



Order Paper for an ordinary meeting of the

QUEENSTOWN LAKES DISTRICT COUNCIL

to be held on

Thursday, 26 October 2017

commencing at 1.00pm

In the Council Chambers, 10 Gorge Road,

Queenstown

9.12 ITEMS OF BUSINESS NOT ON THE AGENDA WHICH CANNOT BE DELAYED

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with the item and the Chairperson provides the following information during the public part of the meeting:

- (a) the reason the item is not on the agenda; and
- (b) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

s. 46A (7), LGOIMA

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the Chairperson.

Please note that nothing in this standing order removes the requirement to meet the provisions of Part 6, LGA 2002 with regard to consultation and decision-making.

9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

REFERENCE:

Queenstown Lakes District Council Standing Orders adopted on 15 December 2016.

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday, 26 October 2017 commencing at 1.00pm

Item	Page No.	Report Title
		Apologies/Leave of Absence Requests Councillor MacLeod (on approved leave of absence)
		Declarations of Conflict of Interest
		Matters Lying on the Table Feedback received on proposed amendments to the Council's Lead Policy for Special Housing Areas to include the Ladies Mile (to be uplifted from the table and considered as item 1)
		Public Forum
		Special Announcements
		Confirmation of Agenda
	6	Confirmation of Minutes 28 September 2017 (Public part of ordinary meeting)
1.	36	Addition of Ladies Mile into Council's Lead Policy for Special Housing Areas Attachments circulated separately.
2.	49	Mayoral Housing Affordability Taskforce Update Attachment circulated separately.
3.	64	Making Plan Change 51 Peninsula Bay North Operative Attachment circulated separately.
4.	71	Lakeview Development Community Feedback and Transaction Options Attachment circulated separately.
5.	89	Queenstown Town Centre Parking Indicative Business Case Attachment circulated separately.
6.	94	Class 4 and TAB Gambling Venue Relocation Policy
7.	116	2016/17 Annual Report Attachment circulated separately.
8.	119	Chief Executive's Report
	125	PUBLIC EXCLUDED Confirmation of Minutes 28 September 2017 (Public excluded part of ordinary meeting)

Item	Page No.	Report Title
9.	130	PUBLIC EXCLUDED Arrowtown Community and Sports Centre Funding

Public minutes

Confirmation of minutes:

28 September 2017

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Armstrong Room, Lake Wanaka Centre, Wanaka on Thursday 28 September 2017 commencing at 1.00pm

Present:

Mayor Boulton; Councillors Clark, Ferguson, Forbes, Hill, MacDonald, MacLeod, McRobie, Miller and Stevens

In attendance:

Mr Mike Theelen (Chief Executive), Mr Peter Hansby (General Manager, Property and Infrastructure), Ms Meaghan Miller (General Manager, Corporate Services), Mr Tony Avery (General Manager, Planning and Development) Mr Blair Devlin (Planning Practice Manager), Mr Ian Baylis (Planning Policy Manager), Ms Anita Vanstone (Senior Planner - Policy), Mr Lee Webster (Manager, Regulatory), Mr David Collins (Solicitor, Meredith Connell), Mr Stephen Quin (Parks Planning Manager), Mr Aaron Burt (Senior Planner, Parks and Reserves), Mr Peter Harris (Economic Development Manager), Mr Tony Pickard (Principal Planner, Infrastructure), Mr Richard Pope (Property Manager), Ms Michelle Morss (Corporate Services Manager), Mr Dan Cruickshank (Property Advisor, APL Property Ltd) and Ms Jane Robertson (Senior Governance Advisor); three members of the media and approximately 20 members of the public

Apologies/Requests for Leave of Absence

There were no apologies.

The following requests for Leave of Absence were made:

- Mayor Boulton: 9 October - 16 October
- Councillor Smith: 12 - 24 October
- Councillor MacDonald: 30 October to 7 November
- Councillor Ferguson: 1 - 8 November

On the motion of Councillors Stevens and McRobie the Council resolved that the requests for Leave of Absence be approved.

Declarations of Conflicts of Interest

Councillor MacLeod declared a conflict of interest in item 5 'Proposed District Plan Decision – Chapter 43 Millbrook Resort Zone' because he had been a Commissioner for this hearing. He stated that he would leave the meeting table for the item.

Matters Lying on the Table

The item 'Feedback received on proposed amendments to the Council's Lead Policy for Special Housing Areas to include the Ladies Mile' from the Council meeting on 17 August 2017 remained lying on the table until the Council meeting in Queenstown on 26 October.

Public Forum1. Graeme Perkins (Chair, Luggate Community Association)

Mr Perkins stated that the Luggate community was upset about the recent closure of the Luggate Memorial Hall because of its poor earthquake rating and wanted a local hall up and running again as soon as possible. He noted that the community was uncertain about whether to build afresh or to strengthen the existing hall but Council needed to act without delay as it was a busy facility and a growing town and a hall was needed urgently. A review of the hall's use over a year revealed that there had been 114 hire days which equated to one day in three. The hall was also memorial hall and it was important to have somewhere to put the community's roll of honour.

The Chief Executive advised that early work on the hall was underway and the Council would consider it as part of the 10-Year Plan. Mr Perkins asked to be kept up to date with progress.

2. Dave Hawkins

Mr Hawkins stated that he took the bookings for Luggate Hall and it was a well-used facility that the community could not do without. However, he believed that the community had outgrown the present hall and some events needed more space. No site or specifications for a new hall had been identified but he was concerned that if the present hall was demolished the community would be without a facility for many years.

3. Steve Moss

Mr Moss observed that the hall was a War Memorial opened in 1954 and it served to honour the memory of the fallen and to remind the present population of the futility of war and the sacrifice of others. He asserted that for these reasons alone it should be replaced. He believed personally that the hall should be rebuilt on the same site but turned around to the northwest to take advantage of the sunlight. It needed a good variety of spaces including a kitchen, meeting rooms and main hall and Luggate's lack of a proper sewerage system should not be used as an excuse not to rebuild because the existing hall had its own septic system.

4. Eve Marshall-Lea

Ms Marshall-Lea supported the comments of the previous speakers about the Luggate Hall. She suggested that the hall was now a little small and as the community grew, it needed something larger. The hall also needed various meeting rooms as well as the main hall space to increase usability and it had the potential to become a thriving community hub.

5. Graham Taylor

Mr Taylor advised that he had read the engineer's report on the Luggate Hall's earthquake risk and he considered that the hall's closure was an opportunity to start afresh. He believed that this was more cost-effective than trying to rebuild the present hall.

6. John Barlow, Fish and Game New Zealand

Mr Barlow was critical that the review of the Navigation Safety Bylaw proposed to uplift the 5 knot speed limit from the Clutha River outlet to the top of rapids. It was not the first time this had been suggested but Fish and Game NZ opposed the idea. The bylaw was about safety and this area of the river was increasingly heavily used and having jet boats in the area would be unsafe. There was also no water recreation plan guiding how the river should be used and consents were being handled ad hoc rather than being planned.

7. Owen Poole, Upper Clutha Anglers Club

Mr Poole stated that Deans Bank was internationally recognised for its fishing and having jet boats going through there would be detrimental for fly fishing. He was concerned that this would adversely affect membership of the local anglers' club. In addition, as population had increased, water activity had similarly increased and there were now people on the river all the time and it was not a good time to approve speed boats on this part of the river. He agreed with the need for a water surface activity plan as ad hoc applications for commercial use should not be assessed piecemeal.

8. Simon Telfer

Mr Telfer advised that he was part of an active transport group in the community and although there were many dedicated trails in the Upper Clutha, there was no network plan joining them all together. The group sought the development of a long term plan and business case which created an integrated and safe walking/cycling network for commuters and recreational users. Mr Telfer paid tribute to the support received from Tony Pickard in trying to reach these goals.

9. Andrew Howard

Mr Howard stated that he was speaking on behalf of local schools which had a combined roll of 2000 students and growing. He supported the comments about the disconnected nature of the present walking/cycling tracks. He believed that more people would make use of them if they were more functional, which would have a positive impact upon transport congestion (eg, drop off zones at schools). He added that Council needed to take advantage of the present community enthusiasm for active transport as it provided an opportunity to create something great for the future.

10. Steve Wilde, (General Manager, Downtown Queenstown)

Mr Wilde stated that Downtown Queenstown supported the proposed transport mode shift and commended council officers who had listened about the need for late night parking to be made available in the CBD. However, retailers had issues with the bus stops proposed on Camp Street and the fact that buses could be outside their doors all day. He hoped that Council had funding available to make major infrastructural changes and not just paint lines on the road. He accepted that Camp Street was an interim solution until the arterial route was in place but this was five years away, if ever. He suggested that Council investigate using Athol Street as a bus facility instead which he considered would be essential until an arterial route was in place.

11. Jude Battson

Ms Battson spoke on the following issues:

QUEENSTOWN LAKES DISTRICT COUNCIL**28 SEPTEMBER 2017****Page 4**

- Unknown algae from Lake Hawea was being tested. The outcome would not be known for a month but she did not believe it was harmful.
- Lake Wanaka Tourism and DOC both promoted the Isthmus Peak walk but there was no toilet there. The number of users was increasing and it should be included in the Council's plans for new toilets.
- The Friends of Ruby Island were considering the future of the 20 litre tanks on the island. They would be kept if they would be useful for firefighting and if so, would be fenced.
- The Norski Toilet was already full after only one year.

12. Jo Fyfe

Although generally supportive of the introduction of SHAs in Wanaka, Ms Fyfe had some concerns that section 3.5 of the Lead Policy did not define 'affordable housing'. She also wanted clarification on how this clause would be applied and administered, adding that some flexibility was desirable.

She understood that the earthworks provisions would be reviewed although they were only recently updated. She was concerned that only a few days had been allowed to review them even though some would have immediate effect and they needed to be scrutinised before they were implemented.

13. John Fookes, NZ Police

Senior Sergeant Fookes advised that the police sought to reduce alcohol related harm, but this had to be balanced with any reduction of personal freedom. They wanted to take a pragmatic approach to Crate Day but were aware that if there was a liquor ban in the Queenstown CBD, participants could simply move elsewhere. It was noted that the Council could also take action under the Trespass Act in relation to activities occurring on Council-owned land.

**On the motion of Councillors Forbes and McRobie
the Council resolved that Standing Orders be
suspended to allow the Public Forum to continue
beyond 30 minutes.**

14. Kathy Deedo, Link Upper Clutha

Ms Deedo spoke about the recent Community Forum on growth held in Wanaka. She noted that the main issues raised were the need to protect what is special about Wanaka and what new infrastructure will be needed because of population growth. 35 community groups had been represented at the forum and there had been a lot of positive feedback about it. She noted that the community wanted to turn these ideas into action and hoped to see a Council commitment to building this infrastructure in the 10-Year Plan.

15. Councillor Ferguson

Councillor Ferguson presented to the Mayor letters written to him by students at Queenstown Primary School expressing concern about the use of plastics in the community and around the world.

16. Trent Yeo, Chief Executive, Ziptrek NZ Ltd

Mr Yeo expressed concern about Skyline Enterprise's proposed luge development as the access road was used by his staff as part of the Ziptrek tour

and they had not been notified about the application. 344 heavy vehicle movements would affect their health and safety and as a legal leaseholder on public reserve they wanted to maintain their own and public use rights.

On the motion of Councillors Hill and MacDonald the Council resolved that Standing Orders be reinstated.

Confirmation of agenda

On the motion of the Mayor and Councillor MacDonald it was resolved that the Council confirm the agenda with the addition of a further item 'RCL Queenstown PTY Ltd/Hanley's Farm, Proposal to Vest Various Lands as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy' to be considered as item 17a; the reason it was not included on the agenda was that it was submitted after the agenda had closed and it cannot be delayed until a future meeting because a decision to allow vesting of reserves is necessary for title establishment of the residential properties.

Confirmation of minutes

17 August 2017

On the motion of the Mayor and Councillors Stevens the Council resolved that the public part of the ordinary meeting of the Queenstown Lakes District Council held on 17 August 2017 be confirmed as a true and correct record.

1. **Inclusion of Wanaka within the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (Lead Policy)**

A report from Anita Vanstone (Senior Policy Planner) assessed the inclusion of the Proposed District Plan residential zoned areas of Wanaka (being the High, Medium and Low Density Residential, Large Lot Residential and Business Mixed Use Zones) in Category 2 of the Housing Accords and Special Housing Areas Act Implementation Guidelines (Lead Policy) and make subsequent changes to this policy.

The report was presented by Ms Vanstone and Mr Avery.

Ms Vanstone circulated a map of the Urban Growth Boundary around Wanaka to in order to show an overview of the different areas.

Councillor MacLeod advised that he supported the recommendation adding Wanaka into Category 2 of the lead policy but he opposed the following statement under 3(5) of the policy:

'As guidance, the Council considers at least 5% of the residential component of the development by developed market value or by area (depending on the nature of the development) is identified for affordable housing.'

He stated that 5% was too low and needed to be reviewed. He noted that there were examples of 20-30% overseas and he favoured an increase in the lead policy to 10%.

Some concern was expressed that changing the figure would remove all flexibility. There was further discussion about whether deleting or altering the words 'as guidance' or 'at least' was desirable, although it was noted that these also served to provide flexibility around the figure.

It was moved (MacLeod/Miller):

That the Council amend its Housing Accords and Special Housing Areas Act 2013 Implementation Policy to read:

As guidance, the Council considers at least 10% of the residential component of the development by developed market value or by area (depending on the nature of the development) is identified for affordable housing.

There was discussion about the Council delaying making a decision on the level of contribution until the research on this subject requested at the last meeting in relation to the Ladies Mile was available

Councillor Miller spoke in support of the motion. In her view SHAs did not create affordable housing and the only mechanism currently available in the district was via the Queenstown Lakes Community Housing Trust. Changing the lead policy as proposed sent a message to developers that Council wanted to make a difference in relation to affordable housing.

The motion was put and carried on a show of hands.

On the motion of Councillors MacLeod and MacDonald the Council resolved to:

- 1. Note the contents of this report;**
- 2. Include Wanaka residential zoned land within the Proposed District Plan, being the proposed High, Medium and Low Density Residential, Large Lot Residential and the Business Mixed Use Zones within Category 2 of the Lead Policy;**
- 3. Approve the amendments to the Housing Accords and Special Housing Areas Act 2013 Implementation Policy (Lead Policy), as amended at the meeting; and**

4. **Agree that Expressions of Interest can now be accepted and processed by the Council only for Category 1 and 2 land that is consistent with the amended Lead Policy.**

2. **Stage 2 Proposed District Plan Notification**

A report from Ian Bayliss (Planning Policy Manager) introduced the parts of Stage 2 of the Proposed District Plan to Council for its approval to proceed to the statutory public notification.

The report was presented by Mr Bayliss and Mr Avery. Mr Bayliss advised that this work represented the next big tranche of the Proposed District Plan with hearings likely to take most of 2018. The Mayor expressed the Council's thanks to all planning staff as it was recognised that reaching this stage of the Proposed District Plan review represented an enormous amount of work.

Mr Bayliss circulated maps. He advised of an amendment in relation to the classification of administered reserves in the Open Space Zone. Councillor Smith advised that Kelly's Flat Reserve was not on the maps in any form.

On the motion of Councillors Stevens and McRobie it was resolved that Council:

1. **Note the contents of this report;**
2. **Having particular regard to the section 32 evaluation reports, approve pursuant to section 79(1) and clause 5 of the First Schedule of the Resource Management Act 1991 the Stage 2 provisions of the Queenstown Lakes District Council Proposed District Plan 2015 for notification as set out in Attachment 2: Stage 2 Proposed District Plan Attachments Bundle:**
 - a) **Chapter 25 Earthworks**
 - b) **Chapter 31 Signs**
 - c) **Chapter 38 Open Space and Recreation Zones in relation to the purpose statement; and**
 - d) **New definitions in Chapter 2 Definitions, in relation to earthworks, signs and open space and recreation zones.**
3. **Having particular regard to the section 32 evaluation reports, approve pursuant to clauses 5 and 16A of the First Schedule of the Resource Management Act 1991 the following variations to the Stage 1 provisions of the Queenstown Lakes District Council Proposed District Plan 2015 for notification:**
 - a) **Planning Maps 2, 5 - 39 introducing proposed Open Space and Recreation Zones**

- b) Chapter 2 Definitions in relation to earthworks, signs, and open space and recreation related definitions
- c) Chapter 6 Landscapes in relation to the purpose statement and assessment matters
- d) Chapter 17 Airport Mixed Use in relation to signs provisions
- e) Chapter 35 Temporary Activities and Relocated Buildings in relation to open space and recreation zones
- f) Chapter 27 Subdivision and Development in relation to earthworks provisions, and open space and recreation zones
- g) Chapter 36 Noise in relation to open space and recreation zones
- h) Chapter 41 Jacks Point Zone in relation to earthworks provisions.

4. Authorise the Manager Planning Policy:

- a) to make minor edits and changes to the chapters, maps and section 32 reports to improve clarity and correct errors; and
- b) To notify Stage 2 of the Queenstown Lakes District Council Proposed District Plan 2015 in accordance with clause 5 of the First Schedule of the Resource Management Act 1991 from 23 November 2017 for a period of 50 working days.

5. Note that the (Stage 2) Wakatipu Basin Variation, Visitor Accommodation Variation and Transport Chapter provisions will be considered for notification at the 26 October meeting of Full Council.

3. Amendments to Resource Management Act 1991 Register of Delegations

A report from Blair Devlin (Manager, Planning Practice) presented proposed amendments to the Resource Management Act 1991 Register of Delegations following the enactment of the Resource Legislation Amendment Act 2017. The report also proposed several other minor changes to tidy up the present delegations.

This report and that following were presented by Mr Devlin and Mr Avery.

On the motion of the Mayor and Councillor Hill it was resolved that Council:

1. **Note the contents of this report; and**
 2. **Amend from 28 September 2017, the existing Resource Management Act delegations to Council officers and appointed Commissioners and the General Rules for Delegations.**
4. **Amendments to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters**

A report from Blair Devlin (Manager, Planning Practice) presented proposed updates to the current fees and charges for resource consents, building consents, resource management engineering and other matters. The report noted that changes to the fees schedule were necessary to reflect the changes brought about by the Resource Legislation Amendment Act 2017 and the increased cost of securing engineers and engineering services in the Queenstown Lakes District.

On the motion of Councillors MacLeod and McRobie it was resolved that the Council:

1. **Note the contents of this report;**
2. **Note the contents of this report and in particular the Statement of Proposal and proposed changes to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters;**
3. **Adopt the Statement of Proposal including amendments to the fee schedules used for resource consents, building consents, resource management engineering and other matters as part of a special consultative procedure; and**
4. **Appoint the Planning and Strategy Committee to hear the submissions and report back to full Council.**

Councillor MacLeod left the room at 2.18 pm.

5. **Proposed District Plan Decision – Chapter 43 Millbrook Resort Zone**

A covering report from Ian Bayliss (Planning Policy Manager) introduced the report and recommendation of independent commissioners regarding the provisions and matters raised in submissions for Chapter 43 Millbrook Resort Zone. The report sought ratification of the commissioners' recommendation as a Council decision and approval for staff to notify the decision.

The report was presented by Mr Bayliss. He noted that the area was one of three resort zones notified with Stage 1 of the Proposed District Plan and because it was a very discrete geographical area and topic, it was a decision that could be released early.

Councillor Stevens expressed concern that the commissioner recommendation placed no obligation on Millbrook to grant an easement for a trail through the Zone. Mr Bayliss noted that there was no opportunity to address this now as it was not raised by submissions and the hearing had finished. He noted however, that submissions on the zoning of land outside the resort zone would be carried over into the hearings for the Wakatipu mapping variation, meaning that their points would not be lost.

Councillor Forbes stated that it would be helpful if the Council was able to indicate to Commissioners that provision for trails was needed in future decisions. Staff acknowledged that although the Millbrook Resort Zone was an essential link for the Queenstown Trails Trust, there was now no opportunity to alter this via the Proposed District Plan. The Mayor suggested that the only course of action remaining was to make a direct approach to the owners and management of Millbrook about the issue of trails through the property.

On the motion of Councillors McRobie and Smith it was resolved that the Council:

- 1. Note the contents of this report; and**
- 2. Adopts the Independent Commissioners' report and recommendations as a Council decision and direct staff to notify the decision in accordance with the First Schedule of the Resource Management Act 1991.**

Councillor MacLeod returned to the meeting at this point.

6. Temporary Alcohol Ban on 2-3 December 2017

A report from Lee Webster (Manager, Regulatory) proposed that the Council adopt a temporary alcohol ban to apply in specified areas within Queenstown on the weekend of 2 and 3 December 2017. This temporary alcohol ban was to cover the period when 'National Crate Day' would occur and was sought to prevent a repeat of high levels of disorder in Queenstown that had occurred as a part of the 2016 Crate Day event.

The report was presented by Mr Webster and Mr Collins.

