile, and can be integrated with existing and planned future infrastructure, including enhancements to the transport infrastructure, relying on programmed upgrades funded through the HIF loan facility. Transport implications and the work committed to through the Housing Infrastructure Fund Detailed Business Case are discussed further in the separate agenda item dealing with the cumulative effects of the three proposed SHAs on Ladies Mile, and in the following section of this agenda item.

75 The proposal is not considered contrary to the decisions version of Objective 3.2.2.1.

Urban Growth Boundary (UGB)

76 The land is outside the UGB (the red dashed line below):



Figure 11: Proposed District Plan Panel Recommendation

77 The Panel appointed to hear submissions on the PDP have recommended that the land subject to the EOIs is mainly zoned Rural Lifestyle (1 dwelling per 2 hectares) with some Rural on the site of the historic Glenpanel Homestead.

78 Rural Lifestyle zoning could result in the land being subdivided into 2 hectare blocks, which would typically be expensive with large houses built on them. If this zoning was acted upon, the combined EOI land could be subdivided into approximately 13 lots of 2 hectares, creating 13 houses, and the land would be lost for full urban development.

79 The Panel noted that *“an urban zone and Structure Plan process would be a good outcome. However this is not one of the alternatives open to us”*⁴. Council officers sought that the land remain Rural or Rural Amenity to preserve its ability to be fully urbanised under the HASHAA (given the scarcity of serviceable land available for urban development), because once land is subdivided for rural residential style development it is very difficult to then develop for urban purposes.

Infrastructure (including transportation) (Point 3.3 of the Lead Policy)

⁴ p.17, paragraph 69, Report 18.11 – Area 1 Ladies Mile.

Transport / Traffic

- 80 The three combined Ladies Mile EOIs would result in a combined total of 579 residential units. Given the probable purchase by QLDC of the 516 Frankton-Ladies Mile Highway, this will be the total yield under SHAs on the Ladies Mile, so significantly less than the 1100 provided for in the Lead Policy and under the HIF detailed business case.
- 81 This reduced yield number has transport implications. Please refer to the specific agenda item on transport related matters for the Ladies Mile.

Impact on Local Transport Network (not the State Highway or wider network)

- 82 Transport assessments were provided with both EOIs by Candor3 and Bartlett Consulting. These were independently peer reviewed by Novo Group with regard to the roading network proposed and the local connections. Both adopt the ITA prepared for the 1100 houses under the HIF for wider transport network matters.
- 83 The Novo Group report raised a range of issues regarding departures from Council standards with regard to road and footpath widths, on street parking provision and the legal widths of the road corridor. As a greenfield development there is no reason why the normal Council standards cannot be met.
- 84 The formation and width of the key east-west roads is particularly important. The corridor width of Road 1 is proposed to be 15m, whereas Novo group suggest 20m is preferable. The corridor width of Road 2 is proposed to be 18m, whereas Council standards would suggest a minimum requirement for 20m. Similar to Road 1, this road has been identified as potentially accommodating buses and cycles.
- 85 This has been addressed in the draft Deeds by requiring all works to comply with Council standards.

Wider Transport Network

- 86 The separate agenda item on the impact of the additional 1100 residential units on the wider network was assessed as part of the DBC for the HIF. A comprehensive integrated transport (ITA) assessment was prepared and has been adopted by NZTA, ORC and QLDC. This is considered further in the separate agenda item on the wider Ladies Mile area.
- 87 With the Council purchase of 516 Frankton-Ladies Mile Highway, and the imminent expiry of HASHAA, the yield from SHAs is now a maximum of 579, rather than the 1100 anticipated through the DBC. This is roughly half the DBC figure.

Transport Summary:

- 88 In summary, vehicle transport infrastructure is limited with only SH6 and SH6A providing access into the Frankton Flats. There is a tension between NZTA objectives to maintain bridge capacity at 1600 vmph at peak times to serve the through function of a State Highway, and the local access function the road provides to serve the residential areas of Lake Hayes Estate and Shotover

Country. Walking and cycling infrastructure across the Shotover River is also poor, being indirect and steep in places. There is no plan for a second crossing of the Shotover River in the Regional Land Transport Strategy or other NZTA planning documents.