It was noted that the proposed temporary alcohol ban coincided with the Queenstown Rugby League 9's Carnival on the Queenstown Recreation Ground. Mr Webster advised that he had met with the organisers of the Rugby League 9's Carnival and recommended that they obtain a Special Licence to accommodate their event. They had accepted that this was a

workable solution that would allow consumption of alcohol within a defined area.

Questions were asked about Council's powers if participants in Crate Day 2017 relocated to another area of the district. Mr Collins advised that the Council had limited powers under the Local Government Act 2002 and could not add additional sites for a liquor ban without meeting the statutory threshold of providing evidence that excess alcohol consumption had caused crime and disorder at that site at that time.

On the motion of the Mayor and Councillor Hill it was resolved that the Council:

- 1. Note the contents of this report and the recommendation that the Council adopt a temporary alcohol ban on the weekend of 2 and 3 December 2017;**
- 2. Adopt pursuant to clause 6 of the Alcohol Control Bylaw 2014 a temporary alcohol ban to apply between 12am Saturday 2 December 2017 until 12am Monday 4 December 2017 within the highlighted area in Attachment C of this report [being Attachment A to these minutes];**
- 3. Approve the public notification of this decision by publication in Otago Daily Times, Southland Times, Mirror and Wanaka Sun; and**
- 4. Authorise the Council's General Manager of Finance and Regulatory to arrange for staff to install appropriate signage in conspicuous locations in or adjacent to the geographical area to be subject to the temporary alcohol ban prior to the weekend of 2-3 December 2017**

7. Navigation Safety Bylaw review

A report from Lee Webster detailed an internal review undertaken on the Waterways Bylaw and the current Navigation Safety bylaw. This had resulted in the development of a proposed Navigation Safety Bylaw 2017, the purpose of which was to update existing navigation safety controls to ensure greater consistency with the Maritime Transport Act 1994 and maritime rules, reduce duplication, remove controls that were no longer required and to simplify regulation where appropriate. The report recommended that the Council approve the commencement of the special consultative procedure in relation to the proposal to:

- a. adopt the proposed Navigation Safety Bylaw 2017 ;
- b. revoke the Waterways and Ramp Fees Bylaw 2014;
- c. revoke the Navigation Safety Bylaw 2014; and
- d. adopt the proposed maritime fees and charges.

The report was presented Mr Webster, Mr Collins and Mr Black.

The Mayor invited Mr Webster to comment on the concerns expressed in the Public Forum. Mr Webster advised that the purpose of the current report was to initiate the consultation process and the Council had the ability to amend the proposed bylaw in response to submissions.

Councillor Smith questioned the definition of 'white water board' and whether this would also encompass a raft. Mr Webster advised that the definition had been taken directly from the maritime rules and was intended also to capture rafts. Furthermore, it was also a requirement for bylaws to be consistent with maritime rules. The exception for commercial rafts was also to ensure consistency with maritime rules.

On the motion of the Mayor and Councillor MacDonald it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve the commencement of the special consultative procedure in relation to the proposal to:**
 - a. adopt the proposed Navigation Safety Bylaw 2017 ;**
 - b. revoke the Waterways and Ramp Fees Bylaw 2014;**
 - c. revoke the Navigation Safety Bylaw 2014; and**
 - d. adopt the proposed maritime fees and charges.**
- 3. Appoint Councillors MacDonald, MacLeod and Smith to hear and consider the submissions on the proposal to:**
 - a. adopt the proposed Navigation Safety Bylaw 2017 ;**
 - b. revoke the Waterways and Ramp Fees Bylaw 2014;**
 - c. revoke the Navigation Safety Bylaw 2014; and**
 - d. adopt the proposed maritime fees and charges.**
- 8. Frankton Library – Expressions of Interest**

A report from Meaghan Miller (General Manager, Corporate Services) sought approval for staff to seek Expressions of Interest for the provision of a short term leased library facility at Frankton. The report proposed the Council entering into a short- term lease (3+2 years) of an existing premise with easy access and ample parking in Frankton from which it would trial and refine a library service in Frankton.

The report was presented by Ms Miller. She stressed that the purpose of the proposal was to explore the opportunity and if successful, a business case could be prepared and funding provision made. The proposal had already received positive feedback from the community and library staff. Councillor Stevens thanked staff for persisting with this initiative.

On the motion of Councillors Forbes and Stevens it was resolved that the Council:

- 1. Note the contents of this report;**
 - 2. Direct the Chief Executive to seek Expressions of Interest ['EOI']for a potential Frankton Library lease;**
 - 3. Agree that the Chief Executive direct officers to prepare a Business Case for a leased library facility in Frankton;**
 - 4. Note that the terms conveyed in the EOI should reflect the short term intention of any lease arrangement, namely 3+2 years;**
 - 5. Agree that any proposal to enter into a lease for a Frankton Library be consulted on through the 2018 10 Year Plan given that this potential decision would require funding and timelines to be brought forward from 2020 (as per the 2015 10 Year Plan) to 2018/19.**
- 9. 2017/18 Contestable Economic Development Fund proposed principles and process**

A report from Peter Harris (Economic Development Manager) detailed the goals, principles and processes for the Economic Development Fund for 2017/18 and sought the Council's agreement to proceed.

The report was presented by Ms Miller, Ms Morss and Mr Harris. An amendment to the recommendation was proposed, in that three Councillors rather than four should be appointed to the panel to make recommendations on the allocation of the Economic Development Fund. It was suggested that representation from each ward was an appropriate approach.

Councillor MacLeod expressed concern about the tight timeframes involved in the overall process. In reply it was noted that the intention was to ensure the process was as simple as possible and staff considered that the timeframe was achievable. It was also intended that the fund should be a long-term initiative and budgetary provision would be made for it in the 10-Year Plan.

The Mayor asked Councillors interested in membership of the panel to contact him.

On the motion of Councillors McRobie and Forbes it was resolved that Council:

- 1. Note the contents of this report;**
- 2. Accept the recommended goals, principles, criteria and processes for the 2017/18 contestable Economic Development Fund in order to proceed with a round of funding in the 2017 calendar year;**
- 3. Delegate to the Mayor the appointment of a panel three Councillors to deliberate on applications and make a recommendation to Council on allocation of the remaining Economic Development Fund.**

10. Queenstown Integrated Transport Strategy

A report from Tony Pickard (Principal Planner, Infrastructure) introduced the Queenstown Integrated Transport Programme and sought its endorsement. The report noted that it was a multi-agency transport programme involving the Council, NZTA and Otago Regional Council.

The report was presented by Mr Pickard and Mr Hansby. Mr Pickard signalled a change to his report, noting that the recommendation in relation to each option was to endorse rather than 'to adopt'.

The importance of not progressing projects in isolation was noted, as alignment with funding cycles increased the likelihood of assistance. Furthermore, whilst there was a significant QLDC commitment, multi actions would serve to attract external funding and would stimulate the local economy.

Councillor Smith noted that although 1 in 5 people in New Zealand lived with a disability this was not addressed in the plans. He considered that a broader disability policy that could be incorporated into these sorts of documents needed to be developed.

On the motion of the Mayor and Councillor McRobie it was resolved that the Council:

- 1. Note the contents of this report; and**
- 2. Endorse the Queenstown Integrated Transport Strategy as its main transport strategy for the Wakatipu area.**

11. Queenstown Town Centre Transport Strategy - Mode Shift Improvements

A report from Tony Pickard (Principal Planner, Infrastructure) detailed the recommended measures to encourage a mode shift from private car usage to public transport, including:

- a. Review of parking charges
- b. Further parking restrictions
- c. Additional enforcement resources

Mr Pickard circulated updates to attachments A and B. New attachment A divided the stages for the introduction of the revised parking charges into Phase 1 and Phase 2. New attachment B proposed a different configuration of new bus stops and loading zones in Camp Street and added a proposed change to evening parking restrictions for the parking spaces on Church Street, making enforcement of the P30 parking limit apply between 8am and 6pm only.

There was further discussion about the position of bus stops on Camp Street and the proposed siting of two stops on each side of the road. A preference was expressed for them to be off-set.

It was noted that whilst there was still some debate about the final position of stops, for the volume of buses, four stops were needed on Camp Street between Shotover Street and Ballarat Street. It was noted that as part of Master Plan, the option of using Athol Street as a transport hub would be reviewed, but the present proposal was derived from uncertainty about when CBD arterials would be developed. A further difficulty with Athol Street was its present use for the regional bus service and tour coaches.

Some concern was expressed that no information about bus timetables and routes was yet available and this did not help to relieve public anxiety. Staff advised that the information had been released earlier in the day.

On the motion of Councillors Forbes and Clark it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Agree to the further restrictions and amendments to parking provisions in the Town Centre and CBD;**
- 3. Note the provision of new minor infrastructure for public transport;**
- 4. Direct officers to amend the parking charges; and**
- 5. Note the additional resources required to cover the transition period.**

The meeting adjourned at 3.19pm and reconvened at 3.30pm.

12. Lessor's and Minister's approval – Skyline Enterprises Limited, Replacement and Upgrade of the Skyline Luge Chairlift and associated development

A report from Aaron Burt (Senior Planner, Parks and Reserves) assessed an application from Skyline Enterprises Ltd for the Council to grant Lessor's and Minister's approval for a proposed replacement and upgrade of the existing luge chairlift and associated development. The report recommended that approval be given.

The report was presented by Mr Burt and Mr Quin.

In reply to the concerns expressed in the Public Forum, it was noted that the 344 vehicle movements described were over a 6 month period and a limit on the total number permissible daily was a condition of consent. If traffic movements increased, a planner would consider the adverse effects. Furthermore, regard could be had to the number of vehicle movements in the health and safety plan.

Councillor Stevens observed that Skyline's consent application had been processed non-notified and he stated that an updated Reserve Management Plan was needed for the area to avoid piecemeal development. Mr Quin agreed that this could be added to the project list for the Council to consider priorities.

Councillor Forbes acknowledged the importance of Skyline in providing a major tourist attraction in Queenstown but she was concerned that the community was not seeing the bigger development picture for the area. This was not helpful for the other businesses operating in the area or for the cyclists and walkers that used it. She referred to it as 'creep' and her views were supported by Councillor MacDonald who believed that Skyline deliberately presented their plans bit by bit. It was suggested that the Council invite Skyline to make a presentation to Council about its future development plans.

**On the motion of the Mayor and Councillor McRobie
it was resolved that the Council:**

- 1. Note the contents of this report;**
- 2. Approve Lessor's Approval and Minister's Approval for the proposed replacement and upgrade of the existing luge chairlift and associated development, granted in accordance with resource consent RM170147, on Section 1 SO 24832.**
- 3. Ensure that prior to any works being undertaken upon the site, a Health and Safety Plan is first provided to Council to ensure the health and safety of users of the Ben Lomond Recreation**

Reserve, for all works associated with the proposal.

- 4. Require that the development of the chairlift and associated development is undertaken in accordance with RM170147.**

13. Easement to Skyline Enterprises Limited – Bobs Peak

A report from Aaron Burt (Senior Policy Planner) considered an application from Skyline Enterprises Limited (SEL) for a pedestrian right of way easement over recreation reserve land in order to form and use a pedestrian pathway. The report noted that the proposed easement was over land that was not part of the lease area occupied by SEL, but by Queenstown Commercial Parapenters Ltd (QCPL). Although SEL had advised that QCPL supported the easement, the report recommended that any approval should be subject to QCPL providing formal approval for any easement over their lease area. Overall the report recommended that an easement be granted subject to a number of conditions.

The report was presented by Mr Burt and Mr Quin.

Councillor Forbes again observed that there were a variety of other users in the reserve in addition to the commercial users. She considered that this demonstrated the need for a Reserve Management Plan that had regard to the needs of all users.

On the motion of Councillors MacLeod and McDonald it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve a pedestrian right of way easement over Recreation Reserve, Pt Section 110 Blk XX Shotover SD, in favour of SEL, subject to section 48(1)(d) of the Reserves Act 1977, and the following conditions:**
 - a. Queenstown Parapenters Limited first provide information necessary to formally endorse the easement, and all matters necessary to enable the easement over the land are resolved.**
 - b. Commencement: To be determined.**
 - c. Extent of Easement: To be confirmed prior to commencement, and having regard to the endorsement of Queenstown Parapenters Limited.**
 - d. Fees: As per QLDC's Easement Policy 2008, and subject to the extent of the easement being confirmed. This shall also include any outstanding application fees.**

- e. A bond of \$5,000.00 be payable to QLDC prior to any works commencing;
 - f. The work site to be evidenced by before and after photographs, video or similar to be provided to QLDC by Skyline Enterprises Ltd;
 - g. A comprehensive safety plan must be prepared and implemented, at Skyline Enterprises Ltd's cost, to ensure a safe environment is maintained around the subject site;
 - h. Certificate of adequate public liability cover to be received;
 - i. Reinstatement and landscaping of the area to be completed within two months following construction and to the satisfaction and timeframes communicated by the QLDC's Property & Infrastructure Department. Reinstatement to include any landscaping, fencing or other structures.
 - j. Within 3 months of completion of the work, Skyline Enterprises Ltd to provide QLDC with a surveyed easement and signed Deed of Easement.
2. Agree that notification of the intention to grant the easement is not required, as the statutory test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report;
3. Delegate authority to approve final terms and conditions of the pedestrian right of way easement, including location, and execution authority to the General Manager – Property & Infrastructure; provided all relevant requirements of the Easement Policy 2008 are addressed; and;
5. Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of an easement to Skyline Enterprises Ltd over Pt Section 110 Blk XX Shotover SD.
14. **New licence to Free Walking Tours Ltd to undertake guided tours in the Queenstown Town Centre**

A report from Dan Cruickshank (Property Advisor, APL Property Ltd) assessed an application from Free Walking Tours Ltd for a the renewal of a licence to provide guided walking tours in the Queenstown Town Centre. A new licence was needed once their current licence expired on 31 October 2017. The report recommended that a new licence be granted subject to several recommended conditions.

The report was presented by Mr Cruickshank and Mr Burt.

On the motion of Councillors McRobie and MacLeod it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve a new reserve licence under Section 54(1)(d) of the Reserves Act to Free Walking Tours Ltd on the following properties, subject to the terms and conditions listed below:**

Description	Authority Responsible	Legal Description	Area	District Plan Zone	District Plan Designation
St Omer Park	QLDC	Section 2 Block XVII, Town of Queenstown, Part Sec 110 Blk XX Shotover SD. Certificate of title OTB1/226.	1.4670ha	Rural General Zone	217 – Recreation Reserve
Earnslaw Park	QLDC	Sections 6-18, 27, Crown Land Block XV, Queenstown. Certificate of title OT6A/439, OT4D/228, OT94/273, OT223/156, OT223/155, OT41/117, OT2/78, OT33/164 and OT109/87	0.1847ha	Queenstown Town Centre	219 – Recreation Reserve
Marine Parade	QLDC	Section 6 BLK L1, Town of Queenstown and Part Marine Parade. Certificate of title 46575.	0.6600ha	Queenstown Town Centre	204 – Recreation Reserve
Adjacent to Horne Creek	QLDC	Section 1-3, Block LII, Town of Queenstown. Certificate of Title OT18A/765.	1.3137ha	Rural General Zone	185 – Recreation Reserve
Queenstown Gardens	QLDC	Part section 4, Section 5 and Section 7 Blok L1, Town of Queenstown. Certificate of Title OT18A/765.	13.4545ha	Rural General Zone	205 – Recreation Reserve

Term:	Two years
Rent:	\$500 + GST per annum base rent, or 7.5% of gross revenue, whichever is the greater
Reviews:	Reviewed two-yearly upon renewal
Renewal	Three of two years each by agreement of both parties
Commencement:	Upon Signing
Use:	Commercially guided walking tours
Insurance:	\$2 million public liability insurance cover
Advertising:	Signs, advertising hoardings and other billboards etc are not permitted
Assignments:	With the approval of Council
Special conditions:	Licensee to ensure all rubbish associated with their operation is removed from the area immediately
	Maximum group size of 20 people, plus 1 guide
	Sale of merchandise on or about the tracks or trails is not permitted

Health and Safety plan to be provided

3. **Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a new licence to Free Walking Tours Limited over the reserves detailed above.**
4. **Delegate signing authority to the General Manager – Property and Infrastructure.**

15. Classification and reclassification of land at Luggate Red Bridge

A report from Blake Hoyer (Property Advisor, APL Property Ltd) considered the classification and reclassification of land at the Luggate Red Bridge pursuant to the Reserve Act 1977. The report noted that the intention to classify and reclassify the reserves was publicly notified but no submissions were received. Accordingly, the report recommended that classification and reclassification of the reserves be approved.

The report was presented by Mr Cruickshank and Mr Quin.

Councillor MacLeod paid tribute to the work of the local people and the Council staff who were behind this project in Luggate.

On the motion of Councillors Smith and MacLeod it was resolved that the Council:

1. **Note the contents of this report;**
2. **Approve the following reserve classifications for the land at the Luggate Red Bridge Reserves:**
 - a. **To be classified or reclassified as Historic Reserve**
 - i. **Lot 5 DP 490602**
 - ii. **Section 37 Blk VII Lower Hawea SD**
 - iii. **Section 6 Blk VII Lower Hawea SD**
 - iv. **Section 1 SO 489559**
 - v. **Section 3 SO 489559**
 - b. **To be reclassified as Recreation Reserve**
 - i. **Section 34 Blk VII Lower Hawea SD**
3. **Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the classification and reclassification of the reserves as detailed above;**
4. **Delegate signing authority and to register the appropriate notices in the New Zealand Gazette to the General Manager, Property and Infrastructure.**

16. Suburban Estates Ltd, Proposal to Vest Land as Reserve

A report from Aaron Burt (Senior Planner, Parks and Reserves) assessed a proposal to vest a new reserve within a development being undertaken by Suburban Estates Ltd. The report recommended that the Council accept the reserve, subject to various works being undertaken by the applicant; and also recommended that reserve land contributions are offset in accordance with Council policy.

The report was presented by Mr Burt and Mr Quin.

On the motion of Councillors Stevens and McRobie it was resolved that the Council:

- 1. Approve the vesting of the proposed reserve;**
 - a. Lot 201 Recreation Reserve**
subject to the following works being undertaken at the applicant's expense:
 - i. Presentation of the reserve in accordance with Council's standards for reserves;**
 - ii. A potable water supply point to be provided at the boundary of the reserve lot;**
 - iii. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserve to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;**
 - iv. A three year maintenance period by the current landowner commencing from vesting of the reserve in accordance with the relevant consent, and subject to consent conditions being imposed under variation RM170060 to ensure such;**
 - v. A landscape plan to be provided to the Parks Planning Manager to identify removal/replacement trees to be established prior to the commencement of the maintenance period;**
 - vi. Vesting of reserves to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.**
- 2. Approve reserve land contributions are offset in accordance with the Development Contributions Policy current at the time of contributions**

payment and the Parks and Open Space Strategy 2017, subject to recommendation (iii) above.

17. **Easement – Wanaka-Mount Aspiring Road**

A report from Blake Hoger (Property Advisor, APL Property Ltd) assessed an application from Roys Bay Estate Limited for an in-ground service easement over reserve land for the purposes of draining sewerage via a foul sewer line to existing infrastructure in the adjacent road reserve. The report concluded that the easement neither affected the ability of people to use the reserve nor did it create any long-term permanent effect on it, so the proposed easement over the reserve did not require public notification. The report recommended that the easement be granted subject to conditions.

The report was presented by Mr Cruickshank, Mr Burt and Mr Quin.

On the motion of Councillors Smith and Forbes it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve an underground easement over Scenic Reserve Lot 2 DP 23625 subject to section 48 (1)(d) of the Reserves Act 1977, in favour Roys Bay Estate Limited subject to the following conditions:**
 - a. Roys Bay Estate Limited to notify and liaise with QLDC's Infrastructure Department in advance of any onsite works so that they can oversee and provide input relating to existing in ground infrastructure;**
 - b. The new sewer connection must be installed in accordance with the Conditions of RM 081295 relating to work around the trees and QLDC's subdivision code of practice.**
 - c. Works are to be completed in a manner and supervised by an arborist to ensure no damage occurs to the existing trees. The arborist must provide a report on completion of the works identifying the degree of any root severance undertaken, and demonstrating that no damage has occurred to the health of the tree as a consequence.**
 - d. A bond of \$2,000.00 be payable to QLDC prior to any works commencing;**
 - e. The work site to be evidenced by before and after photographs, video or similar to be provided by Roys Bay Estate Limited;**

- f. A comprehensive safety plan must be prepared and implemented, at Roys Bay Estate Limited's cost, to ensure a safe environment is maintained around the subject site;
 - g. Certificate of adequate public liability cover to be received;
 - h. Reinstatement of the area to be completed immediately following installation and to the satisfaction of QLDC's Infrastructure Department. Reinstatement to include any fencing or other structures.
 - i. Within 3 months of completion of the work, Roys Bay Estate Limited to provide QLDC with a surveyed easement and signed Deed of Easement.
3. Agree that notification of the intension to grant the easement is not required as the statutory test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report;
 4. Delegate authority to approve final terms and conditions, and execution authority to the General Manager - Property and Infrastructure; and
 5. Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of an easement to Roys Bay Estate Limited over Lot 4 DP 300273.
- 17a. **RCL Queenstown PTY Ltd/Hanley's Farm, Proposal to Vest Various Lands as Reserve and to Offset Reserve Land and Reserve Improvement Contributions as per Development Contributions Policy**

A report from Aaron Burt (Senior Planner, Parks and Reserves) assessed a proposal to vest five proposed reserves associated with the Hanley's Farm development, and to offset reserve land and reserve improvement development contributions in accordance with Council policy. The report recommended that the Council accept the proposal in accordance with the Parks and Open Space Strategy 2017, because the reserves would be vested at no cost to Council and reflected what was proposed in the resource consents and applicable applications for the developments.

The report was presented by Mr Burt and Mr Quin.

It was noted that various parcels of land were involved and some would be recreation reserve and some local purpose reserve (for stormwater drainage). The recreation reserve at just over 2ha would be a community park with the usual facilities eg, public toilets, playground.

On the motion Councillors MacLeod and Clark it was resolved that the Council:

1. Approve the vesting of the five identified proposed reserves:

- a. Lot 95 RM161129 Local Purpose Reserve (Drainage)
- b. Lot 96 RM161129 Local Purpose Reserve (Drainage)
- c. Lot 97 RM161129 Recreation Reserve
- d. Lot 98 RM160562 Local Purpose Reserve (Drainage)
- e. Lot 99 RM160562 Recreation Reserve

Subject to the following works being undertaken at the applicant's expense:

- i. Consent being granted (as necessary) for any subdivision required to formally create the reserve;
 - ii. Presentation of the reserve in accordance with Council's standards for reserves and any conditions of the applicable resource consents;
 - iii. A potable water supply point to be provided at the boundary of the reserves;
 - iv. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserves to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
 - v. A five year maintenance period by the current landowner commencing from vesting of the reserve;
 - vi. Vesting of reserves to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.
- 2. Agree that reserve land contributions created through consented stages of subdivision included within the "Area Subject to this Agreement" in the *Hanley Downs – Reserves for***

Early Stages plan, 3 March 2016, are offset against Lot 97 RM161129 Recreation Reserve and Lot 99 RM160562 Recreation Reserve in accordance with the Development Contributions Policy current at the time of contributions payment and the Parks and Open Space Strategy 2017, subject to the approval of the reserves in (1) above being vested in Council.

On the motion Councillors MacLeod and Clark it was resolved that the Council:

- 1. Approve credit up to the value of \$1,479,000 from reserve improvement contributions created through consented stages of subdivision included within the “Area Subject to this Agreement” in the *Hanley Downs – Reserves for Early Stages* plan dated 3 March 2016;**

Subject to the works being undertaken in Recreation Reserve and in accordance with the Landscape Plans approved by consents RM160562 and RM161129, subject to:

- a. Detailed design plans for the reserve to be submitted and the approval of these to be delegated to the Parks and Reserves Planning Manager.**
- b. Final approval of reserve improvement costs to be delegated to the Parks and Reserves Planning Manager and is subject to the applicant demonstrating the actual costs of the improvements.**
- c. If the cost of work to construct the approved plans exceeds the contributions available to be credited, the additional cost shall be at the applicant’s expense.**

18. Chief Executive’s Report

A report from the Chief Executive:

- Presented a meeting schedule for 2018 for adoption;
- Recommended the appointment of Councillor McRobie as the third councillor representation on the Queenstown Community Housing Trust Liaison Group;
- Sought the allocation of funding for an accelerated LED street lighting upgrade.

It was noted that the meeting schedule recommended that two 2018 Council meetings be held in Wanaka, but the actual location could be anywhere in the Upper Clutha area.

QUEENSTOWN LAKES DISTRICT COUNCIL**28 SEPTEMBER 2017****Page 26**

Members commented positively on the opportunity provided by the funding available from the NZTA for the LED street lighting upgrade.

On the motion of the Mayor and Councillor Clark it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Adopt the schedule of ordinary Council, Standing Committee and Wanaka Community Board meetings for 2018;**
- 3. Agree that the ordinary Council meetings to be held on 23 March 2018 and 6 September 2018 be held in Wanaka; and**
- 4. Appoint Councillor McRobie as the Council's third elected representative on the Queenstown Lakes Community Housing Trust Liaison Group.**
- 5. Approve budget of \$3.2million for an accelerated LED street lighting upgrade, on the understanding that this will be funded 85% by the NZTA.**

Resolution to Exclude the Public

On the motion of the Mayor and Councillor MacDonald the Council resolved that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of minutes of ordinary meeting held on 17 August 2017

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.

QUEENSTOWN LAKES DISTRICT COUNCIL

28 SEPTEMBER 2017

Page 27

19. Funding of Legal Settlements 2016/17	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons; and i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(a) Section 7(2)(i)
20. Chief Executive salary review and tenure	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons;	Section 7(2)(a)

Agenda Items

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
19. Appointment of Resource Management Act Hearings Commissioners	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons	Section 7(2)(a)

QUEENSTOWN LAKES DISTRICT COUNCIL

28 SEPTEMBER 2017

Page 28

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
20. Commonage Land Sale	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <ul style="list-style-type: none"> h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); j) prevent the disclosure or use of official information for improper gain or improper advantage. 	<p>Section 7(2)(h)</p> <p>Section 7(2)(i)</p> <p>7(2)(j)</p>
21. Proposed new lease to Peak Bungy Limited for the bungy operation on Ben Lomond Reserve	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <ul style="list-style-type: none"> b) protect information where the making available of the information: <ul style="list-style-type: none"> i) would disclose a trade secret; and ii) would likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information 	<p>Section 7(2)(b)(i) & (ii)</p>

QUEENSTOWN LAKES DISTRICT COUNCIL

28 SEPTEMBER 2017

Page 29

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
22. Appointment of QAC Directors	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;	Section 7(2)(a) Section 7(2)(h)

This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 3.45pm.

The meeting came out of public excluded and concluded at 4.10pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

26 October 2017

D A T E

**QLDC Council
26 October 2017****Report for Agenda Item: 1****Department: Planning & Development****Response to the three questions raised by Council in relation to the addition of Ladies Mile into Council's Lead Policy for Special Housing Areas****Purpose**

- 1 To respond to the three questions from Council that arose at the 17 August 2017 meeting in relation to Council's decision on whether to include the Ladies Mile area in its Lead Policy for Special housing Areas.

Executive Summary

- 2 When considering whether to add Ladies Mile into the Lead Policy, at its meeting on 17 August 2017, Council asked officers to investigate three questions relating to:
 - a. what level of contribution could come to the Queenstown Lakes Community Housing Trust (QLCHT),
 - b. how can speculation in vacant sections be prevented, and
 - c. what other large tracts of land may be available to provide affordable housing at suitable cost in the district.
- 3 With regard to what level of contribution could come to the QLCHT, Market Economics Ltd were commissioned to undertake an assessment and applied the Ministry of Business Innovation and Employment's (MBIE) National Policy Statement Urban Development Capacity Development Feasibility Tool. The results of the assessment show that there is potential to increase the contribution asked of the developer under all but the most pessimistic development scenarios, however the report must be treated with caution as it is based on a model, the inputs for which can be challenged. That assessment was separately reviewed by MacDonald Consultancy and CBRE valuation who concurred with the view that a contribution higher than 10% could be considered under the SHA model, but noting that too higher a contribution could result in increased risk for QLDC, and unintended consequences including an SHA proposal not being proceeded with.
- 4 With regard to preventing speculation in vacant sections, Lane Neave have prepared a short report setting out the legal and non-legal mechanisms to prevent speculation in vacant sections. Preventing speculation or on selling of vacant land is difficult, and there is no mechanism that is entirely effective. Methods are available to reduce speculation, such as means tested eligibility criteria, restricting the on-sale of bare land, and a vetting process of perspective purchasers. The Lead Policy currently puts the onus on applicants to set out in the EOI how they intend to reduce speculation in vacant sections.

- 5 With regard to other available tracts of land, a high level assessment of other unzoned areas has been undertaken. Six broad areas have been identified as having capacity to accommodate a significant amount of housing. Each have differing strengths and weaknesses with regard to the assessment criteria, particularly the impacts on landscape, and the availability of / upgrades required to infrastructure. Land to the north of Hanley Downs, and at the end of Tucker Beach Road were most suitable, however both have constraints and neither area is as ready to go as the Ladies Mile.
- 6 Officers have further considered the public feedback and the value placed on the rural character currently experienced when passing Lake Hayes and climbing the hill onto the Ladies Mile. As a result an amendment is proposed to reduce the extent of the Indicative Master Plan. The change would see the area of development pulled to the west some 305 metres, away from Threepwood, to line up with an existing hedgerow.

Recommendation

That Council:

1. **Note** the contents of this report in relation to the three questions from Council when making a decision on the recommendation from the 17 August 2017 agenda item currently lying on the table [appended as **Attachment A**].
2. **Note** that since the 17 August 2017 agenda item was prepared, the Lead Policy for Special Housing Areas was amended by Full Council on 28 September 2017 and that proposed changes to the Lead Policy to incorporate Ladies Mile has been added to the revised Policy [appended as **Attachment B**.]
3. **Note** that following further consideration of feedback received, a reduction in the extent of the Indicative Master Plan is now proposed, pulling the area of development approximately 305m further west from Lake Hayes to align with an existing hedgerow. [The Indicative Master Plan is part of **Attachment B**.]

Prepared by:



Blair Devlin
Manager, Planning Practice
18/10/2017

Reviewed and Authorised by:



Tony Avery
General Manager, Planning &
Development

Background

- 7 Council considered an agenda item on adding the Ladies Mile into the Council's Lead Policy on 23 June 2017. The background to this agenda item was covered under seven topic headings.
- 8 From a central government level, a range of matters have brought the Ladies Mile area before Council. Specifically the new National Policy Statement on Urban Development Capacity, the Housing Accord and its targets, and the Council's application under the Housing Infrastructure Fund for funds to provide infrastructure for development on the Ladies Mile.
- 9 From a local level, a range of matters have also led to the Ladies Mile area being brought before Council. Specifically the extreme housing affordability challenge the district is facing, the resolution of Council when recommending the Queenstown Country Club Special Housing Area (SHA) to the Minister, the subsequent resource consent decision, the Wakatipu Basin Land Use Study (WBLUS), and the review of Council's Dwelling Capacity Model (DCM).
- 10 At its 23 June 2017 meeting, Council resolved to:

Seek public feedback on the proposed addition of the Ladies Mile Area into Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy ("Lead Policy"), including the inclusion of:

 - a. an Indicative Master Plan; and***
 - b. an Indicative Landscape Strategy and***
 - c. the Ladies Mile Development Objectives***
- 11 The proposed amendments to the Lead Policy were subsequently advertised for public feedback from 26 June to 26 July 2017. A discussion document, the indicative master plan and the proposed amendments to the Lead Policy were included.
- 12 The public feedback was considered by Council at its meeting on 17 August 2017. Council left the item lying on the table, and instructed Officers to consider three matters:
 - a. What level of contribution could come to the QLCHT from landowners? (recognising we need real value to the community);*
 - b. What protections can be employed to prevent speculation in sections and how would they work? (concern about people buying sections and on-selling at a profit, i.e. no point in creating affordable sections and someone buying and selling for a profit)*
 - c. What other large tracts of land may be available to provide affordable housing at suitable cost in the district?*
- 13 The three matters are considered under the headings below.

What level of contribution could come to the QLCHT from landowners?

- 14 Previous agenda items have proposed a special 10% contribution to the Queenstown Lakes Community Housing Trust (QLCHT) for the Ladies Mile.
- 15 The 28 September 2017 Full Council meeting, when considering the inclusion of areas of Wanaka into the Lead Policy, amended the Lead Policy to now require a 10% contribution to the QLCHT on a district wide basis.
- 16 Prior to the September 2017 meeting, the contribution was historically set at 5%, a figure based on the Stakeholder Deeds negotiated to date with developers for both plan changes and Special Housing areas. There is some variation around this 5% figure depending on the willingness of the developer and their ability to provide land / money or buildings. Approximately 20 Stakeholder Deeds have been agreed to date.
- 17 Mr Derek Foy, Associate Director, of Market Economics Ltd has prepared a short report appended as **Attachment C**. Mr Foy used the Ministry of Business, Innovation and Employment (MBIE) 'NPS-UDC Development Feasibility Tool', which is a tool recognised by central government, and is supported by background research from a number of agencies supporting input assumptions.
- 18 The model contains indicative assumptions relating to the cost of land purchase, holding costs (using capital value to which is added a holding cost) and development, including all civil works, fees and charges and potential sales prices for bare land (although as per below, Queenstown specific values are applied for this assessment). The model includes allowance for the cost of capital, and compares total revenue with total costs (including land purchase and holding) to calculate expected profit and hence development feasibility. Like any model, because it is based on assumptions, the outputs must be treated with some caution.
- 19 For the purposes of this modelling, Market Economics ran a core scenario which contains the best estimate of current development parameters (lot yield etc.), and which applies the model's core assumptions relating to the cost and timing of civil works, consultants fees and infrastructure connections.
- 20 Market Economics then undertook some sensitivity analysis using a number of different scenarios to show the sensitivity to different costs, different dwelling yields, different development timeframes and different raw land Capital Values (CV). The CV of land is used as a cost in the model.
- 21 The Market Economics report concludes that:

Although every effort has been taken to source accurate and representative data to populate the model for this assessment, this kind of development modelling is subject to significant uncertainty, and the developer will naturally offer different opinions about some of the key assumptions. The assumptions presented have been made with a view to providing an objective and impartial opinion to Council, and while some assumption could be adjusted, adjustments could be made in a way that would increase or decrease the assessed profitability.

22 Notwithstanding these uncertainties, the report concludes that:

The results of the assessment show quite clearly that there is significant potential to increase the contribution asked of the developer under all but the most pessimistic development scenarios, with only very minimal financial implications for the developer, given the context of the large profits this type of development will generate.

23 Given the nature of the modelling undertaken by Market Economics which has a number of assumptions built in about how the market may respond, and the importance of setting the contribution level to achieve the housing supply outcomes, a separate and independent view was also sought from MacDonald Consultancy / CBRE valuation who were asked to review and advise on the impact of differing levels of contribution from a commercial perspective. This report is appended as **Attachment D**. When looking at the SHA process they noted, in favour of an increased contribution:

- Significant time and cost savings for the developer when compared to a Private Plan Change or Proposed District Plan variation
- Greater certainty for the developer together with no appeals meaning a development can start sooner
- Increased yields over that which is enabled under the District Plan
- Contributions had already been obtained by the Council for Private Plan Changes and other SHA applications at varying effective percentages
- The recommendations of the Mayoral Housing Affordability Taskforce, if implemented, would result in any developer contribution being put towards a series of offerings that are intended to retain an affordability aspect in the long term to reflect the community investment aspect of a contribution

24 MacDonald Consultants / CBRE Valuation also noted there are a number of risks associated with an SHA and an increased contribution requirement from the Council:

- If the contribution is too high, a developer may not pursue the SHA option if they perceive the costs outweighing the benefits of the process, and the SHA would then not achieve its objective of bringing land to market at higher densities.
- There is a market risk of the higher densities associated with the SHAs as to their acceptability in the Queenstown market (i.e. higher density generally means smaller sections and different housing products).
- There is a risk, as for any development, of market demand for sections reducing or slowing, and therefore the theoretical returns are not guaranteed or always certain.

25 To answer the Council's question, the report from Market Economics shows that a contribution greater than 10% could be obtained. However considerable

caution should be exercised as the Market Economics modelling is necessarily based on assumptions that can be challenged.

- 26 The review from MacDonald Consultancy / CBRE Valuations, while noting the benefits and risks associated with any increased contribution also felt that a contribution of 10% would be reasonable but they noted that any increase above 10% carries increased risk for QLDC and levels at circa 20% are considered unacceptable. There is also significant risk associated with being a developer, and the Council could create a real disincentive to utilise the SHA mechanism if it sets the contribution too high. This would be counter to the purpose of the HASHAA.
- 27 For example developers may simply not develop the land, and either wait to have the land re-zoned through the Proposed District Plan, or to initiate a private plan change. Under these scenarios Council could try and negotiate a stakeholder deed but the developer is under no real obligation to enter into one. To date, initiators of private plan changes have been willing to enter into Stakeholder Deeds, but that may not always be the case.
- 28 The Council is also unlikely to be able to negotiate a high contribution and will lose a significant amount of control over the development compared to what could be achieved through the SHA process.
- 29 While there are certainly benefits from the SHA process for a developer, these could be outweighed by an overly burdensome requirement to provide land or money towards community and affordable housing. This would not achieve the purpose of the HASHAA:
- 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.*
- 30 There are also considerable benefits from a fairness perspective in having a consistent 10% threshold across the district.

What protections can be employed to prevent speculation in sections and how would they work?

- 31 A variety of legal and non-legal mechanisms / approaches can be employed to try and reduce or prevent speculation on vacant sections. A brief report from Lane Neave is appended as **Attachment E**, and summarised below.
- 32 The Council could require that the Stakeholder Deed entered into with the developer to perform some or all of the three options described below.
1. Means Tested Eligibility Criteria
- 33 Through a Stakeholder Deed, the Council could require developers to sell an agreed percentage of properties in the development to a category of persons who meet certain eligibility criteria such as being a New Zealand citizen, a first home buyer, having a gross household income that does not exceed [X]% of the Queenstown Lakes District median; and that they intend to own and occupy the

property exclusively as their residence for no less than [X] years following purchase. The Lane Neave report (**Attachment E**) also considers legal mechanisms to ensure the above.

2. Restricting on-sale of bare sections

34 A slightly more limited mechanism would be to require SHA developers (through the Stakeholder Deed) to restrict the on-sale of bare sections within the development. This would require the developer to register an instrument against the title (such as a covenant, encumbrance, or caveat) which would prevent the on-sale of a section until a residential dwelling has been constructed on the land and code compliance certificate issued for that dwelling. An example of this mechanism being used locally is at Hanley's Farm.

3. Vetting process

35 Council could require developers to put in place a process / policy that prospective purchasers would have to go through before being given the opportunity to submit an offer for a property. The vetting criteria / policy / process could be subject to the prior approval of Council and would be aimed at ensuring that speculators were not given the opportunity to purchase sections.

36 This process would however be implemented by the developer and so Council would have to trust that the developer stuck to the policy and would have limited ability to enforce compliance. This is a similar, but more limited obligation than the means tested eligibility criteria noted above.

37 Officers understand that a vetting process is used by the developers of Shotover Country. The developer has a series of questions that seek to understand the motivations of the purchaser, as to whether it will be an owner occupier situation or otherwise. Anecdotally it appears relatively few houses have come on the market for sale at Shotover Country and a vetting approach has reduced turnover in sections at Shotover Country.

Enforcement of legal mechanisms

38 A Stakeholder Deed would require the developer to implement those mechanisms recorded in the Deed. However the ability to enforce the above mechanisms is somewhat limited. In the event that a developer did not comply with its obligations under the stakeholder deed, Council would also have an action against the developer for breach of contract.

Other considerations

39 Council will need to be careful that insisting on these mechanisms does not dissuade developers from proceeding under the Special Housing Area process. If developers decide to proceed with their developments under the ordinary resource consenting process then Council has no ability to insist on such mechanisms being included as part of that process unless a developer has volunteered a condition. Council only has the leverage to insist on inclusion of such mechanisms through the negotiation of the stakeholder deed as part of the Special Housing Area process.

Council's Lead Policy with regard to Speculation in Sections

40 Council's Lead Policy currently puts the onus on applicants to show how they will reduce speculation in vacant sections, and that can be assessed by Council at the EOI stage:

4. Affordability

Housing affordability is a key issue for the Queenstown Lakes District. The Council is committed to ensuring that as development takes place across the District, the provision of affordable housing is incorporated as part of each development. The Council is particularly interested in ensuring that affordability is retained overtime.

The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers.

Examples of mechanisms to achieve affordability may include:

- a range of appropriately sized sections (including smaller sized sections of 240-400m²);
- a mixture of housing typologies and sizes is also desirable;
- the nature of any covenants (or similar restrictions) imposed on sections;
- **methods to reduce property speculation of vacant sections;** and
- methods to retain affordability in the medium to long term.

Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.

41 While none of the mechanism identified above are perfect, there are tools available and these can be included in a Stakeholder Deed with a developer on the Ladies Mile to ensure they occur.

42 The Council has two real options:

- a. retain its current approach set out in the Lead Policy that puts the onus on applicants to come up with the methods to reduce speculation, or
- b. be more directive through its Lead Policy and require certain mechanisms to be employed, recognising the limitations of each.

What other large tracts of land may be available to provide affordable housing at suitable cost in the district?

43 To address the Council's question about other areas, Officers have only considered unzoned land in the vicinity of Queenstown with significant capacity for residential development, recognising that the Ladies Mile could initially

provide 1100 homes. This is because the Lead Policy and HASHAA are designed for areas that are unzoned.