- 89 The combined Ladies Mile EOIs would provide 579 of the 1100 homes provided for through the Housing Infrastructure Fund Detailed Business Case. No other SHAs will be possible.
- 90 The NZTA, ORC and Council have therefore committed to programme of capacity improvements and mode shift as shown in Figure 9 above which illustrates the programme of transport work in place to provide for the 1100 houses. However even with these actions this is expected to be insufficient to reduce demand to levels below available the 1600vmp/h bridge capacity *at peak times*. This is also a problem for any development east of the Shotover Bridge.
- 91 The consequence of traffic demand exceeding the 1600 vmp/h bridge capacity is flow breakdown occurring, which ultimately results in longer average delays at peak times. This is of real concern to local residents.
- 92 Council will have to reconcile this with the physical limitations of roading infrastructure, the high percentage of single occupancy vehicles and the urgent need to provide more housing, given the most unaffordable house and rental prices in the country.
- 93 It must also be noted that providing housing close to employment areas such as the Frankton Flats also means alternatives to the car such as public transport and walking / cycling are feasible, whereas if the residential development occurs further out or in neighbouring towns, these options are generally not available.
- 94 Council will have to reconcile the proposed transport works through the HIF and subsequent MOU, the physical limitations of roading infrastructure at peak times, the need to encourage mode shift, the high percentage of single occupancy vehicles and the urgent need to provide more housing, given the most unaffordable house and rental prices in the country.

Three Waters Infrastructure

- 95 Both EOIs have provided infrastructure assessment reports that were peer reviewed by WSP-Opus who prepared the infrastructure assessment for the Council's Housing Infrastructure Fund detailed business case on the Ladies Mile.
- 96 Both EOIs are dependent on Council providing the HIF infrastructure, and therefore only design parameters and limited modelling data has been provided. The draft Stakeholder Deeds appended as Attachments **D** and **E** therefore acknowledge the Ladies Mile Infrastructure and that separate developer agreements are being prepared under the HIF. The developer agreements commit the developers to providing the housing so that the infrastructure is not put in and no houses arise.

- 97 As a backstop, the Deed still requires the developer to provide all the necessary three waters infrastructure so the Council can recommend the proposals to the Minister with confidence that adequate infrastructure can be provided.

Wastewater

- 98 As noted above, no wastewater reticulation is currently available, however the HIF provides for wastewater reticulation. The WSP-Opus peer review confirms the intention of the design to collect wastewater by gravity and discharge to a new pump station is generally sound. The detailed information will be provided at detailed design stage, but currently there are no major issues with the proposal. The draft Deed requires the developers to provide all wastewater infrastructure to service the development (Attachments **D** and **E**).

Stormwater

- 99 Stormwater reticulation is available in Howards Drive. The intention of the EOI design is to attenuate the stormwater runoff to achieve the predevelopment flows, and to treat the stormwater with swales and rain gardens to follow the Code of Practice and is acceptable. At the detailed design stage, further review will be necessary to ensure the sizes of the proposed infrastructure are sufficient to accommodate all post development flows and volumes (Attachments **D** and **E**).

Potable water

- 100 Potable water is not currently available until the HIF works are completed. The design for the area is heavily influenced by the QLDC reservoir and falling main design proposed in the HIF. Detailed design will provide the detailed information necessary, but currently there are no major issues with the proposed approach. The draft Deed therefore requires the developers to provide all water infrastructure to service the development (Attachments **D** and **E**)

Geotechnical

- 101 Three geotechnical reports have been prepared by Geosolve for the EOIs. Council's hazard register identifies the land as being possibly susceptible to liquefaction, and there are two alluvial fan hazards at the base of Slope Hill. No specific excavations were undertaken for the Flints park Mixed Use Precinct,
- 102 All geotechnical reports conclude future development of the site is feasible from a geotechnical perspective. Liquefaction is not considered to be a risk due to the depth of the water table. Standard planning or engineering solutions will be available to address any likely geotechnical issues or hazards that may arise. Existing drainage channels from the alluvial fans should be maintained and engineered sumps / discharge areas constructed as required. Further investigation and assessment will be required at the detailed design phase of the project.