- 44 Consideration has been given to the following attributes of the land (noting the assessment is high level and no detailed studies have been undertaken as part of this agenda item):

Table 3: Criteria used for assessing other large unzoned areas of land with potential for affordable housing

Operative & Proposed Plan Zonings	The existing and proposed zoning is identified.
Approximate Area and Yield / Land use efficiency	Comment is provided on the number of potential dwellings relative to gross area of land in a realistic development scenario. This describes how suitable the land is for urban development.
Landscape and environment sensitivity	Comment on existing landscape character, landscape classification including Wakatipu Basin Land Use Study (WBLUS). Comment on any other issues with the sensitivity of the environment.
Landowner(s) / Developer interest	Comment on level of developer interest. Calculate capital value per hectare.
Infrastructure efficiency	Comment on ability to connect to existing available capacity for key enabling infrastructure including planned infrastructure. Comment on the extent of any major new infrastructure needed including any issues with feasibility and timing,
Accessibility / Public Transport workability	Comment on how easily public transport could service the route
Distance to employment	Comment on distance to employment areas.
Natural Hazards	Comment on known instability, liquefaction, flooding and other natural hazards
Overall comment	Officers comment on the overall suitability of an area.

- 45 A high level assessment was undertaken of six other broad areas that officers felt could be considered for residential development. The six areas are shown in **Attachment F**:

- i. To the north of the Hanley Downs area, and south of the Kawarau River ("**North Hanley Downs**")
- ii. To the north of Malaghans Road, between Arthurs Point and Arrowtown ("**Malaghans Road**")
- iii. To the south of Arrowtown (between Arrowtown and the Arrowtown Retirement Village) ("**Arrowtown South**")

- iv. Land along, and at the end of, Tucker Beach Road (“**Tucker Beach Road**”).
- v. Land adjoining Arthurs Point, off Littles Road (“**Littles Road**”).
- vi. Land adjoining Sunshine bay (“**Sunshine Bay**”).

46 All of the sites have their various advantages and disadvantages.

47 The key constraint for Littles Road (**Site 5**) and Sunshine Bay (**Site 6**) is that they are located within what has been identified as an Outstanding Natural Landscape (ONL). Residential development of this land is limited by its classification as an ONL. Obtaining resource consent even under a HASHAA regime would be problematic given the ONL classification, when considering dwellings in the ONL were declined as part of both the Bridesdale and Queenstown Country Club HASHAA consents.

48 The key issue with Arrowtown South (**Site 3**) is the Council’s urban growth boundary and the firm policy of the Council now over many years to contain Arrowtown and not let it grow. This approach was tested in the Environment Court as part of the appeals on Plan Change 29 and 39 and the Court accepted that under the Resource Management Act, it was acceptable to ‘protect’ Arrowtown provided the district was providing for growth elsewhere (which is the case with regard to the zoned capacity under the PDP).

49 With regard to Malaghans Road (**Site 2**), this area is not an ONL but has very strong rural character. There is no real infrastructure available.

50 This effectively leaves North Hanley Downs (**Site 1**) and Tucker Beach Road (**Site 4**) remaining. The yield for North Hanley Downs (**Site 1**) is estimated at 2000+ residential units, significantly larger than Tucker Beach Road (**Site 4**) which is estimated at 1300+ residential units. Both estimates are high level made using standard formula and are somewhat coarse.

51 Both sites are near to existing infrastructure although both would require substantial upgrades and investment. No specific planning has been done or infrastructure costings or feasibility studies undertaken, and if it was to be developed, it would likely be a number of years before any development would be enabled.

52 The area north of Hanley Downs (**Site 1**) is about to have a pipeline constructed through it capable of accommodating wastewater from 2800 residential units, however this will be fully taken up by Hanley Downs and Jacks Point. The pipeline will cross the new Kawarau Bridge, and will occupy the hangers that are being built as part of that new bridge. It is not currently known whether further hangers could be added to the bridge for additional pipelines, or whether an alternative bridge crossing would be required.

53 The land at the end of Tucker Beach Road (**Site 4**) has access problems where it adjoins the State Highway. NZTA are currently investigating upgrades to this intersection. A new road to service the area linking through to Hansen Road and

potentially the Hawthorne Drive roundabout could be constructed, however that is a significant project in its own right.

54 A large part of Tucker Beach Road (**Site 4**) is rural and undeveloped, however the majority of the area is already occupied by rural residential style development (1 dwelling per 4000m²). Once land is developed for rural residential it is very difficult to then try and fully urbanise the land in a comprehensive manner. The owners of such land have typically purchased a lifestyle block to avoid a more urban setting, and have invested significantly in a large house and landscaping. The ratio of capital to land value makes it less attractive to undertake further subdivision.

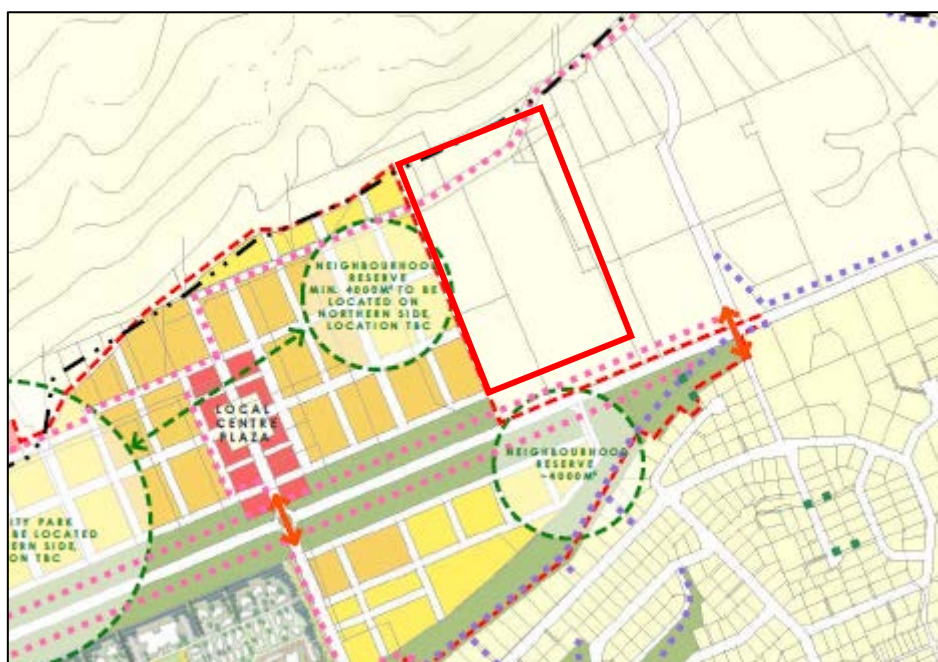
Summary with regard to alternative sites

55 Six high level alternatives have been identified that would provide a significant yield with regard to residential units. Of the six, land to the North of Hanley Downs was identified as having the most potential in terms of the assessment criteria.

56 Vacant land at the end of Tucker Beach Road was also a potential option, but overall both are less 'ready to go' when compared to the Ladies Mile.

Amendment to the Indicative Master Plan

57 Since the last Council meeting on 18 August, Officers have further considered the public feedback and the value placed on the rural character currently experienced when passing Lake Hayes and climbing the hill onto the Ladies Mile. As a result of the feedback and after considering the visual impact on the area closest to Lake Hayes, a change is proposed to the Indicative Master Plan to pull development on the northern side of the Ladies Mile back from Threepwood, towards the Shotover River. The reduction in area is shown in the image below within a red rectangle:



58 The change would see the area of development pulled to the west some 305 metres, to line up with an existing hedgerow. The reduction would reduce the overall yield from approximately 2185 to 1957.

59 The hedgerow could be retained through consent conditions and while it is comprised of deciduous trees, it would soften and screen urban development to a large degree at the eastern end of the Ladies Mile. The initial view of the Ladies Mile when heading towards Queenstown would remain predominantly rural. The hedgerow is shown in the image below, as viewed from McDowell Drive (the entrance to Threepwood):



Options

60 High level options for the Ladies Mile were set out in the 23 June agenda item and an options assessment was also included as part of the 17 August 2017 agenda item. As this report is for noting purposes only and is in response to questions arising at the last Full Council meeting, no specific options are identified.

Significance and Engagement

61 Significance and engagement has been considered under the 23 June and 17 August 2017 agenda items. This matter is of high significance.

Risk

62 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.

63 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

Financial Implications

64 Financial implications have been considered under the 23 June and 17 August 2017 agenda items.

Council Policies, Strategies and Bylaws

65 Council policies, strategies and bylaws were considered under the 23 June and 17 August 2017 agenda items. This matter is not included in the 10-Year Plan/Annual Plan.

Local Government Act 2002 Purpose Provisions

66 The proposal to amend the Lead Policy to include the Ladies Mile was assessed against the Local Government Act 2002 purpose provisions in the 23 June and 17 August 2017 agenda item.

Consultation

67 Results of public consultation were considered under the 17 August 2017 agenda item which remains lying on the table.

Attachments (Circulated separately)

- A 17 August 2017 agenda item (excluding attachments)
- B Amended Lead Policy, including Indicative Master Plan
- C Market Economics report on potential contributions to the QLCHT
- D MacDonald Consultancy Services & CBRE Valuation report
- E Lane Neave advice on legal mechanisms to prevent speculation
- F Location of 6 unzoned alternative sites considered

QLDC Council**26th October 2017****Report for Agenda Item: 2****Department: Planning & Development****Mayoral Housing Affordability Taskforce Update****Purpose**

The purpose of this report is to present to Council the recommendations of the Mayoral Housing Affordability Taskforce Work Group, including specific recommendations that the Council will need to consider.

Executive Summary

- (a) The Mayoral Housing Affordability Taskforce was set up in April 2017 by the Mayor, Jim Boulton to investigate new ways of addressing housing availability and affordability in the district, with membership being drawn from a wide range of parties with an interest or involvement in the supply of housing within the Queenstown Lakes area.
- (b) The Taskforce has completed a report following six months of work. Recommendations have been made that identify actions that Council and other parties need to implement to reach the goal set by the Taskforce:

All of our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028.

- (c) Achieving this goal will require bold action. The Taskforce has suggested a multi-pronged approach and identified a suite of recommendations that Council will need to consider its response to.

Recommendation

That Council:

- 1 **Note** the contents of this report;
- 2 **Receive** the report from the Mayoral Housing Affordability Taskforce and note the six recommendations made;
- 3 In response to the six recommendations made in the Mayoral Housing Affordability Taskforce report, that Council:
 - 3.1 **Consider, endorse and promote** the new Secure Home Programme offering;
 - 3.2 **Note** that independent advice is currently being sought regarding the implications of providing a Council guarantee to the Shared Home

Equity Product, that will be reported back to Council by December 2017;

- 3.3 **Note** that a review of the Council's Visitor Accommodation settings is underway, with the results scheduled to be reported to Council in November 2017 as part of Stage 2 of the Proposed District Plan;
- 3.4 **Agree** to investigate and report back on the way in which consent fees, rates and development contributions could be applied to residential properties to incentivise long-term rentals and the development of additional housing by June 2018;
- 3.5 In respect of Special Housing Areas:
 - 3.5.1 **Note** that the Council, through amendments to the Lead Policy made at its 28 September 2017 Council meeting, has already decided to increase the level of contribution required from developers and to negotiate that contribution itself;
 - 3.5.2 **Agree** that any contribution obtained should be solely directed towards developing and growing the pool of homes delivered where perpetual community affordability is retained over the long-term;
- 3.6 **Agree** to investigating and reporting back on the options for inclusionary Zoning provisions as part of Stage 3 of the Proposed District Plan to be notified by the first quarter of 2019;
- 3.7 **Undertake a review** of Council's own land holdings for opportunities to contribute further towards the community investment in Community Affordable housing, to at least the same level to other developers' contributions, by February 2018;
- 3.8 Working with the Queenstown Lakes Community Housing Trust, **agree to a review** of the form and structure of the Trust to enable the Council to confirm that the Trust is its preferred partner in affordable housing management and delivery and is the preferred entity to receive contributions negotiated by the Council as part of a Special Housing Area or other mechanism by February 2018;
- 3.9 **Agree** to investigating and establishing an information sharing database and partnership between the Council, Queenstown Lakes Community Housing Trust and Central Government agencies to ensure full access to household income support options for the district's residents by March 2018;
- 3.10 **Agree** to developing a new Queenstown Lakes Housing Strategy in collaboration with the private sector, Queenstown Lakes Community Housing Trust, and Central Government agencies by June 2018

Prepared by:

Mindy McCubbin
Senior Policy Planner

10/10/2017

Reviewed and Authorised by:

Tony Avery
GM, Planning & Development

12/10/2017

Background

1. The Mayoral Housing Affordability Taskforce was set up in April 2017 by the Mayor, Jim Boulton to investigate new ways of addressing housing availability and affordability in the district.
2. Over recent years, Queenstown Lakes District has experienced exponential growth not only in the demand for housing but also a dramatic increase in the cost of housing due to economic and tourism growth, more jobs being created locally and population growth. Furthermore, the seasonal workforce growth adds pressure to the availability of homes for the year round workforce. Housing costs in the district have risen at the highest rates across the country, and on almost any measure the district is one of the most unaffordable places to live in New Zealand. Importantly, the market has not been able to deliver sustainable, affordable housing for the district in a manner that maintains the affordability of properties in the long term. Growth predictions mean that the district is going to be under pressure to provide land for all the future housing demands, and supply of affordable housing in the district is limited. It was for these reasons that the Taskforce was established to look at what could be done.
3. Membership of the Taskforce was drawn from a wide range of parties with an interest or involvement in the supply of housing within the Queenstown Lakes area. The members and their affiliations are:

Housing Affordability Taskforce Members	
Name	Affiliation/Company
Bill Moran	Former Chief Operating Officer and Deputy Secretary, NZ Treasury
Ian Adamson	Warren & Mahoney Architects - Principal
Ian Greaves	Southern Ventures – Development Manager

John May	Southern Ventures – Director
Julie Scott	QLCHT - Executive Officer
Kirsty Sinclair	Harcourts Real Estate Agent
Paul Croft	Infinity Investment Group - Chief Executive Officer
Paul Munro	Christchurch City Holdings Limited – Chief Executive
Sally Mingaye-Hall	Shotover Primary School – Board of Trustees and SIT Facilitator
Scott Figenshow	Community Housing Aotearoa - CEO
Shaun Drylie	SBS Bank - Group Chief Executive
Stephen Brent	Cavell Leitch Lawyers – Principal Partner & former QLCHT Acting Chairperson
Steve Evans	Fletcher Building – Chief Executive Land & Residential Development
Trent Yeo	Ziptrek EcoTours - Director
For Council	
Jim Boulton	QLDC - Mayor
John MacDonald (Chair)	QLDC Councillor & Taskforce Chair
Ross McRobie	QLDC - Councillor
Mike Theelen	QLDC - CEO
Tony Avery	QLDC – GM Planning & Development
Ian Bayliss	QLDC – Planning Policy Manager

Housing Affordability in Queenstown Lakes District

4. The issue of Housing Affordability in Queenstown Lakes District is not new to the area. The HOPE (Housing Our People in our Environment) Strategy was prepared in 2005, to set out a range of actions for Council and the community to take to address housing affordability. Through this, the Queenstown Lakes Community Housing Trust was established and the affordable housing policy Plan Change 24 was introduced. Plan Change 24 set out Council's expectations in relation to affordable housing and provided a percentage of sites and dwellings (or cash in lieu) for community housing. Plan Change 24 was notified in 2009 and appealed to the courts with the result being that the prescriptive elements of the plan change were removed. Therefore, it did not lead to any applicants having to make a contribution towards affordable or community housing although a number of Stakeholder Deeds were established requiring the provision of affordable housing as part of Plan Changes. In addition to this, the Housing Accords and Special Housing Areas Act 2013 (HASHAA) was introduced by central government with the purpose to enhance housing affordability. On 23 October 2014, the Queenstown Lakes District Housing Accord (the Accord) was signed. The Accord required the Council to prepare a Lead Policy which was originally approved by Council on 30 October 2014. In total eight SHA's have been approved by the Minister. These SHA's are expected to contribute upwards of 885 dwellings. While these initiatives have been undertaken in an effort to curtail housing unaffordability, it is considered that these efforts have not been enough to address the problem.
5. Currently within the district, the problem is that there are two broad market options available to house people:
 - Short term rentals where there is uncertainty about length of tenure and increasing rent costs over time as determined by the market;
 - Buying a property which for many of the district's residents is now well beyond their means.
6. It is expected that growth will continue in the short term and smaller homes are required to cater for the workforce who otherwise may rent 2+ bedroom homes and share it with others (reducing the supply of homes available for couples and families) and it is crucial to keep all of the community in place. Given the clear evidence that the market is not able to deliver long-term affordable housing into the district, the Taskforce came to the view that the "business as usual" approach will not address the district's housing availability and affordability issues as this is only ever likely to result in the same outcomes that we are all seeing now. Something needs to change to house the residents and workforce of the district in an affordable and sustainable way. If this is achieved, it could put the district on the map as providing a fresh, innovative and novel approach to the tackling the housing affordability crisis In New Zealand.

Housing Affordability Taskforce

7. The Taskforce has met eight times in total since it was established and has analysed the current housing situation in the district and made recommendations

to bring the district closer to achieving the goal. The Taskforce process thus far is listed below:

- **10 April 2017-** Taskforce launched;
 - **8 May 2017-** Focus area agreed upon;
 - **29 May 2017-** Exploration of a secondary affordable market and establishment of a sub-group;
 - **12 June 2017-** Workshop on Land Trusts and tools for retention of affordability is held;
 - **10 July 2017-** Received a report from the subgroup on secondary affordable market tools and potential applicability;
 - **7 August 2017-** Received a presentation on SHEP and reviewed interim report to Council;
 - **4 September 2017-** Held a workshop recapping the range of issues explored by the Taskforce;
 - **18 September 2017-** Reviewed the draft report;
 - **2 October 2017-** Confirmed the recommendations.
8. The Taskforce acknowledged that the housing affordability crisis is a New Zealand-wide problem. The Taskforce met a number of times to discuss the current situation in Queenstown Lakes and to consider what could be done about it and acknowledged that there is no single solution. The Taskforce recognised a multi-pronged solution was required and that recommendations would need to have strong buy-in from business, developers and the wider community. The Taskforce decided that a goal needed to be included which would help drive initiatives. That goal needed to be bold. It was decided that the goal should be:

All of our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028.

Queenstown Lakes Community Housing Trust (QLCHT)

9. Since 2008, the Queenstown Lakes Community Housing Trust (QLCHT) has assisted 160 households into secure homes and there are currently 480 households on its waitlist. The Taskforce has taken on board the QLCHT vision of “helping committed residents of the Queenstown Lakes District into decent affordable housing with secure tenure”. QLCHT and the Council have adopted the internationally recommended benchmark where housing is deemed affordable if the household spends less than 35% of their gross income on rent or mortgage repayments. It is expected that through an innovative, multi-pronged approach, the overall goal stated above can be achieved, which would contribute to appropriate and affordable housing supply with flexibility and diversity in housing product which in turn, will build stronger partnerships, successful neighbourhoods and a sustainable community.

Taskforce Recommendations

10. To achieve the goal, the Taskforce developed the following set of recommendations:

- Recommendation 1: Build a range of affordable market offerings;
- Recommendation 2: Adjust the Visitor Accommodation settings;
- Recommendation 3: Provide more land, intensification and inclusionary zoning;
- Recommendation 4: Invest in scaling up the QLCHT so that it is able to contribute strongly to the goal of delivering 1000 affordable homes with secure tenure by 2028;
- Recommendation 5: Address household income support;
- Recommendation 6: Build a strategy for long term community support.

This agenda item comments on those recommendations and seeks direction from Council on how it wishes to respond.

Taskforce Recommendation One- Build a range of affordable market offerings

1.1 *That the Secure Home Programme be:*

1.1.1 *Considered, endorsed and promoted by the Queenstown Lakes District Council (Council).*

1.1.2 *Queenstown Lakes Community Housing Trust (QLCHT) further develop the Secure Home Programme and use it for any future developments that are on land provided through an SHA process or with any other similar contributions obtained by the Council.*

1.2 *That the Shared Home Equity Product be:*

1.2.1 *Considered by the Council as to whether it is able to provide a cash-flow repayments guarantee to facilitate the development of the offerings and if so, under what terms.*

1.2.2 *The QLCHT further consider and if appropriate, develop the Shared Home Equity Product and make it available to those on its waiting list as an alternative funding option to enable home ownership.*

1.3 *The QLCHT undertake further analysis on what is required to scale up Affordable Rental to deliver say 40% of the 1000 homes by 2028.*

11. In respect to recommendation 1.1, the Secure Home Programme is a new and innovative product that has been used around the world but never before in New Zealand. The Secure Home Programme involves delivering secure tenure through using leasehold land, with the community benefit of long-term retention of

affordability. The ownership of the land and of the housing unit is separated out whereby QLCHT would retain ownership of the land in perpetuity and lease the land at a fixed concessional rental rate to the household. The housing unit would be purchased by the household at an affordable price based on its agreed value or build cost. The future price of the housing unit is controlled whereby households would only be able to sell the property back to someone on the Trust's pre-approved registered pool of buyers and the price of the housing unit would be limited to an annual increase in line with CPI or an agreed fixed rate. The offering would trade in a 'secondary market' operating in parallel to but not tied to the open property market, offering households a secure long term lease and at an affordable rate with peace of mind.