Power, Gas, Telecommunications

- 103 These services are already present in the locality and it is not anticipated that there would be any difficulty providing these to the site.

104 Overall, it is feasible that the two EOIs can be provided with the necessary infrastructure subject to various works being undertaken. These matters are secured through the Stakeholder Deeds (Attachments **D** and **E**), including contingencies to protect Council and require the developer to provide the necessary infrastructure if the assessments provided do not prove accurate.

Affordability (Point 3.4 of the Lead Policy)

105 The Lead Policy puts the onus on the developer to identify mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The only mechanism proposed in the EOIs is a restriction on visitor accommodation. Neither EOI has made a particular focus on providing affordable housing, unlike for example the Hawea EOI which specified particular price points, instead the focus is on the unlocking of supply on flat, serviceable land.

106 The EOIs would however help to address housing affordability generally by increasing supply in the district by providing at least 423 additional residential units, of which up to 251 are smaller and more affordable attached houses. In addition, the EOIs would result in 10% of the developed area being provided to the QLCHT which could result in approximately 43 residential units being affordable in perpetuity.

107 An agenda item on preventing speculation was presented to Full Council in August 2018 when Council was considering adding Ladies Mile into the Lead Policy. As Council is aware from the Bridesdale SHA, and from its deliberations regarding whether to add Ladies Mile into the Lead Policy, it is very difficult to completely prevent speculation of bare sections and /or land and building packages. The developer may deliver them to the market at a relatively affordable rate however the on-selling can quickly escalate prices.

108 There is no easy solution to preventing speculation, although it is accepted that providing land and house packages reduces it due to the greater capital outlay required compared to just a section.

109 SHAs are a mechanism to create housing, not visitor accommodation. The developers have agreed clauses can be added to the Deeds to restrict short term rental/visitor accommodation to the level permitted under the future Proposed District Plan, consistent with section 3.4 of the Lead Policy.

Affordable Housing Contribution (Point 3.5 of the Lead Policy)

110 Both applicants have agreed to meet the requirement to contribute 10% of the developed residential land area as set out in the Lead Policy. This will result in land for around 43 residential units by the QLCHT and will be secured through the Stakeholder Deeds in Attachments **D** and **E**.

Community Feedback (Point 3.6 of the Lead Policy)

111 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment on all SHA proposals. Should the SHA be established, the subsequent

resource consent can be served on adjoining land owners if they are deemed to be affected. Full public notification is not provided for.

112 The two EOIs was placed on the Council's website on 15 March 2019, which is consistent with how other SHAs were considered. Feedback closed on 11 April 2019 and will be collated and provided to Councillors and made public prior to the Council meeting.

Quality and Design Outcomes (Point 3.7 of the Lead Policy)

113 'High Quality Residential Development' is defined in Attachment C to the Lead Policy. Four facets are highlighted that are commented on below. Both EOIs include urban design assessments.

a. Integrating into the neighbourhood:

Both masterplans create strong connections to the wider area by a range of modes including private cars, public transport, walking and cycling. As greenfield developments they are not integrating into an existing neighbourhood.

b. Creating a place

The Flint's Park EOI utilises key existing features of the historic homestead and grounds, and has been designed to address the row of Oak trees. The Glenpanel developer has agreed in principle to retaining the row of Oak trees through the Deed. The north south orientation of the street block structure provides a strong sense of connection to the local setting with view corridors to the Remarkables in one direction and Slope Hill in the other. Higher densities are focussed close to the neighbourhood park, linear park and Ladies Mile setback to take advantage of the open space that these areas provide while at the same time also providing for eyes and ears to overlook these spaces and contributing to a safer environment.