12. The Taskforce recommended that the Council needed to consider, endorse and promote the Secure Home Programme. This is necessary given that this is a new offering and Council support for it will help with the promotion of and ultimate acceptance of it as a viable and innovative product.
13. In respect to recommendation 1.2, the Shared Home Equity Product (SHEP) is a new financial option that would provide alternative financing for the purchaser through private equity funding (investor funding). SHEP would provide 90% funding for households who have a 10% deposit for 10 years. Monthly payments for the licence to occupy would be set at a fixed rate of the initial home value for 10 years and the household would acquire the right to convert from Licence to Occupy to freehold ownership over the duration of the 10 year contract, earning a 75% share in the change in market value. This new offering was considered because, as presented to the Taskforce, if backed by a Council guarantee the risk to the investor providing financing would be reduced and the purchaser would receive a lower interest rate. This would then provide an alternative to traditional funding options that could enable a greater number of purchasers to buy their own homes, over time.
14. Given that SHEP is a financial product that would require Council backing in the form of a guarantee in order to achieve a lower interest rate for the purchaser, independent advice is currently being sought regarding the implications of providing this guarantee and findings will be reported back to Council at a later date in order for the Council to decide on whether it would provide such a guarantee.

Taskforce Recommendation Two- Adjust the Visitor Accommodation settings

2.1 Council review its current approach to the use of private residential properties for short term paying guests to provide a simpler regime that in turn addresses the need to rebalance the availability of rental stock to encourage greater long-term rentals.

15. It is acknowledged that Airbnb and other providers of private visitor accommodation for short term paying guests have impacted negatively upon the supply of rental housing for worker families and residents by reducing the amount of housing stock that is available for longer term rentals.
16. Council is currently developing Stage 2 of its Proposed District Plan. Provisions for managing the use of residential property for paying visitors and guests in

Queenstown Lakes District, with the aim to incentivise the facilitation of long-term rental accommodation rather than short-term stays, are scheduled to be reported to Council for notification in November 2017.

Taskforce Recommendation Three- Provide more land, intensification and inclusionary zoning

- 3.1 *The Taskforce encourages the Council to look at ways of enabling more development land and infilling options to reduce existing impediments to additional homes being brought to market.*
- 3.2 *Council consider further incentives by mid-2018 that brings Community Affordable homes to market by exploring consent fees, development contributions and rates relief.*
- 3.3 *Council, when approving any future SHAs:*
 - 3.3.1 *Require a greater contribution than has been obtained in the past, to go towards affordable housing from the SHA given the significant benefits derived by the developer from the SHA process.*
 - 3.3.2 *Manage and receive all stakeholder deeds and contributions, to be passed on.*
 - 3.3.3 *Contributions should be solely directed towards developing and growing the pool of homes delivered where perpetual community affordability is retained over the long-term.*
- 3.4 *Council investigate and consider progressing a mandatory inclusionary zoning programme by 1st quarter 2019 through the District Plan review, to capture a portion of the on value uplift to be put towards long-term housing affordability.*
- 3.5 *Council review its own land holdings and look for opportunities to be able to contribute further towards the community investment in Community Affordable housing to at least the same level to other developers' contributions by February 2018.*
- 3.6 *Council report back on progress toward implementing offerings set out above by June 2018.*

17. In respect to recommendation 3.1, through the Proposed District Plan, the Taskforce report notes that additional dwelling capacity (infill) of approximately 4,850 dwelling units in total above what is provided by the current Operative District Plan is expected.

18. In respect to recommendation 3.2, the Taskforce recognised that the market has failed to deliver. Council will need to consider its response to this and whether the current consent fees, rates and development contributions should be reviewed to incentivise landowners making properties available as long-term rentals or

developing land at the individual property scale (including adding additional units on their properties) or on larger greenfield sites.

19. In respect to recommendation 3.3, Council is currently considering Special Housing area (SHA) Lead Policy and contributions. The Lead Policy has already been amended by Council to reflect Taskforce recommendations 3.3.1 and 3.3.2. In respect to recommendation 3.3.3, this is something that the Council will need to consider in its review of the policy and any arrangements with QLCHT over the use of such a bond.
20. In respect to recommendation 3.4, further consideration would need to be given to mandatory Inclusionary Zoning provisions. ‘Inclusionary zoning’ refers to district planning objectives, policies and rules that facilitate a landowner or developer to deliver affordable homes as part of new land development. They can be either on-site (as part of the development), or delivered offsite (in a nearby location), and include the long-term retention of affordability. Value is generated by the change in zoning, which creates a substantial increase in the land value. The principle behind inclusionary zoning is that the community can share in value uplift, as it is the wider community who conferred that benefit of intensification through the policies of the local authority. The Council will need to consider whether Inclusionary Zoning provisions should be developed as part of Stage 3 of the Proposed District Plan to be notified by the first quarter of 2019.

Recommendation Four- Invest in scaling up the Queenstown Lakes Community Housing Trust so that it is able to contribute strongly to the goal of delivering 1000 affordable homes with secure tenure by 2028.

- 4.1 *The Council should confirm QLCHT is its preferred partner for receiving any contribution obtained by the Council and to be the primary delivery organisation for affordability product offerings to the residents of the district.*
- 4.2 *If confirmed, that the Council and QLCHT review the form and structure of the Trust by June 2018 to:*
- 4.2.1 *Ensure the appropriate structure is in place and that it is fit for purpose to achieve perpetual affordability.*
- 4.2.2 *Confirm the relationship between the two organisations.*
- 4.2.3 *Ensure it retains the support of the shared stakeholders—the entire community—as it grows.*
21. In respect to recommendation 4.1, The QLCHT has been in operation since 2008, set up as the primary delivery organisation for affordable housing in the district. A Memorandum of Understanding between the QLCHT and Council clarifies their respective roles. A Trust Deed enables a Trustee to be ratified by the Council. It is recommended that Council reviews its relationship QLCHT to build a stronger partnership in order to meet the Taskforce targets and achieve the overarching goal.

22. It is recommended that Council confirms that the QLCHT is the selected entity that receives contributions negotiated by the Council as part of an SHA or other mechanism as the delivery vehicle for all affordability offerings.
23. The Taskforce recommended that a review of the structure and form of the Trust and Memorandum of Understanding be undertaken in order for QLCHT to develop all land it receives through the Stakeholder Deeds process to deliver on the Taskforce's goal of 1000 affordable homes to be kept in the Secondary Market for the community in perpetuity.
24. If Council agrees with the recommendations, working with the QLCHT, a review of the form and structure of the Trust would be undertaken whereby Council can confirm QLCHT is its preferred partner in affordable housing management and delivery.

Taskforce Recommendation Five- Address household income support

- 5.1 *Council to engage with Ministry of Social Development (MSD) to confirm the updated Accommodation Supplement levels available in the district that come into effect on 1 July 2018.*
- 5.2 *Council and QLCHT to engage with MSD to track district applicants for Social Housing by July 2018, and if not eligible, to develop a data exchange approach that informs the housing needs assessment in the district.*
- 5.3 *A partnership approach with Government be outlined and included in the Strategy (set out in Recommendation 6).*
25. It is recommended that Council creates an up-to-date database between the MSD, QLCHT and Council that shares information. This information should include any housing supplements available in the district, the housing needs assessment in the district, households eligible to receive the Accommodation Supplement from Central Government. Assistance in the form of capital grants and the direct provision of housing via Housing New Zealand Corporation (HNZC). Any other possible means of funding should also be considered in the mix of solutions. It is suggested that in line with Taskforce recommendations, a partnership approach with the Central Government should be outlined and included in any new strategy for affordable housing delivery.
26. If Council agrees with the recommendations, an information sharing database and partnership between the QLDC, QLCHT and central government will be developed.

Taskforce Recommendation Six- Build a strategy for long term community support

- 6.1 *Council develop a new Queenstown Lakes Housing Strategy in collaboration with the many parties across the private sector, QLCHT, and central government, with the aim of achieving the goal that: "all of our workforce will be able to own or occupy a home in our district at a cost that allows them to live within their means by 2048, with an initial*

target of 1000 Community Affordable homes with secure tenure by 2028”.

- 6.2 *Council ensure that the Community Affordable housing needs are considered in the development of the Council’s response to the NPS-UDC.*
- 6.3 *Council and QLCHT each reviews the recommendations and reports back on achievements on a six monthly basis.*
- 6.4 *Confirm the definitions of ‘affordable’, Community Affordable and how ‘perpetual affordability’ is measured and achieved.*
- 6.5 *Clarify an ongoing stewardship role for the Taskforce, for the purpose of accountability on progress toward the goals.*

27. It is recommended that a new Queenstown Lakes Housing Strategy be developed by Council in collaboration with the private sector, QLCHT, and the Central Government with the aim to achieve the goal that “all of our workforce will be able to own or occupy a home in our district at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028”.

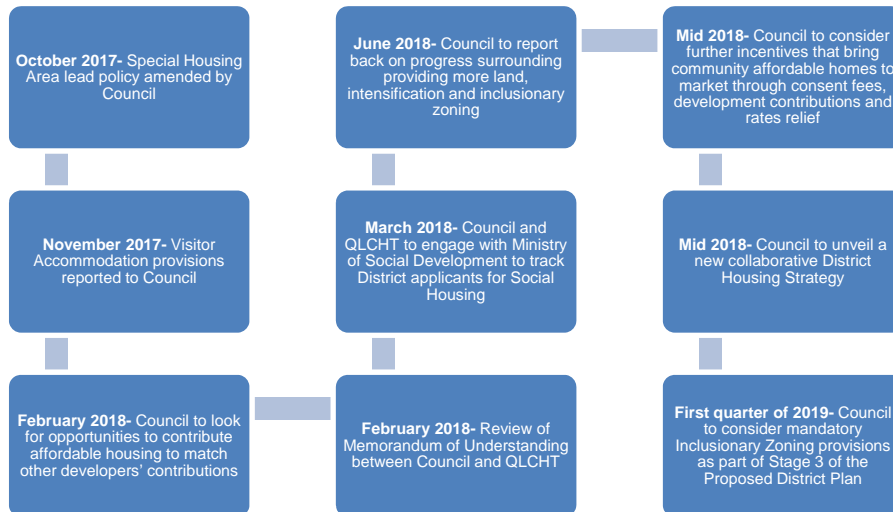
28. In respect to recommendation 6.2, it is agreed that Council should ensure the Community Affordable housing needs are considered in Council’s response to the National Policy Statement on Urban Development Capacity (NPS-UDC) which is currently underway. The NPS-UDC requires three key pieces of work, (to be reflected throughout any new housing strategy), including Residential and Business Capacity Assessments, the setting of minimum targets and a Future Development Strategy (FDS). The FDS (an important strategic document for the district) will help guide development over the next 30 years and demonstrate that there will be sufficient, feasible development capacity in the medium and long term, and that minimum targets will be met. The FDS will enable consideration of a spatial planning approach that would ensure that land is available that can deliver the quantity of affordable homes required. In regards to the Government Housing Infrastructure Fund (HIF), the Trust noted Council’s success in achieving grants and recommends that further applications for Central Government grants be part of any future strategy.

29. As it has been recognised that there is not one single solution to the housing affordability crisis, it is recommended that a systems approach to devising the Queenstown Lakes Housing Strategy should be employed to address relevant matters and provide certainty that the goal can be achieved.

30. Key terms “affordable” and “community affordable” should be carefully defined throughout the strategy as well as how “perpetual affordability” would be measured and achieved. The Taskforce’s ongoing stewardship role needs to be determined which will provide accountability that the goal is being achieved. It is recommended that a six monthly review be undertaken against the new housing strategy to ensure targets are being met.

31. If Council agrees with the recommendations, a new Housing Strategy will be developed.

PROPOSED TIMEFRAME



Options

32. Option 1 – Receive the report and consider the priority of and funding for actioning the suite of recommendations made by the Mayoral Housing Affordability Taskforce.

33. Advantages:

- Recognises the work that has gone into the report from a multitude of stakeholders within the community.
- Recognises that a multi-faceted approach to housing affordability is required and that Council should be open to all options.
- Allows the Council to consider the relative priority and resourcing needs of the proposed actions within the annual planning framework.

34. Disadvantages:

- Time and resourcing required by Council to negotiate the targets.

35. Option 2 – Receive the report and take no further action.

36. Advantages:

- Small saving in staff time and resources being able to be spent on other matters.

37. Disadvantages:

- Would not illustrate the willingness of Council to adopt a multi-faceted approach to the complex issue of housing affordability in the district.
- Would not respect the effort put in by a large number of people to prepare the recommendations.
- It would be impossible to meet the Taskforce goal if no further action is taken.

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

Significance and Engagement

39. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because affordable housing is of considerable importance to the Queenstown Lakes District and has a very high degree of community interest.

Risk

40. This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.

41. This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

42. The recommended option mitigates the risk by:

Treating the risk - putting measures in place which directly impact the risk. Council is already undertaking a range of initiatives to address housing availability and affordability and continues to consider other options.

Financial Implications

43. There are no direct budget or cost implications resulting from the recommendation. Further decisions could be made that will have budgetary implications.

Council Policies, Strategies and Bylaws

44. The following Council policies, strategies and bylaws were considered:

- a. The Operative District Plan
- b. The Proposed District Plan
- c. Growth Management Strategy 2007
- d. Long Term Plan
- e. Lead Policy for SHAs

45. The recommended option is consistent with the principles set out in the named policies.

46. This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

47. The recommended option:

- 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 helping to address housing availability and affordability within the district;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

48. There has been no consultation to date on any proposals other than with the taskforce members who are drawn from wide range of parties with an interest or involvement in the supply of housing within Queenstown Lakes area.

Attachments

A 'Mayoral Housing Affordability Taskforce' Report (attachment presented separately)

All Mayoral Housing Affordability Taskforce resource materials consulted will be available on the QLDC website under 'Council Documents – Mayoral Housing Affordability Taskforce'.

**QLDC Council
26 October 2017**

Report for Agenda Item: 3

Department: Planning & Development

Making Plan Change 51 Peninsula Bay North Operative

Purpose

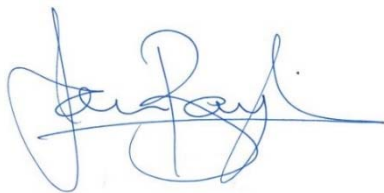
The purpose of this paper is to make Plan Change 51 Peninsula Bay North (**PC 51**) operative. The material presented includes the Consent Order of the Environment Court allowing the appeal, amended chapters to the Operative District Plan Chapter (Residential Areas), Chapter 15 (Subdivision, Development and Financial Contributions) and Planning Maps 8 and 18.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Authorise** officers to amend the Operative District Plan to incorporate the changes made through Plan Change 51, as set out in the Consent Order approved by the Environment Court.
3. **Approve** public notification of the date on which Plan Change 51 shall become operative.

Prepared by:



Ian Bayliss
Planning Policy Manager
10/10/2017

Reviewed and Authorised by:



Tony Avery
General Manager Planning and
Development
11/10/2017

Background

Plan Change 51 to the Operative District Plan

- 1 PC 51 is a proposal by Peninsula Bay Joint Venture Limited (**the applicant**) to rezone 6.11 hectares of land zoned Open Space – Landscape Protection, to Low Density Residential Zone under the Operative District plan. The Plan Change does not affect the Proposed District Plan.
- 2 The site and area originally proposed to be rezoned by the applicant is shown in **Figure 1** below. The site is located at the northern end of Peninsula Bay in Wanaka. As originally notified, the rezoning involved 6.11 hectares of land and would have enabled the development of 26 residential lots. This was subsequently modified at the hearing by the applicant such that 4.37 hectares would be rezoned, with 24 residential lots being proposed within the smaller area. The closing submissions of the applicant at the hearing further modified the proposal to enable development of 21 lots on 3.5 hectares of re-zoned land.



Figure 1. Annotated Operative District Plan Map. The orange area is the land subject to the Plan Change as notified in December 2015. The dark green area is the Open Space Landscape Protection Zone. The yellow area is the Low Density Residential Zone comprising Peninsula Bay. Source: Plan Change 51 Application.

- 3 PC 51 was notified on 9 December 2015. The submission period closed on 28 January 2016 and summaries of submissions were notified on 17 March and 22 April 2016. 205 original submissions and 2 further submissions were received on the plan change. All original submissions except one, opposed the plan change or various components of it.
- 4 Commissioners David Mead (Chair), Andrew Henderson and Mel Gazzard were appointed to hear and make recommendations on the private plan change

request. A hearing was held in Wanaka on 8 to 10 August 2016. The hearing was adjourned for the purpose of receiving further information from the applicant and the hearing closed on 14 September 2016. **Figure 2** below illustrates the reduced area sought by the applicant to be rezoned to Low Density Residential at the close of the hearing.

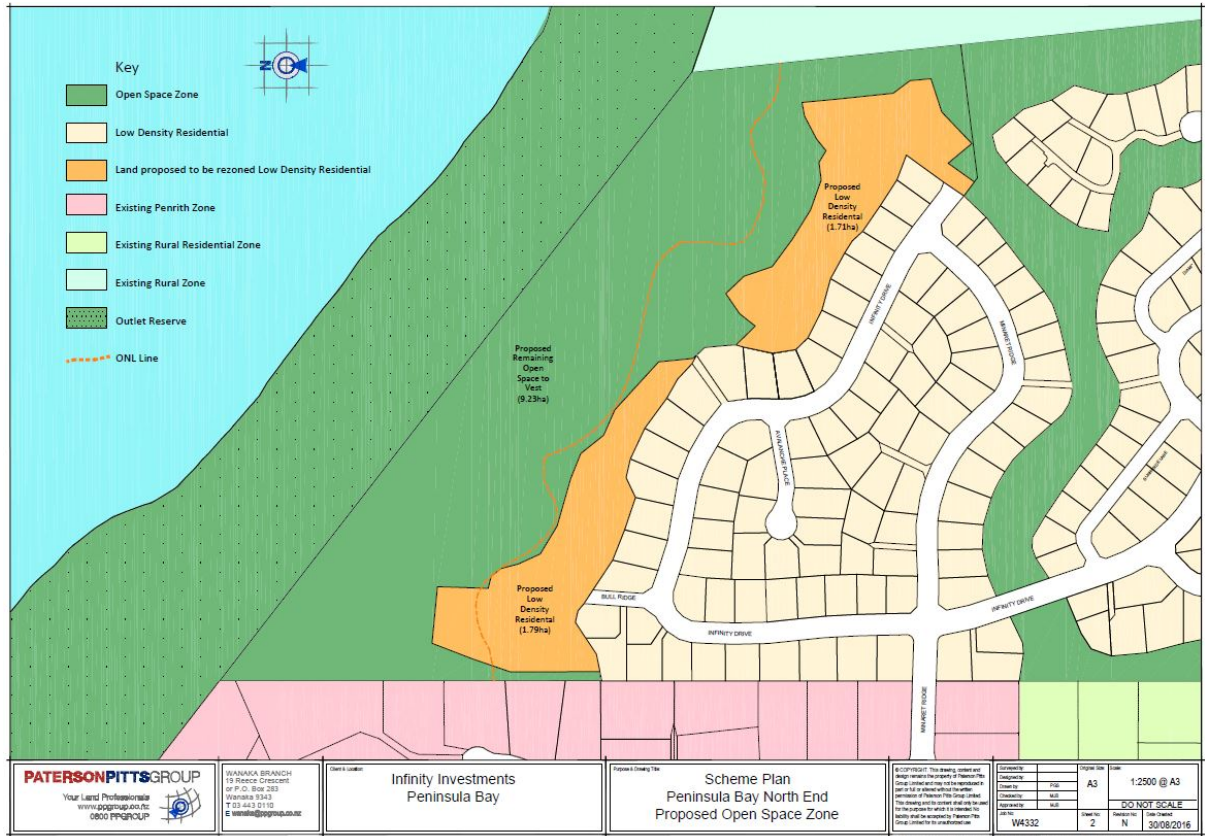


Figure 2. Annotated Operative District Plan Map illustrating the area sought by the applicant to be rezoned to Low Density Residential at the close of the hearing in September 2016. The orange area is the land subject to the Plan Change. The dark green area is the Open Space Landscape Protection Zone. The yellow area is the Low Density Residential Zone comprising Peninsula Bay. Source: Closing Legal Submission, 2 September 2016.

- 5 The Commissioners recommendation was that Plan Change 51 be declined. Council resolved to accept the recommendation and decline the application at its meeting on 15 December 2016.
- 6 The applicant appealed the decision and sought that the plan change as proposed at the close of the hearing, comprising 21 lots be allowed.
- 7 Two submitters who opposed the plan change joined the appeal, these were the Upper Clutha Environmental Society Incorporated (**UCESI**) and Bike Wanaka.
- 8 The Council, the applicant and Bike Wanaka agreed to enter mediation, while the UCESI refrained chose not to attend mediation. The mediation took place on 15 August 2017. The outcome of the mediation was that all three parties that attended agreed in principle with a reduced Low Density Residential Zone that would allow four residential allotments, with the remainder of the land being retained as Open Space Landscape Protection Zone.

- 9 The identified area agreed in the mediation for rezoning from Open Space Landscape Protection Zone to Low Density Residential Zone is consistent with the views expressed by the Council's planning, landscape, parks and ecology experts at the Council hearing, which was, that while the plan change as requested should be declined, residential housing could be appropriate in part of the area.
- 10 It is noted that this reduced area was not previously offered by the applicants, and therefore, the Commissioners were not able to consider the merits of this revised proposal. The Commissioners recommended the proposal was to be declined based on the extent of rezoning sought at the time which was comprised 21 lots over an area of 3.5 hectares.
- 11 Following the mediation, the revised proposal was considered by the UCESI. After consideration and assessment of the revised proposal and conditions agreed at mediation, the UCESI agreed to accept the revised proposal, on the basis that soil stockpile from previous earthworks activities would be removed from the area that is to be retained as Open Space Landscape Protection Zone, and that this land is vested in Council.
- 12 The extent of the Low Density Residential Zone as agreed by the parties enables 4 residential allotments comprising an area of 4700m², and is shown in **Figure 3** below. **Figure 4** illustrates the location of this area relative to the wider plan change request area and Peninsula Bay Low Density Residential Zone.

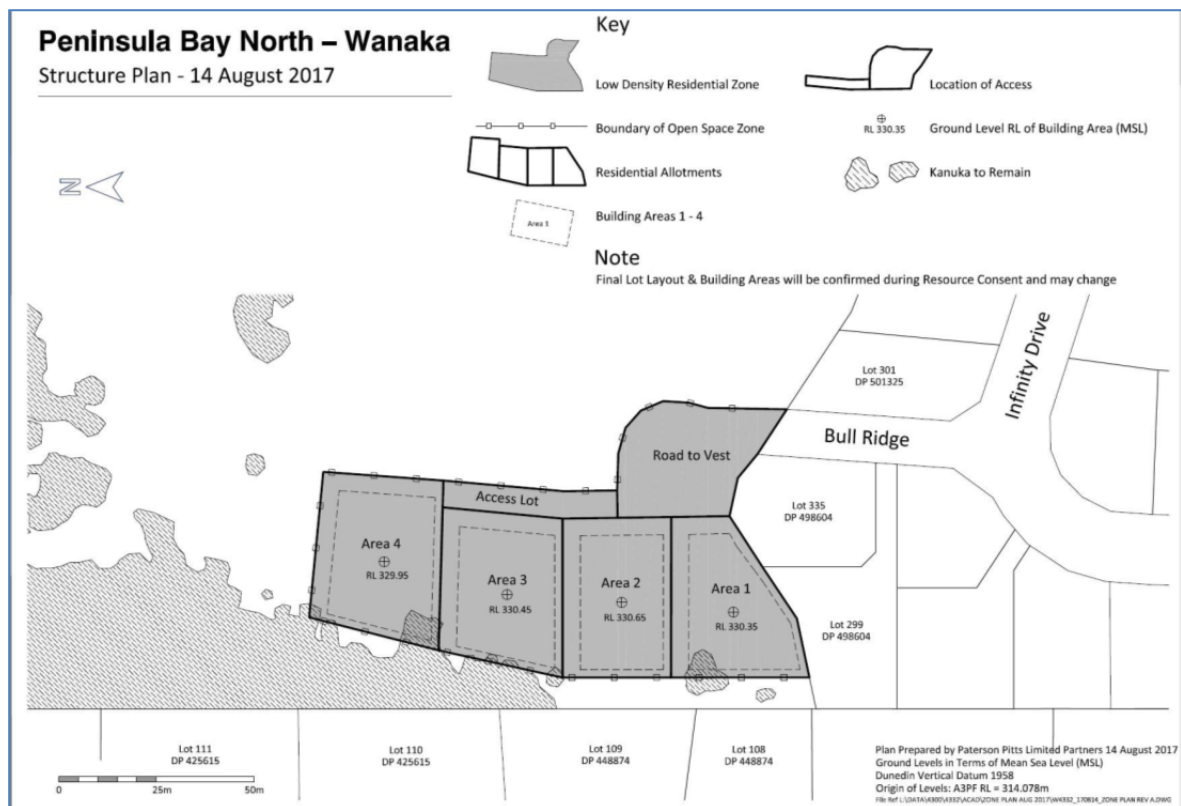


Figure 3. The recommended structure plan to be inserted into the Subdivision, Development and Financial Contributions Chapter 15 and as approved by the Environment Court, illustrating the area (dark grey) to be rezoned from Open Space landscape Protection zone to Low Density residential.

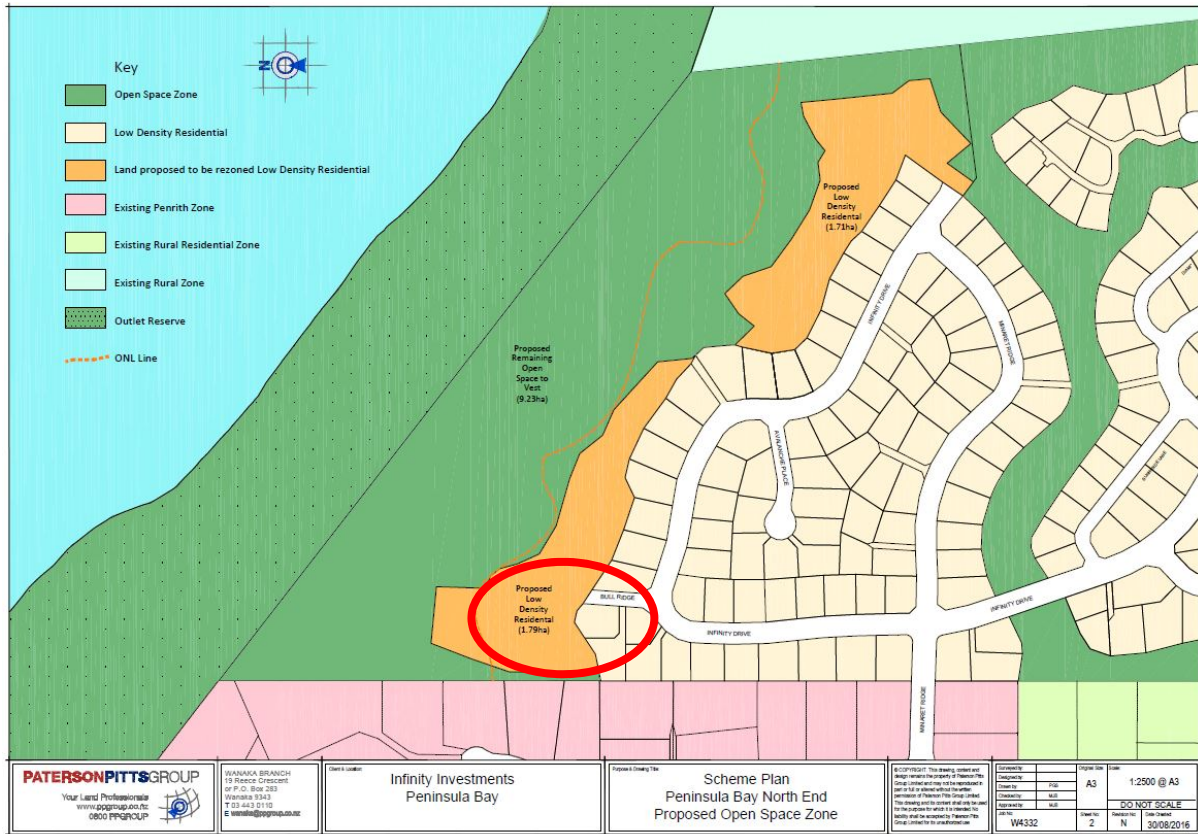


Figure 4. Figure 2 repeated showing the location of the 4 allotments agreed by the parties through mediation. The 4 lots are located at end of Bull Ridge, illustrated by the red circle.

Comment

- 13 To ensure the conditions for future development and the vesting of the remainder of the land that is to be retained as Open Space Landscape Protection Zone are implemented as agreed by the parties, amendments will be made to the Operative District Plan's Low Density Residential (Chapter 7) and Subdivision Development and Financial Contributions (Chapter 15) Chapters, and the planning maps. The amended Operative District Plan provisions are attached as **Attachment A**, as part of the signed Consent Order.
- 14 A side agreement between the applicant and the Council has also been agreed that ensures the remainder of the land zoned Open Space Landscape Protection zone will be vested in Council, and the soil deposited in this area will be removed within 2 years. This is to ensure this land will be vested with Council irrespective of whether the landowner pursues the subdivision enabled by PC 51, which would otherwise be reliant on future development of this land to remove the soil and ensure the remaining Open Space Landscape Protection Zoned land is vested in Council.
- 15 The process for making a plan change operative is set out in the first schedule of the Resource Management Act 1991 (RMA). Pursuant to clause 16(1) of the First Schedule of the RMA, the Council must make amendments to the Operative District Plan required by the consent order and decision of the Environment Court (Attachment A).

16 Following a resolution on the outcome of the plan change, the plan change becomes operative five working days after the date of the public notice.

Options

17 The Council does not have any other options on this matter.

Significance and Engagement

18 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because the District Plan, zoning and activities contemplated within the zones impacts on a large number of residents and ratepayers and residents, some of whom may be specifically affected by the proposed provisions.

19 Compliance with the decision making requirements in sections 76-78 of the Local Government Act 2002 has been achieved through the public participation process of the Resource Management Act (RMA), including notifying the plan change request, calling for submissions, holding a hearing, and the right of appeal that was exercised to the Environment Court.

Risk

20 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because the District Plan, along with the 10 Year Plan and Asset Management Plans, are all central to the current and future development needs of the community.

21 The recommended option considered above mitigates the risk by providing the necessary regulatory framework to provide for these needs.

Financial Implications

22 None.

Council Policies, Strategies and Bylaws

23 The Operative District Plan is the most relevant Council policy, strategy or bylaws. Making PC 51 operative as agreed the parties involved in the appeal and as approved by the Environment Court gives effect to the Operative District Plan.

Local Government Act 2002 Purpose Provisions

24 The recommended option:

- 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;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

25 The Council has already consulted on PC 51 via submissions and further submissions were received, the hearing and appeal processes.

Legal Considerations and Statutory Responsibilities

26 Making the plan changes operative is in accordance with Clause 17 of the First Schedule of the RMA.

ATTACHMENTS

A Consent Order of the Environment Court (Circulated separately)

**QLDC Council
26 October 2017**

Report for Agenda Item: 4

Department: Corporate Services

Lakeview Development Community Feedback and Transaction Options

Purpose

- 1 The purpose of this report is to provide feedback from community engagement regarding the nature of tenure of any development of the Lakeview site and to seek Council approval to move forward with development of that land in accordance with the approved development objectives.

Executive Summary

- 2 Enabling investment in Lakeview will implement one of the key initiatives identified as a means to address specific opportunities and challenges faced by the District. The Council's stated development objectives and strategic outcomes for Lakeview are recommended to be achieved through a partnership approach (via development agreement framework) with the private sector.
- 3 Separate to the preferred partnership approach, is the matter of land tenure. The Council consulted with the community on the matter of tenure (i.e. prepaid leasehold or freehold interest) for the potential sale of 4.4 hectares of commercial land from a total of 10.4 hectares of land on the Lakeview site. The majority of community feedback on this matter focused on how the Council could use the Lakeview land (itself or proceeds of sale) to address a variety of issues which could benefit the community.
- 4 The community is facing a significant requirement for major infrastructure investment due to growth. The Council is engaging with Central Government in this regard but needs to seek alternate funding solutions from its own investment portfolio.
- 5 The development or repositioning of the Lakeview site will unlock significant funds and wider benefits. The financial return will differ based on which tenure solution (prepaid leasehold or freehold) the Council decides on. The debate is not limited entirely to optimising the financial return from the development of Lakeview, but the Council must consider its current funding challenges.
- 6 The recommended option is a mixed solution which sees 3.4 hectares (2.7 hectares under freehold interest and 0.7 hectares under prepaid leasehold interest) of the commercial land to be made available for development in partnership with the private sector. This therefore retains 7.7 hectares or 74% of the total Lakeview site in community ownership.¹

¹ Includes 0.7 hectares recommended for development under prepaid leasehold interest and the Lynch Block (1.0 hectare) not being recommended for development.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Note** the community feedback;
3. **Approve** the intention to enter into agreement(s) with the private sector for development of the Lakeview commercial land (the Land) comprising approximately 3.4 hectares and identified as lots 2, 3, 4, 5, 6, 7, 8, and 11 (freehold) and lots 10 and 12 (prepaid leasehold) of the Lakeview subdivision plan (Attachment B) as market conditions allow; and
 - a. provide notice to CCR Limited of the Council's intention to cancel part of the Queenstown Holiday Park Lease area as it relates to Part Blk XXXII TN of Queenstown;
 - b. remove Designation 211 - Recreation Reserve (Motor Park) from the District Plan as it relates to Part Blk XXXII TN of Queenstown;
 - c. declare the Land as surplus to be disposed of in accordance with the Property Sale and Acquisition Policy (2014), and on the basis set out in Option 3 (namely the sale of prepaid leasehold interest in lots 10 and 12, and sale of freehold interest in the balance of the lots), once subdivision consent and titles are obtained.
4. **Authorise** the Chief Executive to:
 - a. issue a request for an expression of interest (EOI) seeking development partners for the Land, with an intention to shortlist and seek formal request for proposals (RFP) from that shortlist;
 - b. consider offers for the Land as a whole, or in selected packages and seek the Council's endorsement of the short listed parties and financial parameters;
 - c. negotiate and execute transaction agreements with development partner(s) subject to the financial parameters.
5. **Agree** to commit to deliver the required internal infrastructure, roads and public space to allow transfer of the Land (serviced lots) to developer partner(s);
6. **Approve** re-establishment of \$708,706 in capital expenditure to this financial year (2017/ 18) to meet estimated programme costs;
7. **Agree** to set aside for the purposes of affordable housing a financial contribution equivalent to 5% of the consideration received for the Land (as transaction payments are received);
8. **Agree** to set apart part of the recreation reserve, identified as Lot 1 (stage 1) in the Lakeview subdivision plan (Attachment B) and further shown in Attachment C, as baths under section 53(1)(h) of the Reserves Act 1977;

9. **Authorise** officers to provide public notice of the Ngai Tahu Tourism lease proposal under section 54(2) of the Reserves Act 1977;
10. **Appoint** a Hearings Panel consisting of *[three members to be specified by Council]* to hear submissions and to recommend whether or not a lease is to be granted to Ngai Tahu Tourism;
11. **Direct** officers to report back options for the use of reserve land identified as Lot 9 (stage1) of the Lakeview subdivision plan (Attachment B) including a plan for managing existing occupiers of the Lakeview site as development proceeds, namely the cabin tenants, community groups and the Queenstown Holiday Park;
12. **Direct** officers to report back options for the future use of the Lynch Block including specific consideration for use as worker accommodation and/ or affordable housing.

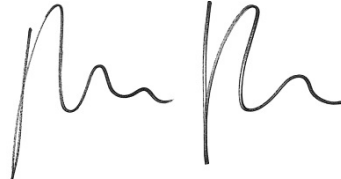
Prepared by:



Paul Speedy
Manager Strategic Projects

10/10/2017

Reviewed and Authorised by:



Meaghan Miller
General Manager Corporate
Services

19/10/2017

Background

- 7 In 2002 the Council sponsored a strategic planning project to provide the Queenstown, Frankton and wider Wakatipu basin community with the opportunity to determine its vision for the future.
- 8 The plan (Tomorrow's Queenstown) adopted by the Council in August 2002, outlined strategic goals and priority issues centred on managing growth, building a sense of place, improved community facilities and services, and diversifying/strengthening the economy.
- 9 Through the 2002 community engagement process the Council was made aware of public concerns about the pressure that rapid growth was placing on the town and its relevance to local people and environmental effects. One priority recommendation of the plan was to prepare a town centre strategy for Queenstown Bay, including the central business district.
- 10 Also in 2002 after identifying a need to respond to anticipated growth in the district, the Council commissioned Ernst and Young to undertake a strategic land-use review at Lakeview. Recommendations on how to enable or better utilise the site included; undertaking a master planning exercise for a mixed use development; creating a permissive consenting zone (plan change) and leasehold land tenure.

- 11 In 2006 the Council undertook a district wide study of commercial land (Town Centre, Business and Industrial Zones) needed to sustain the growth of the local economy to 2026. The Council subsequently prepared a Growth Management Strategy for the District in 2007 and adopted the Queenstown Town Centre Strategy in 2009.
- 12 The Town Centre Strategy (2009) identified land to the north and northwest of the Queenstown town centre, along Brecon Street and toward Gorge Road as possible Queenstown Town Centre Zone expansion areas. These two documents identified key findings in relation to the Queenstown town centre where the importance of a 'sense of community' and to ensure future planning allows for a diversity of activities and spaces which cater to both residents and visitors.
- 13 In 2011 the 'Shaping our Future' economic forum was established by the Council to address environmental, social and economic issues in the district. A steering group (Economic Futures Taskforce) of representatives from the Council, community and business leaders was formed to promote sustainable economic growth, attract and encourage new business and industry, undertake impact assessments of economic initiatives, and create a regional economic development strategy.
- 14 In 2013 the Council commissioned a study² to review the Queenstown Lakes District Plan business zones capacity. This project involved a review of the capacity of existing commercial zones in the District Plan and the development of a policy structure that enables more effective management and integration of these zones. The report also identified the land to the north and northwest of the Queenstown town centre as possible for extension of the Queenstown Town Centre Zone, and included land to the southwest between Lake Esplanade and Ben Lomond Scenic Reserve incorporating the Lakeview site.
- 15 In 2013 the Council developed a master plan for the prime underutilised Lakeview site, and in June 2014 a decision was made to pursue a plan change (rezoning) to provide a planning framework to enable a more comprehensive and flexible development outcome at Lakeview.
- 16 In 2015 the Council's Economic Development Strategy confirmed that growth is forecast to continue, and the District will face increasing pressure to manage the associated infrastructure and environmental demands.
- 17 The Economic Development Strategy proposes that: "the quality of the local business and physical environment influences the decisions that businesses, employees and residents make about the effort they put in to ventures and where they want to live. The Council is a key shaper of this environment, through its role in district planning, providing amenities and services, and setting and administering regulation".
- 18 The Economic Development Strategy identified objectives for the priority areas of: the local business environment, planning for growth, addressing property demand and supply, and housing affordability. Development at Lakeview is

² McDermott Miller Strategies Limited.

specifically recommended as a key opportunity for addressing these priority areas.

- 19 On 27 July 2016 Plan Change 50 was made operative having been formulated to enable a very well designed extension to the Queenstown town centre and facilitate high quality built form and public open spaces, befitting the location.
- 20 On 17 August 2017 the Council approved development objectives for commercial land at Lakeview (the Land), and agreed on a partnership or 'transaction approach' to develop the Land with a view to align private commercial interests with the Council's public objectives.
- 21 The Council has identified in the development objectives an aim of establishing a "thriving residential focused, mixed use precinct...providing for the intensification sought via Plan Change 50 and delivers for a variety of housing outcomes and/ or diverse residential community".
- 22 The Land is part of the Council's commercial or investment property portfolio. Under the Property Sale and Acquisition Policy (2014) the Council must consider alternatives to disposal (such as leasing) if the Land is deemed surplus (or identified for repositioning), along with the Council's published strategic objectives, policies and/ or plans.
- 23 One issue the Council sought to engage with the community on was the matter of tenure i.e. prepaid leasehold versus freehold.

Comment

Community feedback

- 24 The Council considered that the level of interest on the issue of tenure for the Lakeview land was such that it warranted a conversation with the community before making a decision. Accordingly informal consultation was undertaken to seek feedback on the issue.
- 25 During the three week engagement period 34 responses were received. All comments are provided as Attachment A. The majority of respondents commented on how the Council could use the Lakeview land to address a variety of issues which could benefit the community. Direct feedback on the nature of tenure (prepaid leasehold versus freehold) was also received.
- 26 Ensuring outcomes through the Council retaining some form of control over development on the Land was also generally considered important to respondents.
- 27 There was a strong theme in many comments regarding the provision of affordable and worker accommodation. Other suggestions centred on the Land providing for or contributing to community facilities (e.g. halls, arts/ cultural venues, convention centre etc.) and town centre infrastructure projects.