c. Street and Home

Both EOIs, but particularly Flint's Park focuses higher densities close to the neighbourhood park, linear park and Ladies Mile setback to take advantage of the open space that these areas provide while at the same time also providing for eyes and ears to overlook these spaces and contributing to a safer environment

d. Environmental Responsibility

Neither EOI has focused on this aspect of the Lead Policy, other than at a high level through a design that reduces vehicles movements. The Flint's Park EOI does include a free e-bike to every purchaser and a pre-loaded bus pass with a \$100 credit.

114 The Flint's Park EOI in particular responds positively to the urban design principles set out in the Urban Design Protocol and the design outcomes specified in Attachment C of the Lead Policy.

Parks and Reserves

- 115 As a greenfield development, the development will need to comply with the Council's Parks and Open Space Strategy 2017 (**POSS**) and this has been built into the draft Deeds.
- 116 The *Flint's Park EOI* includes a reserve area adjacent to the historic homestead that is 4500m² and exceeds the size requirements of a Local Park (3000m²) and is within easy walking distance of Flint's Park residents. Council's Parks and Reserves team notes that this could potentially be a Community Park if the grounds around the homestead were included, and if the homestead use was compatible with the open space. E.g. a café, community centre or art gallery, which would be a real asset to the wider Ladies Mile development.
- 117 The *Glenpanel EOI* includes three smaller reserves connected by greenways. Two of these reserves would meet the Local Park requirement in terms of the POSS. The most north-eastern reserve is small and appears more like a pocket park providing amenity for the adjacent town houses. Both of the northern reserve surround townhouses and there is a risk that the open space will feel privatised and serve only these residents. The Deed requires the design to be reconfigured to maximise the open space and reduce / eliminate the narrow strips of open space alongside the townhouses.
- 118 The larger central reserve is of an adequate size for a Local Park and could contain some play equipment, seating, and have an informal kick around space if well designed. The plans show the roads and carparking within the open space area. The carparking should be located elsewhere in the development – there is little or no requirement for carparking at a Local Park as all residents are within easy walking distance and there will likely only be basic recreation opportunities. It is well located within the centre of the development and is well connected to the other open space.
- 119 It should be noted that the size of the central reserve area increased following early feedback from Parks and Reserves. This has resulted in the removal of most of the Oak Trees and associated reserve areas from the Glenpanel SHA EOI. Whilst the redesign of the reserve is welcomed, retention of the Oak trees has greater amenity value to the wider Ladies Mile area. Ideally both the Oak tree avenue reserve and the larger central reserve should be provided due to high numbers of residents on small sections who will rely heavily on public open space for amenity and recreation, however this may not be possible.
- 120 A small pocket park right at the entrance to Glenpanel is not supported as it has no recreational value and can be difficult to maintain. It could be included as road reserve with appropriate verge design and street planting.
- 121 The detailed design of open space can be considered further at the subdivision stage, should the area be made a SHA.

Timely Development (Point 3.8 of the Lead Policy)

122 The developer has confirmed that they are motivated and willing to develop as soon as possible. The requirement to proceed in a timely manner would form part of the Stakeholder Deed.

123 As the HASHAA is a resource consent only, and not a rezoning, they are a 'use it or lose it' type system, as evidenced by almost every other approved SHA currently being under construction.

Agency Responses

Ministry of Education (MoE)

124 No specific comment has been received from MOE at the time of agenda cut-off. However for the Laurel Hills proposed SHA, the MOE stated that it is now needing to, in conjunction with Council, develop a clear plan for provision of new primary schooling on the Ladies Mile. This will involve the need for the Ministry to bring forward anticipated funding for a new school site.

125 Officers are aware of discussions around locations for new schools. The Indicative Master Plan did not attempt to 'pick the school' site (as this is a matter for MOE) but Attachment B to the Lead Policy notes that relevant infrastructure includes 'education'. The MOE have clearly signalled work is underway on a plan to acquire land for a future primary school.