Affordable housing

- 28 Sitting behind the level of house prices is a complex set of supply and demand forces that ultimately determine the level of affordability in the housing market³.
- 29 The New Zealand Productivity Commission’s Housing Affordability Inquiry report (2012) has identified that “Councils have a major influence on all stages of house construction, as they are responsible for urban planning, including the release of land for development and zoning decisions; providing or arranging for the provision of infrastructure to land that is to be developed; issuing building consents that are required before buildings are demolished, removed, constructed or altered; and ensuring compliance with the Building Code”.
- 30 The report also acknowledged the role of the community housing sector, made up of non-government or not-for-profit organisations being called upon to deliver an increased supply of affordable or social housing generally, within the New Zealand market.
- 31 In October 2012, Cabinet considered the Productivity Commission’s recommendations and agreed its own programme response identifying four key aims:
- a. Increasing land supply for new housing should include more green-fields and brownfields developments and allow further densification of sites close to existing centres, local employment, and services;
 - b. Reducing delays and costs of RMA processes associated with housing;
 - c. Improving the timely provision of infrastructure to support new housing including considering new ways to co-ordinate and manage infrastructure for subdivisions;
 - d. Improving productivity in the construction sector.
- 32 It is also appropriate to reference the Mayoral Housing Affordability Taskforce Report (set to be adopted 26 October 2017) which reinforces that the lack of affordable housing is the greatest challenge our District faces. The report seeks to create a permanent pathway to deliver affordable housing to meet the district’s needs, now and in the future. Current projections in the report show that 14,570 additional homes are needed across the district in the next 30 years.
- 33 The District Plan Section 4: District Wide Issues, includes the affordable and community housing objective 4.10.1. This objective seeks to provide “access to community housing or the provision of a range of residential activity that contributes to housing affordability in the District”. Associated policies include:
- *Policy 1.1* To provide opportunities for low and moderate income households to live in the District in a range of accommodation appropriate for their needs.
 - *Policy 1.2* To have regard to the extent to which density, height, or building coverage contributes to residential activity affordability.

³ New Zealand Productivity Commission’s Housing Affordability Inquiry report (2012)

- *Policy 1.3* To enable the delivery of community housing through voluntary retention mechanisms.
- 34 The opportunities to provide affordable and community housing have been improved under the Plan Change 50 provisions compared to those provided under the previous zoning due to the fact these include relaxed bulk and location requirements which, in turn provide opportunities for higher density housing.
- 35 A development agreement framework would also enable the Council to select a credible shortlist of partners it would be willing to work with (based on matters such as track record) and ultimately determine the development guidelines, controls and expectations which may include a set of essential outcomes (e.g. density, mix, staging etc.), to be contracted via development agreement(s) or similar.
- 36 The completed rezoning and making the Land available for development under the proposed development agreement framework could therefore be considered an appropriate way of achieving objective 4.10.1 and adequately providing for the associated policies 1.1 and 1.2. Whether policy 1.3 has or would have the same (or any) consideration is less certain.
- 37 Retention mechanisms (referred to in policy 1.3) may ensure the ongoing availability of community housing for future low and moderate income households. The retention mechanisms can comprise regulatory and conveyancing tools suitable for defined periods of time, or the transfer of contributions in the form of land, housing or money to the Council to achieve permanent affordability.
- 38 Having regard to the nature and value of the Land, it is deemed appropriate that the Council (in subdividing the Lakeview site) set aside a direct financial contribution for the delivery of this type of housing product into the Queenstown market.
- 39 Factors that need to be considered include the Council's significant investment in the Land to date, currently providing for housing⁴ on the Lakeview site and potential to increase supply through initiating Plan Change 50.
- 40 The Lynch Block makes up 1.0 hectare (25%) of the commercial or freehold investment land on the Lakeview site and it is recommended not to be considered for development at this time. The intention is that the Council will do further work to determine options for the future use of the Lynch Block including its consideration for worker accommodation and/ or affordable housing⁵. This may include products such as 'Affordable Rental' or 'Secure Home Programme' as referenced by the Mayoral Housing Affordability Taskforce.
- 41 The Lakeview subdivision will also provide considerable investment from the Council in public open space including a market square, landscaping and shared pedestrian zones within road corridors.

⁴ \$4.5 million for purchase of cabins in 2002.

⁵ A function currently provided with 48 cabins managed as rental accommodation on behalf of the Council.

42 Notwithstanding this, the recommendation is that an affordable housing contribution equivalent to 5% of the value of the Land must be made to demonstrate the Council's commitment to affordable housing.

Traditional and prepaid leasehold tenure

43 Traditional leasehold tenure requires the lessee of land to make periodic ground rental payments to the owner of the land (lessor), with those ground rental payments increased over time to reflect the increasing value of the land.

44 Advice suggests traditional leasehold tenure may not be considered viable for residential-led development projects in New Zealand, following some high profile and well publicised examples of leasehold development where the value of lessee's assets (e.g. their apartment) has fallen considerably as a result of escalating ground rental levels.

45 Prepaid leasehold tenure is an attempt to overcome the problems associated with traditional leasehold tenure by allowing the purchaser (lessee) to prepay the rent for a very long period of time (at least 90 years and commonly 125 years) and therefore avoid that uncertainty/ risk associated with escalating ground rentals at future reviews.

46 A risk to be considered with long term leasehold interests is that as the term of the prepaid period gets closer to expiry, the value of the lessee's interest (i.e. the building or apartment owners asset) declines, because purchasers recognise that, at some point in future, the lease will expire and the assets will revert to the lessor.

47 Prepaid leasehold has the potential to significantly alter residential feasibility, unless a site is particularly distinctive (water front for example). Potential residential purchasers will generally be better placed to secure finance and have a preference for freehold interest over a leasehold option.

48 This feasibility issue largely relates to the potential risks associated with selling down apartment or residential product, which is fundamentally a developer problem i.e. not one that the Council is directly exposed to. However, developers will factor this risk into the price they are willing to pay for the land.

49 Commercial development is not greatly affected by the tenure offered. That is not to say there is no impact, rather it appears (based on New Zealand market evidence) to be relatively modest because purchasers of office and retail assets are cash flow driven.

50 Overall leasehold tenure has potential to significantly reduce liquidity or the level of developer interest given the Councils residential development focus.

51 A risk is that if prepaid leasehold tenure (as opposed to freehold tenure) is made available, some potential developers will elect not to compete (as confirmed during prior market testing) and land pricing could be materially affected.

Benefits of prepaid leasehold tenure to landowner

52 From a financial perspective, advice makes it clear there is no obvious benefit to a land owner. However for certain parties', including public bodies and iwi, this

form of tenure avoids total alienation of the land and presents an opportunity for future generations (when the prepayments period/ lease expires in say 125 years) to economically benefit from that land.

53 Where the site is of particular cultural or strategic importance, this delivers a clear non-financial benefit. Leasehold tenure also affords some control over what occurs on the land.

Freehold

54 Freehold tenure is the predominant form of land tenure in New Zealand.

55 When compared with the alternative (prepaid leasehold tenure), freehold tenure can be expected to deliver better financial and built form outcomes. Due to the fact freehold tenure is more common and better understood in New Zealand; it is a more desirable option and more developers are likely to be engaged with this form of tenure.

Development outcomes

56 The Council intends for the Land to be developed as a mixed use precinct with a residential focus, although it is expected that some lots may be developed with hotel accommodation. Commercial or retail activities are likely to be ancillary or complementary to the predominant activities (i.e. housing and hotel accommodation).

57 The preferred development agreement framework is a tool used commonly by public sector land owners in both Australia and New Zealand to achieve desired development objectives and mitigate exposure to development risk.

58 The kind of obligations/ controls that might be included in a development agreement to embed a proposal and see it delivered are:

- a. design approval processes to produce agreed master plan/ stage plans;
- b. staging of title transfer;
- c. settlement milestones that must be achieved before title transfer to avoid land banking, ensure progress and performance;
- d. land payment mechanisms (e.g. revenue share, super profit share, deferred settlement etc.).

59 As previously referenced, leasehold tenure is sometimes used because it provides the landowner an ability to have some influence over what the developer elects to build. However, it is important to note that freehold tenure does not prevent the Council from exercising this influence because the chosen partnership approach using a development agreement framework will document what the parties have agreed will occur and when.

60 There are many potential development configurations for the Land and the total achievable gross floor area (GFA), and GFA allocated to each land use, will vary materially depending upon the development options pursued on each individual lot. Indicative development schemes and metrics are represented in table 1.

Table 1: Indicative land use(s) and development metrics

Use/ metric	Range	Comment
Residential (apartments and townhouses)	255 - 455	1.
Hotel rooms	0 - 325	2.
Commercial/ retail (sq. meters)	5,000 – 12,000	3.
Carparks	575 - 925	
Above ground gross floor area (GFA) (sq. meters)	60,000 - 75,000	4.
Floor area ratio (FAR = GFA divided by the site area)	1.8 – 2.3	
Comment:		
1. <i>The top end of the range assumes all lots are residential.</i>		
2. <i>Low end of range assumes all lots are residential, top end assumes lots 2, 3 & 12 are hotel.</i>		
3. <i>The top end of the range considers a large office development.</i>		
4. <i>Includes aboveground parking but excludes basement.</i>		

Reserve land

61 As part of previous work to guide the Lakeview development⁶, the Council has made decisions about the shape and location of reserves that would best serve the urban development that is contemplated.

62 Uses of the Lakeview reserve land include the Queenstown Lakeview Holiday Park, the proposed Ngai Tahu Tourism hot pools development and a market square or plaza located at the centre of the site.

63 The Lakeview Holiday Park is leased to CCR Limited. Anticipating development of the site, the parties made provision (in the lease) for an option to cancel a portion of the lease area (tent and campervan sites). A settlement amount has been pre-negotiated and the Council will need to provide at least 12 months' notice of its intention to cancel this lease area. Removal of Designation 211 - Recreation Reserve (Motor Park) from the District Plan, as it applies to the holiday park lease cancellation area⁷, will also be necessary.

64 Under the lease agreement the Council may work with CCR Limited (but has no legal obligation) to locate an alternative site suitable for its operation.

65 Ngai Tahu Tourism and the Council have signed an agreement to proceed with the development of the hot pools proposal, subject to certain terms and conditions under the Reserve Act. As administering body of the reserve, the Council will need to 'set aside part of the recreation reserve as baths' and provide public notice of any lease proposal. That process includes consultation, submissions from members of the public and a hearing.

66 Also subject to undertaking the necessary public consultation, it is recommended the Council consider the future of one parcel (circa 8,240 sq. meters) of Lakeview

⁶ 30 July 2015 land exchange proposal (approved by the Minister of Conservation 29 June 2016) and Plan Change 50 (Lakeview Sub-zone structure plan) operative 27 July 2016.

⁷ Part Blk XXXII TN of Queenstown.

reserve land referenced as Lot 9 (stage 1)⁸. Potential options include, but are not limited to use as:

- a. public open space;
- b. car parking; or
- c. other community uses (e.g. halls, arts/ cultural venues, convention centre etc.).

67 There are specific purposes (as defined by the Reserves Act) for land classified as recreation reserve. Not all activities (above) fall within this definition, although that is the case also for the existing use as residential accommodation⁹. The Council must ensure that any proposed activities on the reserve land meet the purpose of the classification or re-classify the reserve land in accordance with the Reserves Act.

68 The proposed Ngai Tahu Tourism lease area (including market plaza); holiday park lease cancellation area and Lot 9 (stage 1) are identified in figure 1. A detailed plan of the Ngai Tahu Tourism lease area is provided as Attachment C.

69 The Lakeview commercial land (the Land) is identified in figure 2 and Attachment B, as lots 2, 3, 4, 5, 6, 7, 8, 10, 11 and 12. The Lynch Block is identified as lot 16 of Attachment B.

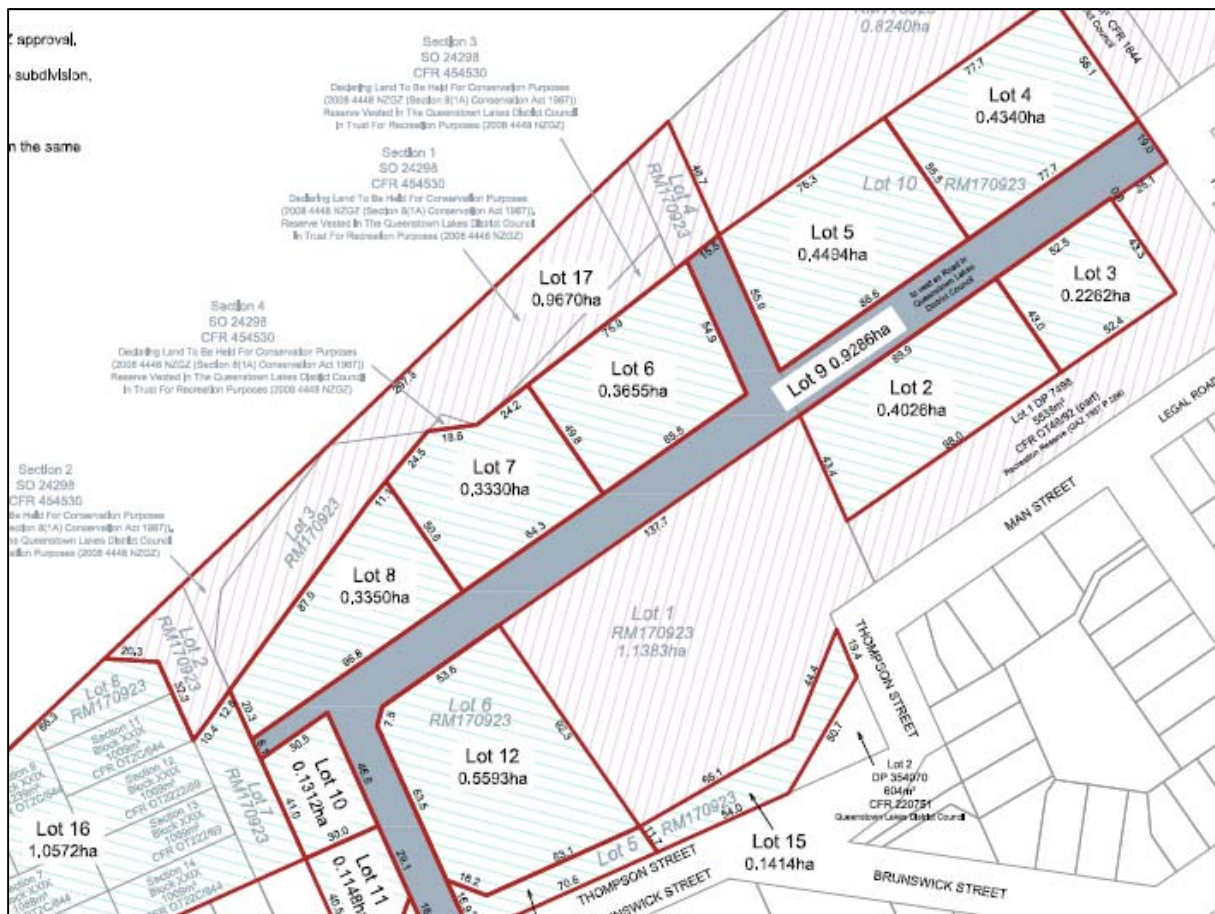
⁸ Crown derived title and subject to the Ngai Tahu Claims Settlement Act.

⁹ Legal advice suggests that the residential tenancy agreements which QLDC has with the current cabin occupiers on recreation reserve land are 'unlawful' under the Reserves Act.

Figure 1: Lakeview Site Interest Areas



Figure 2: Lakeview Site Subdivision Plan



Larger version provided as Attachment B

Transaction recommendations and 'go to market' strategy

70 The Council has taken advice on approaches it could take with respect to transacting the Land having regard to the adopted development objectives; state of the market and practical constraints/ requirements. Five alternative contractual/ delivery options were considered which are summarised in table 2.

Table 2: Transaction options considered

Option	Description	QLDC delivers infrastructure	No. of partners/ DAs	Sub-contracted developers
1A	DA with a single development partner, who delivers all internal infrastructure and vertical development.	×	1	No
1B	DA with master developer, who delivers internal infrastructure and subcontracts vertical development.	×	1	Yes
1C	QLDC delivers internal infrastructure and enters DA with a single development partner, who delivers all vertical development	✓	1	No
2A	DAs with multiple development partners, some incorporating components of internal infrastructure (i.e. staged).	×	Multiple	No
2B	QLDC delivers internal infrastructure and enters multiple DAs with vertical development partners	✓	Multiple	No

71 A qualitative assessment of the five options is summarised in table 3.

Table 3: Qualitative assessment of transaction options

Description	Option 1A	Option 1B	Option 1C	Option 2A	Option 2B
Liquidity / Market appetite	Very limited	Limited	Moderate	Moderate	High
Control over outcomes	Moderate	Low to moderate	Moderate to high	Moderate	Moderate to high
Management complexity and interface risk	Low	Low to moderate	Low	High	High
Financial risk	Low	Low	Moderate	Low to moderate	Moderate to high

72 Quantitative assessment shows financial performance under options 2A and 2B would be expected to align with 1A and 1C respectively, albeit the Council would incur slightly higher management overhead costs. However, the choice to engage with multiple partners does potentially introduce some liquidity benefits and may therefore improve pricing and/ or the rate of sell down.

73 Based on the analysis it is recommended that the Council commits to delivering onsite roads, infrastructure and public realm because it will enhance/ increase the

nominal land payment the Council can expect to receive (after accounting for the cost of infrastructure). A concept plan of the Lakeview road and public realm design is provided as Attachment D.

- 74 The Council delivery of infrastructure will also significantly reduce complexity because it allows full control over the subdivision process, which is likely to improve liquidity because developers that lack experience in infrastructure delivery will be able to participate in the transaction process and because it makes it easier to break the site into smaller packages (i.e. partner with more than one developer) should that prove to be desirable. It also provides the Council with more control.
- 75 A decision on the 'packaging' of lots and the number of partners the Council works with to deliver development of the Land, should be left until after the Expression of Interest (EOI) process has been completed. This will allow Council to retain some flexibility regarding exposure to interface risk and management complexity while testing market liquidity for partners that have interests in different components of the site.
- 76 Where the Council does ultimately elect to partner with more than one developer, the preferred outcome would be where sites are packaged based on use and design efficiency. This approach will deliver better design outcomes and will attract specialist developers (e.g. hotel developers).
- 77 As previously recommended a two stage process is required in order to facilitate a market response:
- a. Expression of Interest (EOI) – seeking parties interested in participating with the key qualifying criteria being track record (i.e. capability and capacity). This provides an opportunity to obtain feedback from interested parties in respect of the size of their appetite (i.e. do they want to develop all or part of the Land) and therefore consider potential options for lot packaging (per above);
 - b. A Request for Development Proposal (RFDP) – which would seek formal design proposals together with the Land pricing. The proposals would be evaluated on the quality of the built form and its potential to positively impact on the town centre, together with the price offered.
- 78 As the Council wishes to retain some control over outcomes at Lakeview given its importance, but at the same time is seeking to achieve good value within that framework, it is recommended that the Council seek to carefully manage (limit) the control it seeks to essential matters. It is therefore imperative that obligations imposed on the developer are restricted to those that are essential to meeting the stated development objectives.

Options

79 Option 1: Sale of prepaid leasehold interest.

Advantages:

- a. Provides a form of control.
- b. Provides an upfront payment of rent for the full term of the lease.
- c. Residual ownership of the Land is retained for a future generation in 125 years.

Disadvantages:

- a. Presents risk to feasibility and pricing.
- b. Potential to alter liquidity/ developer interest.
- c. Poor commercial outcome relative to freehold sale.
- d. Potential issues of asset degeneration on or approaching lease expiry in 125 years.

80 Option 2: Disposal of freehold interest.

Advantages:

- a. Better financial and built form outcomes.
- b. Realises the Land's value and presents an opportunity to invest in other priority activities.
- c. More desirable for development of residential property, a primary objective of the Council.

Disadvantages:

- a. May not satisfy other non-financial factors.

81 Option 3: Mixed solution – Disposal of freehold interest in the Land except for sale of pre-paid leasehold interest in lots 10 and 12.

Advantages:

- a. Desirable and distinctive land ¹⁰ could be retained for a future generation in 125 years.

Disadvantages:

- a. Presents risk to feasibility and pricing with the potential to alter liquidity/ developer interest, albeit limited to a portion (lots 10 and 12) of the Land.

¹⁰ Previously identified preferred location for the Queenstown Convention Centre (QCC).

82 Option 4 Status Quo – Do nothing*Advantages:*

- a. Current occupiers of the Lakeview site remain unaffected.
- b. Opportunity of freehold disposal remains available in the immediate future.

Disadvantages:

- a. Delay in development of the Lakeview site could have a material impact on potential financial and non-financial outcomes for the Council.
- b. The Land value remains unrealised and underperforming.
- c. Any strategic importance remains unrealised.

83 This report recommends **Option 3** for addressing the matter because it will enable the Council to deliver to the stated development objectives and 'unlock' or implement long anticipated investment in the Lakeview site.

Significance and Engagement

84 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because of the extent of community interest and importance to the District in terms of impact on the environment, culture and people of the District.

85 The matter is consistent with existing policy and strategy and will positively impact objectives set out in the financial strategies of the Ten Year Plan and Annual Plan.

86 While the Land is not listed as a strategic asset in the Council's significance and engagements policy, it is land of some significance. Much of the historical consultation on development of the Lakeview land (including this most recent consultation regarding tenure) has been conducted on the basis the Land is a very valuable asset.

Risk

87 This matter relates to the strategic risk SR1 current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it enables investment in key initiatives (namely housing, visitor accommodation and core infrastructure) identified to address specific opportunities and challenges faced by this District.