New Zealand Transport Agency (NZTA)

126 NZTA have provided feedback on both EOIs. As part of the assessment for Housing Infrastructure Funding for residential development in the Ladies Mile area an agreed set of interventions and triggers have been determined. NZTA consider that careful consideration will be needed with the staging provisions agreed by QLDC and NZTA. The staging provisions under the Housing Infrastructure Fund are detailed earlier in this report.

127 The Transport Agency supports the provision of the following elements of the proposed development:

- a. Connectivity by road, cycleway and walkway to networks outside the site and the establishment of a connective network within the site;
- b. An internal roading layout that provides for future connections through adjoining properties;
- c. Underpasses under Ladies Mile providing connection to residential development south of Ladies Mile;
- d. The inclusion of an appropriate setback from State Highway 6.

128 Furthermore, the Transport Agency requests that the following should also be included as part of the proposed development:

- a. The roading layout shall be of sufficient width to safely and efficiently accommodate bus routes through the development and to accommodate

traffic generated from potential future development of adjacent sites. Further, an internal bus routing should be identified and bus stops shall also be provided; and

- b. The third (middle) east/west collector should continue to the east and west boundaries of the subject site to provide critical connectivity to the adjoining sites as anticipated in the Ladies Mile Masterplan. This would provide the most readily accessible bus route for residents for any future bus route through this and the adjoining sites.

Otago Regional Council (ORC)

- 129 The ORC note that their natural hazards team have previously viewed the Glenpanel proposal from 2016. They had no significant concerns at that item, subject to the appropriate level of subsurface investigative data being collected to inform the development, so that conditions were not being assumed. ORC confirm they have no further concerns with these updated proposals for Glenpanel and Flint's Park.
- 130 The ORC Public Transport team note that the transport assessment report makes reference to a bus stops and shelters to be located SH6. The precise location will need to be determined with the ORC and the NZTA. They note the need for footpaths, cycleways and an underpass will connect these stops.
- 131 ORC emphasise that adequate allowance for infrastructure must be made to enable communities to access public transport. For public transport to be effective, a bus stop should be located within 5 minutes' walk, or 200 to 400m from a residential housing area. At this stage, ORC do not anticipate an Orbus service entering the Special Housing Area. It must be noted that the level of service for public transport on the Ladies Mile will be reviewed over the coming years as part of the Wakatipu Way to Go initiative and the .
- 132 Consideration for further development will also need to ensure stops are appropriately placed plus safe pedestrian access across a busy road, i.e. pedestrian underpass or overbridge. Further, bus stops need to be positioned on both sides of sides of SH6.
- 133 ORC consider a lower daily demand more consistent with ORCs view on efficient water use and which previously has considered the code of practice's daily allowance per person to be excessive.

Queenstown Trails Trust (WTT)

- 134 Feedback from the QTT emphasises the need for grade separated roundabouts at Stalker Road and Howards Drive to facilitate pedestrian and cycle movements across the State Highway. Funding for two underpasses and a new Howards Drive roundabout is included with the HIF monies. The exact location of the underpasses has not been set, so there is potential that the underpasses could be located in close proximity to the new Howard's Drive roundabout. The QTT also recommend that the provision for improved active transport be implemented prior to the completion of the development to encourage mode shift.

Aukaha (formerly Kai Tahu Ki Otago) and Te Ao Marama Inc. (TAMI)

135 No specific comment has been received from Aukaha or TAMI at the time of agenda cut-off. Feedback received will be updated verbally at the Full Council meeting.

Planning Considerations

136 When the Minister considers a recommendation from a local authority to establish a particular area as an SHA, the Minister is required to consider whether:

- *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- *there will be demand for residential housing in the proposed special housing area.*

137 Other than considering these matters for the Minister, HASHAA provides no guidance by way of specified criteria on what other matters local authorities may consider when deciding whether or not to make a recommendation to the Minister on potential SHAs. In particular, it does not indicate whether it is appropriate to consider ‘planning issues’, such as landscape, District Plan provisions, and previous Environment Court decisions.

138 However, the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 confirmed that:

“...the HASHAA gave both the Minister and a local authority a discretion and, clearly, the actual location of areas of land to be recommended (and to that extent what could be described as planning or RMA matters) were always appropriate considerations in any such recommendation”.⁵

139 While these considerations are relevant, Council’s decision-making should remain focussed on the purpose and requirements of HASHAA and how to best achieve the targets in the Accord⁶. While the weight to be afforded to any consideration – including the local planning context – is at the Council’s discretion, HASHAA considerations are generally considered to carry more weight. The purpose of HASHAA has been set out in paragraph 6 of this report.

140 In theory, all or most proposed SHAs are likely to be contrary to an ODP / PDP provision – an EOI would not be made for a permitted or a controlled activity. In this case the proposal is contrary to the ODP and PDP zoning but as the assessment above has indicated, is not contrary to the key Strategic Direction policy for urban development being adjacent to an existing urban area

⁵ Paragraph 56

⁶ The target for 2019 is 1300-1400 approved sections and building consents

(Queenstown Country Club) and within the indicative master plan area for the Ladies Mile.

- 141 The proposal will provide for additional housing on land that is considered suitable for residential development. Council's Housing Affordability Taskforce report also agreed that *"unless we dramatically change the scale of the approaches used, it will be difficult to realise the vision and achieve the goals; we will miss the mark if we have simply doubled the last 10 years affordable delivery in the next ten years"*.
- 142 The proposal is considered to be at the scale necessary to make a meaningful difference to housing supply and a meaningful contribution to the QLCHT.

Conclusion

- 143 In recommending the SHA to the Minister, the Council has to be satisfied that the proposal is consistent with the principles espoused in the Lead Policy. Like virtually every SHA recommended to date, the proposal is contrary to the Operative and Proposed District Plans.
- 144 The EOIs generally provide housing that falls into the more affordable category within the Queenstown Lakes district (predominantly 1 to 3 + bedrooms).
- 145 The district is facing a severe housing crisis in terms of rental costs and house prices being the highest in New Zealand, and the EOIs would provide additional supply in a timely fashion. The proposal is considered to be consistent with the Lead Policy and Indicative Master Plan.
- 146 The proposal can be serviced subject to HIF infrastructure or through requirements in the Stakeholder Deed.
- 147 The proposal will add further vehicles to a roading network that already experiences congestion at peak times. An ambitious programme of work has been agreed to achieve mode shift and to address the high level of single occupancy vehicles and increase capacity of the State Highway network.
- 148 As noted above, the Council will have to reconcile putting further residential development into an area that is currently congested at peak times, with the HIF programme of transport work which seeks to improve the transport system through improved transport choice and level of service for all modes.
- 149 The recommendation is that the Council accept the stakeholder deed and recommend the proposal to the Associate Minister.

Draft Deeds

- 150 Draft Deeds for both EOIs are included as Attachments **D** and **E** (public excluded). As the developments are dependent on the Council providing the infrastructure through the HIF funding, the infrastructure clauses are less detailed than other Deeds being largely covered under a single Clause.
- 151 The draft Deeds secure:

- a. the contributions to the QLCHT,
- b. a prohibition on visitor accommodation (less than 3 months)
- c. provisions for three waters subject to standard clauses that the developer agrees to, at its sole cost, design, obtain all necessary consents for, and construct any infrastructure that is necessary to enable three waters for the EOIs in accordance with the Council's planning and infrastructure standards.

152 It is noted that separate developer agreements are also required under the HIF projects to ensure the housing supply is provided once Council commences construction of the infrastructure for housing.

Options

153 Option 1: Approve the draft Deed and recommend the proposed Flint's Park and Glenpanel EOIs to the Associate Minister to be Special Housing Areas:

Advantages:

154 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and helps the Council to achieve the housing targets in the Housing Accord by enabling much needed new housing supply to be constructed.

155 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and long term benefits relating to the increased provision of the supply of a range of houses, particularly in the affordable bracket;

156 Ensures the developers commitments to the provision of affordable housing, infrastructure and reserves are legally binding after the SHA is established.

157 Would help create competition in the housing market for sections between Hanley's Farm, Shotover Country and other SHAs, potentially driving section prices down.

158 Recognises a programme of work is in place to address traffic congestion.

159 Would avoid one of the few suitable areas for greenfield urban development around Queenstown being subdivided into Rural Lifestyle blocks.

Disadvantages:

160 Relies on successful implementation of work programmes to increase roading capacity and achieve mode shift away from private vehicles, otherwise will inevitably increase traffic movements onto State Highway 6 which already experiences congestion at peak times, resulting on longer average delays.

161 Less public participation (submissions and appeals) under a HASHAA consent than a RMA consent or RMA plan change.

162 Not consistent with the ODP or PDP, including the recent recommendations of the Hearings Panel.

163 Option 2: Do not recommend the proposed SHAs to the Minister

Advantages:

164 Will not increase traffic movements onto State Highway 6 which already experiences congestion at peak times. Average delays will not increase.

165 Would require the Council or developer to seek consent or a variation / plan change under the RMA rather than HASHAA, with the RMA having greater opportunities for public submission and appeal.

166 Would be consistent with the ODP and PDP which zone the land as Rural Lifestyle and would maintain the land in its current state as predominantly open pasture.

Disadvantages:

167 Would mean the HIF loan facility for infrastructure and transport upgrades including the Howard's Drive roundabout and Ladies Mile bus stops and underpasses cannot be utilised as no new housing would be provided.

168 Would not contribute to new housing supply in the Wakatipu Basin. This would risk the District's acute housing supply and affordability issues continuing to grow, resulting in adverse social and economic benefits.

169 Would forgo the opportunity to provide a housing option for the Queenstown area aimed at the more affordable end of the market, and potentially impact on Council's ability to meet its commitments under the Accord.

170 Would forgo the short term and long term social and economic benefits offered by the proposed (outlined above) including a bus priority option and enhanced walking and cycling facilities.

171 Would not result in a 10% contribution (43 lots) to the QLCHT.

172 Would not help contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, or help the Council to achieve the housing targets in the Housing Accord.

173 Could see one of the few suitable areas for greenfield urban development around Queenstown subdivided into two hectare Rural Lifestyle blocks.

174 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

175 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- Importance: the matter is of high importance to the District. Housing supply and affordability is a critical issue for the District;
- Community interest: the matter is of significant interest to the community
- Existing policy and strategy: The proposal is considered consistent with the Housing Accord, HAT report and consistent with the Council's Lead Policy and Indicative Master Plan. The proposal is not consistent with the ODP and PDP.
- Capability and Capacity: In principle it is accepted that the site can be serviced with the required infrastructure.

Risk

- 176 This matter relates to the Community & Wellbeing risk category. It is associated with RISK00056 'Ineffective provision for the future planning and development needs of the community' as documented in the QLDC Risk Register. This is because of economic, social, environmental and reputational risks if the current and future development needs of the community (including environmental protection) are not met.
- 177 The recommended option considered above mitigates the risk by providing the necessary regulatory framework to provide for these needs.
- 178 The recommendation mitigates the risk because the supply of housing is critical to the current and future development needs of the community. The provision of more additional housing supply including smaller, more affordable houses mitigates the risk. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation of the risk, particularly with regard to environmental protection.

Financial Implications

- 179 In this case the Stakeholder Deeds cover the costs of infrastructure *within* the development areas and the connections to Council services where these are available (e.g. stormwater).
- 180 The EOIs both propose to connect into new infrastructure provided by Council utilising the HIF loan facility. The loan facility is to be repaid through development contributions. The three Housing Infrastructure Fund projects are fully budgeted for in the LTP.
- 181 The expected yield from SHAs on the Ladies Mile is currently 579, although further land could be developed under other approaches rather than through a SHA. With the Council purchase of 516 Frankton – Ladies Mile Highway, the resultant yield will be less than the 1100 anticipated through the HIF DBC. This could result in higher development contributions or revisiting the area to be serviced.

Council Policies, Strategies and Bylaws

- 182 The following Council policies, strategies and bylaws were considered:
- Lead Policy for SHAs;
 - The Operative District Plan;

- The Proposed District Plan (Stage 1 and 2 decisions version);
- Mayoral Housing Affordability Taskforce Report.
- The Housing Accord
- Housing Our People in our Environment Strategy;
- 2017/2018 Annual Plan and the draft Long Term Plan; and

183 This matter is included in the 10-Year Plan/Annual Plan. The three Housing Infrastructure Fund projects are fully budgeted for in the LTP.

Local Government Act 2002 Purpose Provisions

184 The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions. The recommended option:

- a. Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by utilising the HASHAA to enable increased levels of residential development on the proposal site;
- b. The three HIF projects are fully budgeted for under the 10-Year Plan and Annual Plan;
- c. Is not consistent with the Council's Operative or Proposed District Plans but is consistent with other policies such as the Housing Accord, Lead Policy and HAT report; and
- d. Would not alter the intended level of infrastructural service provision undertaken by or on behalf of the Council.

185 Section 80 of the Local Government Act covers situations where a decision is significantly inconsistent with a policy or plan:

80 Identification of inconsistent decisions

(1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—

- (a) the inconsistency; and
- (b) the reasons for the inconsistency; and
- (c) any intention of the local authority to amend the policy or plan to accommodate the decision.

186 With regard to (a), the inconsistency is between the Operative and Proposed District Plans which zone the land Rural General and Rural / Rural Lifestyle, and the recommended decision which is that the area be recommended to the Minister, and would result in the land being developed for housing and a mixed use precinct.

187 With regard to (b), the reasons for the inconsistency is the decision to adopt the recommendations of its Hearings Panel, for Stage 2 of the PDP.

188 With regard to (c), agenda item on the wider Ladies Mile outlines a number of options for the Council to consider dependent on what decisions are made on each of the SHA applications.

Consultation: Community Views and Preferences

189 The Council sought public feedback / comment regarding whether the Ladies Mile should be added into the Lead Policy in 2017.

190 The Council sought public feedback / comment on the two EOIs from 15 March to 11 April 2019, as it has done for all SHA proposals.

191 In addition, should the SHAs be established, the subsequent resource consent may be limited notified to neighbouring parties.

Legal Considerations and Statutory Responsibilities

192 The purpose of the HASHAA is detailed in paragraph # of this report. HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the High Court. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.

193 The Council will need to consider the consistency of any decision to recommend this SHA to the Minister and the recommendations of its Commissioners on the PDP (also being considered on 7 March 2019 agenda) which zone the Flints Park and Glenpanel land Rural Lifestyle or Rural.

194 The EOIs are considered to be consistent with the Lead Policy and its Indicative Master Plan, the Housing Accord and the purpose of the HASHAA. Allowing development on the EOI sites would inevitably change the rural character of this area and result in additional traffic utilising the State Highway which experiences congestion at peak times. A programme of transportation improvement work is in place for the Ladies Mile, and this is one of the key issues that Council needs to consider in recommending the proposal to the Minister.

Attachments

- A Key plans from the Flints Park Residential Expression of Interest – the full EOI and all other appendices available here:
<https://www.qldc.govt.nz/your-council/your-views/ladies-mile-special-housing-areas/>
- B Key plans from the Glenpanel Expression of Interest – the full EOI and all other appendices available at link above
- C Key plans from the Flints Park Mixed Use Precinct Expression of Interest – The full EOI and all other appendices available at link above

- D Draft Deed – Flint's Park (public excluded)
- E Draft Deed – Glenpanel (public excluded)