88 The recommended option mitigates the risk by transferring the risk through contracts or other agreements with external agencies.

Financial Implications

89 Lakeview development programme budgets were adopted in the 2015/ 25 Ten Year Plan¹¹. In November 2016 all Lakeview development budgets were deferred to 2019/ 20 for consideration in the 2018/ 28 Ten Year Plan process.

90 In order to progress recommended Lakeview programme work streams it will be necessary to re-establish a portion of the deferred 2016/17 capex budget¹² to meet estimated 'go to market costs' this financial year.

91 It will be necessary to re-establish funding of \$708,706 this financial year (2017/ 18) to meet estimated programme costs. Updated infrastructure costs necessary to support the development at Lakeview will also need to be considered in the 2018/ 28 Ten Year Plan process.

92 On the basis that the necessary programme funding can be debt funded pending returns from future anticipated transaction cash flows and/ or development contributions as indicated in table 4.

Table 4: Indicative return to QLDC from the Land

	(\$M)
Land value <i>(mid-point of freehold valuations based on various transaction scenarios)</i>	60.0
<i>less:</i>	
• development costs <i>(incl. roads, public space & site establishment etc.)</i>	17.1
• management overhead <i>(incl. market engagement & consenting)</i>	1.4
• repayment of outstanding loans <i>(2002 cabin purchase)</i>	4.0
• contribution to affordable housing provider <i>(5% of land value)</i>	3.0
Net cash flow	34.5

Council Policies, Strategies and Bylaws

93 The following Council policies, strategies and bylaws were considered:

- District Plan
- Economic Development Strategy 2015
- Property Sale and Acquisition Policy 2014
- Affordable Housing Strategy

94 The recommended option is consistent with the principles set out in the named policy/policies.

¹¹ \$11.3 million (not including convention centre construction)

¹² \$4.2 million deferred to 2019/ 20

95 This matter is included in the 10-Year Plan/ Annual Plan with the Land identified as part of the Council investment property portfolio.

Local Government Act 2002 Purpose Provisions

96 The recommended option:

- 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 realising the value of a commercial asset;
- Can be implemented through current funding under the 10-Year Plan;
- Is consistent with the Council's plans and policies; and
- Will ensure prudent stewardship and the efficient and effective use of the Council's resources in the interests of the District, including by planning effectively for the future management of the Council's assets.

Consultation: Community Views and Preferences

97 The persons who are affected by or interested in this matter are the residents/ ratepayers of the Queenstown Lakes District community, Te Rūnanga o Ngāi Tahu (Ngāi Tahu), the Department of Conservation and occupiers of the Lakeview site. These include:

- a. CCR limited, lessees of the holiday park;
- b. cabin occupiers/ tenants;
- c. community groups (including Toy Library, Japanese Society and Showbiz Queenstown).

98 Special consideration should be made for the late David William Thompson, founder of the Lakeview campground and Councillor from 1941 to 1949, and then Mayor of Queenstown from 1950 to 1953. Recognition for Mr Thompson will be retained as part of the design of the market square/ plaza.

99 The Council has through its consultation and resolutions to date signalled its intention to develop the Lakeview site. With regard to the Councils planned activities at Lakeview, all affected parties will continue to be informed and/ or consulted transparently.

Legal Considerations and Statutory Responsibilities

100 Legal advice has been taken and the recommended option is consistent with that advice.

Attachments (Presented separately)

- A Community feedback
- B Subdivision plan
- C Proposed hot pools lease area
- D Public realm concept plan

QLDC Council
26 October 2017

Report for Agenda Item: 5

Department: Property & Infrastructure

Queenstown Town Centre Parking Indicative Business Case

Purpose

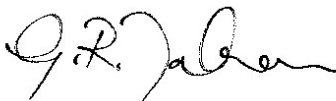
The purpose of this report is to present the Queenstown Town Centre Parking Indicative Business Case allowing work to proceed on the preferred option within the detailed business case.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Adopt** the Queenstown Town Centre Indicative Business Case.
3. **Authorise** works to proceed on the preferred option within the detailed business case.

Prepared by:



Gabrielle Tabron
Project Manager

12/10/2017

Reviewed and Authorised by:



Peter Hansby
GM Property & Infrastructure

12/10/2017

Background

- 1 Property and Infrastructure is leading a multi-disciplinary team to identify and address the challenges facing the Town Centre through a Masterplan. The Masterplan is a 35-year vision that sets the direction for the future of the Town Centre.
- 2 The district is currently experiencing significant and unpredicted population, traffic, residential and tourism growth. Projected visitor growth is significant. Long range forecasts predict that domestic visitors will double and international visitors will nearly triple by 2026.

- 3 Access to the Town Centre is a major challenge with significant congestion on the arterial routes, very low use of public transport, inefficient parking and an ad hoc approach to passenger transport contributing to a very constrained and dysfunctional transport network. The state of this network supports car domination and this is reducing the Town Centre's ability to be a walkable, social and engaging area.
- 4 Improved parking solutions can support growth while also acting as a lever to encourage a much-needed increase in public and active transport use. Parking facilities developed in the right places and managed in the right way can also help attract traffic to the town centre fringes, encouraging people to walk rather than drive to the town's attractions.
- 5 The Queenstown Town Centre Parking Indicative Business Case is part of a wider programme of projects that form a Masterplan Programme for the Queenstown Town Centre. This programme brings together a set of business cases to describe an integrated investment story. These business cases and frameworks are focused on the following:
 - Masterplan (Spatial Framework including Public Realm)
 - Town Centre Arterial Routes
 - Public and Passenger Transport
 - Parking
 - Community and Civic Facilities (the business case for the development of a Community Heart has yet to be developed).

The Queenstown Town Centre Masterplan, Public and Passenger Transport and Town Centre Arterials business cases will be presented to Council in December 2017.

Comment

- 6 The Better Business Case framework has been followed as it provides clear investment objectives; is evidenced based and includes transparent options analysis to achieve co-investor agreement.

Options

Option 1: Reject the Indicative Business Case and do nothing.

Advantages:

- 7 Nil

Disadvantages:

- 8 Congestion in the town centre will continue to increase along with resident and visitor dissatisfaction.
- 9 Parking occupancy will remain in excess of 85% (standard planning percentage).

10 Option 2: Adopt the Indicative Business Case preferred option (Programme 6).

Advantages:

- 11 Reduces unnecessary travel in circulating to find a park and easier access to parking.
- 12 Reduce congestion by decreasing the number of cars within the town centre.
- 13 Improved efficiency and optimal use of carparks.
- 14 Improved environment/experience of the town centre.
- 15 Contributes to the Town Centre Masterplan vision.

Disadvantages:

- 16 Capital expenditure is required.
- 17 Potential for redundant infrastructure.

18 Option 3: Investigate one of the alternative shortlisted options within the Indicative Business Case.

Advantages:

- 19 Parking offering is in one central location (as per Programme 7).

Disadvantages:

- 20 Reduced ability to reduce congestion and thus contribute to improved experiences of the town centre.
- 21 Reduced ability to contribute to the Town Centre Masterplan vision.

22 This report recommends **Option 2** for addressing the matter because it provides the capability, by combining a mix of technology, behavioural interventions and appropriate supply through use of multiple strategically located sites, to deliver the desired benefits.

Significance and Engagement

23 This matter is of [medium] significance, as determined by reference to the Council's Significance and Engagement Policy because the proposed setup for parking in the future will cause a significant change to the current practice of parking within the town centre for commuters and visitors. Together with the changes in public transport the overall outcome will be positive.

Risk

24 This matter relates to strategic risk SR1 Current and future development needs of the community, as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because the change to the community will

result in behavioural changes to parking within the town centre and the use of public transport options.

25 The recommended option considered above mitigates the risk by:

Treating the risk – through a staged approach, good communications and multi-agency integration.

Financial Implications

26 The expected budget for the detailed business case is \$50k and this is provisioned for within the Town Centre Masterplan Implementation budget. The design, consenting and construction of the physical works will be subject to the LTP consultation process.

Council Policies, Strategies and Bylaws

27 The following Council policies, strategies and bylaws were considered:

- Queenstown Town Centre Transport Strategy
- Traffic and Parking Bylaw

28 The recommended option is consistent with the principles set out in the named policy/policies.

29 This matter is included in the 10-Year Plan/Annual Plan. Reduction and relocation of parking within the town centre is a key issue to reducing congestion and increasing the liveability experience.

Local Government Act 2002 Purpose Provisions

30 The recommended option:

- 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 having a robust business case supporting the investment;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

31 The persons who are affected by or interested in this matter are Queenstown residents, visitors, business owners and operators.

32 In July 2017, QLDC published a community engagement document for the Queenstown Town Centre Masterplan and conducted several community engagement events encouraging feedback across a wide variety of mediums.

The most common theme was for more parking options for long-term and short-term stays. 65% of respondents said their main problem with the town centre was lack of parking options.

33 Consultation regarding the physical works will be dealt with under the LTP consultation process.

Attachments (Circulated separately)

A Queenstown Town Centre Parking Indicative Business Case

**QLDC Council
26 October 2017**

Report for Agenda Item: 6

Department: Finance & Regulatory

Class 4 and TAB Gambling Venue Relocation Policy

Purpose

To consider the proposal to commence a special consultative procedure in relation to the proposed Class 4 and TAB Gambling Venue Relocation Policy (the Policy)

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** the commencement of the special consultative procedure in relation to the proposed Class 4 and TAB Gambling Venue Relocation Policy.
3. **Appoint** three Councillors (to be named) to hear and consider any submissions on the proposed Class 4 and TAB Gambling Venue Relocation Policy.

Prepared by:



Nathan Bates
Regulatory and Finance
Alcohol Licensing Inspector

10/10/2017

Reviewed and Authorised by:



Stewart Burns
Regulatory and Finance
General Manager

12/10/2017

Background

- 1 On 17 August 2017 Council resolved to adopt the current Class 4 and TAB Gambling Venue Policy <http://www.qldc.govt.nz/services/permits/gaming/>
- 2 The Gambling (Gambling Harm Reduction) Amendment Act 2013 required Council to consider whether to include a relocation policy in its Class 4 Venue Policy as part of the first review of the policy following this amendment on 14 September 2013.

- 3 Recently, an application to relocate 18 gaming machines was received, which identified this omission from Council's current Class 4 and TAB Gambling Venue Relocation Policy regarding the ability to consider the relocation of gaming machines.
- 4 The proposed policy and consultation will address this omission.

Comment

Gambling Act 2003

- 5 Recently, Council reviewed and adopted its Class 4 and TAB Gambling Venue Relocation Policy. However, an amendment in the legislation that requires the consideration to relocate gaming machines was not undertaken.
- 6 Section 102(5A) of the amended Act states:

“The first time that a territorial authority commences a review of the policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy (as defined in section 101(5)) in its class 4 venue policy.”

- 7 The most recent review of the Class 4 and TAB Gambling Venue Relocation Policy would have been the first review since the amended legislation.

Proposed Relocation Policy

- 8 It is proposed that any relocation policy (to permit the relocation of gaming machines or not), would form part of the current Class 4 and TAB Gambling Venue Relocation Policy.
- 9 A number of other districts have considered a relocation policy, a summary of which is in Attachment A.
- 10 A policy such as this would establish for the community, whether to allow the relocation of gaming machines, and if so under what circumstances, or if the relocation of gaming machines is prohibited and why.
- 11 The proposed policy (Attachment B) reflects the objectives of the current Class 4 and TAB Gambling Venue Relocation Policy to:
 - a) To ensure the Council and the Community has influence over the provision of new gambling venues in the district;
 - b) To control and manage the growth of gambling in the district;
 - c) To allow those who wish to participate in electronic gaming machines and totalisator (TAB) gambling to do so within the district;
 - d) To prevent and minimise harm caused by gambling; and
 - e) To create an information flow so that the on-going effects of gambling in the district may be assessed.

12 The proposed relocation policy is consistent with the overall direction of the core policy. This appreciates that gambling is a recognised part of the entertainment industry in the district and that the level of control exercised by the policy is commensurate with the anticipated harm. The proposed relocation policy provides for this to occur in a simple manner, while protecting the community interest in maintaining the size, scale and location of individual venues.

Options

13 Option 1 Status Quo – Decline to permit the relocation of gaming machines

Advantages:

14 This would continue the reduction of the number of gaming machines in permitted venues (from 18 machines to a maximum of 9 machines), and may also assist in the reduction of harm from gambling.

Disadvantages:

15 The current Gambling Policy does not have an objective to reduce the number of gaming machines across the district (sinking lid) or a cap on the number of venues permitted across the district, therefore not permitting the relocation of machines could be seen as inconsistent by some.

16 Option 2 Adopt the proposed relocation policy of gaming machines for consultation.

Advantages:

17 This would be consistent with the current policy, which controls the location on new venues to prevent the establishment of gambling venues in residential areas or within 50 metres of sensitive sites such as schools.

18 This would permit businesses to move and maintain their gambling machine numbers and may maintain the level of community grants.

Disadvantages:

19 The relocation of gaming machines may not assist in the reduction of harm from gambling.

20 This report recommends **Option 2** for addressing the matter because it maintains consistency with the current Gambling Policy.

Significance and Engagement

21 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the matter has a low impact on the environment culture and people of the District. There will only be a low number of organisations that will be affected by this policy.

Risk

- 22 This matter relates to the strategic risk SR3 “Management Practice – working within legislation”, as documented in the Council’s risk register. The risk is classed as moderate. This matter relates to this risk because the current policy does not comply with the Gambling Act.
- 23 The recommended option considered above mitigates the risk by terminating the risk (by reviewing the policy).

Financial Implications

- 24 There are minimal financial implications from this policy, which will be met through existing budgets.

25 Council Policies, Strategies and Bylaws

- 26 The following Council policies, strategies and bylaws were considered:

- Class 4 and TAB gambling venue policy
- Significance and Engagement Policy

- 27 The recommended option is consistent with the principles set out in the named policy.

- 28 This matter is included in the 10-Year Plan/Annual Plan

- Volume 1 – Long Term Council Outcomes for Regulatory Functions and Services.

Local Government Act 2002 Purpose Provisions

- 29 The recommended option:

- 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 ensuring the policy complies with the Act;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

- 30 The persons who are affected by or interested in this matter are residents, ratepayers, iwi and visitors of the Queenstown Lakes district community.

- 31 The Council will publicly consult using the special consultative procedure on the proposed policy.

Legal Considerations and Statutory Responsibilities

32 The relevant legislation that must be considered comes from the Gambling Act 2003 which states in section 102(5A):

(5A) The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy (as defined in section 101(5)) in its class 4 venue policy.

33 Section 101(5) of the Gambling Act 2003 states:

(5) A **relocation policy** is a policy setting out if and when the territorial authority will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) to which a class 4 venue licence applies (in which case section 97A applies).

Attachments

- A Summary of Relocation Policies across New Zealand
- B Proposed Class 4 and TAB Gambling Venue Relocation Policy
- C Statement of Proposal

Attachment A

Existing Venue Relocation Provisions – October 2017

3.3 Venue Relocation Policy

A new venue consent will be issued by Council in the following circumstances:

- a) Where the venue is replacing an existing venue within the district; and
- b) Where the existing venue operator consents to the relocation; and
- c) Where the proposed new location meets all the other requirements of this Policy.

In accordance with section 97A of the Gambling Act 2003, when consent is sought to relocate a venue under this relocation provision, the new venue may operate up to the same number of machines that was permitted to operate at the old venue immediately before the old venue licence is cancelled.

As set out in section 97A(2)(c) of the Gambling Act 2003, when the new venue is granted a new consent under this relocation policy, the old venue must be treated as if no class 4 venue licence had ever been held by any society for that venue. The old venue will therefore require a new consent from Council to continue to operate class 4 gambling machines and will be subject to all new consent requirements.

Ashburton

6. Transfer of existing class 4 gambling venue conditions

- 6.1. Where an existing class 4 gambling venue is ceasing to operate, the Council may, at its own discretion, allow the transfer of existing venue conditions to another location(s) that meets the requirements of this policy.
- 6.2. Generally the conditions to be met for a transfer of venue conditions to be considered, in addition to those contained elsewhere in this policy, are:
 - The existing physical venue must be ceasing to operate as licensed premises;
 - The new venue(s) must be in a similar geographic location as the existing venue. Venues will not be allowed to move from one town (e.g. Ashburton, Methven, Rakaia) within the District to another town under this provision;
 - The new venue(s) must be operated by the same corporate society operating the existing venue;
 - The new venue(s) will be permitted to have the same number of machines as the existing venue, subject to any restrictions applicable under the Gambling Act 2003;
 - The merging of existing venue conditions and transferred venue conditions is not permitted.
- 6.3. No venue will, under any circumstances, be permitted to operate more than 18 gaming machines at a single venue.

South Wairarapa

- 3.1 a) Council may permit a class 4 venue to re-establish at a new site where, due to extraordinary circumstances, the owner or lessee of the class 4 venue cannot continue to operate at the existing site. Examples of such circumstances include, but are not limited to, the following:
- i expiration of the lease; or
 - ii acquisition of property under the Public Works Act; or
 - iii site redevelopment

Central Otago

5. Relocation policy

- 5.1 An existing Class 4 gambling venue that relocates may be allowed up to the maximum number of gaming machines approved at the time of closing of the former venue, subject to meeting the other conditions of this policy.

Far North

The Far North District Council will accept applications for the relocation of existing machines to a new venue. The criteria for relocation are:

- (i) A venue licence was not held on 17th October 2001, but granted after that date, and before commencement of the Gambling Act 2003.

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Page 1 of 5



- (ii) Where two or more clubs, with existing licenses, may legally merge, at which time the maximum number of machines should not exceed 18, and that the venue is suitably located to meet the criteria of this Policy.
- (iii) Where an existing business wishes to relocated from its current premises to a new venue within the District, and take all or fewer of its existing machines to those new premises, no machines may remain at the former venue.
- (iv) A new venue will not be considered if it is defined as a venue declared unfit under section 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004.
- (v) The intent to consider a relocation will be publically notified; including on the Council website
- (vi) New Class 4 gaming venues shall be in Commercial, Industrial, General Coastal Rural Living or Rural Production zones, or within sports clubs or public houses and shall be eligible for consent provided the venue is at least 100 metres from any Kindergarten, early childhood centre, school, place of worship, Marae, or other community facility, and 100 metres from a Residential, Coastal Residential, Coastal Living, Recreational Activities zones.
- (vii) If it is not practicable to apply a 100 metre proximity policy, then the distance becomes a discretionary condition. The Council will then make the decision.

Gisborne

5.1 Relocation of existing Class 4 venues permitted under specific circumstances

Council may permit an existing Class 4 venue to re-establish at a new site where:

- a. Due to circumstances beyond the control of the owner or lessee of the Class 4 venue, the venue cannot continue to operate at the existing site. Examples of such include the following:
 - i. Expiry of lease;
 - ii. Acquisition of property under the Public Works Act 1981; and
 - iii. Site redevelopment.

Grey District

5. Relocation of Class 4 venues

- a) Council may permit existing Class 4 venues to re-establish at a new site in the same geographic area where:
 - i) Due to circumstances beyond the control of the owner or lessee of the premises in which the machines are located, the premises cannot continue to operate at the existing site. Examples of such circumstances include but are not limited to, the following:
 - Expiration of lease.
 - Acquisition of property under the Public Works Act.
 - Site development.
 - Natural disaster making the venue unusable.

Hamilton

4. Council will not grant consent for the establishment of any new Class 4 gambling venues or machines except in the following circumstance(s):
 - a. Where two or more private clubs merge and consolidate the operation of their Class 4 gambling activities at a single gambling venue that is located within a Gambling Permitted Area (Schedule 1); or
 - b. Relocation from a site within a Gambling Permitted Area to another site within the Gambling Permitted Areas will not be permitted except where:
 - i. Clause 12 applies; or
 - ii. The licensee's landlord has refused to renew the lease of the premises; or
 - iii. The building in which the venue is located is deemed under building legislation to be earthquake-prone, dangerous or insanitary; and

The society undertakes to permanently close an existing Class 4 gambling venue located inside of a Gambling Permitted Area as part of an application for new venue consent and the proposed new Class 4 gambling venue is located within a Gambling Permitted Area (outlined in Schedule 1).
 - c. Where a society undertakes to permanently close an existing Class 4 gambling venue located **outside** of a Gambling Permitted Area as part of an application for a new Venue Consent and the proposed new Class 4 gambling venue is located within a Gambling Permitted Area (outlined in Schedule 1).
5. This relocation policy only applies:
 - a. where the applicant surrenders the existing venue licence (with the Department of Internal Affairs) for the existing venue, and
 - b. the application meets all other provisions of this Policy.

Hasting

5. EXCEPTIONS FROM MEETING PARTS OF THE POLICY

5.1 Venue Relocation

- i) Council may grant consent under s 98(c) of the Act to a proposal to change the venue to which a class 4 venue licence currently applies, provided that the relocation of a venue to which a Class 4 Venue licence currently applies can only occur within the Hastings Central Commercial or the Havelock North Village Centre zones with the following exception:
 - That the existing venues at Stortford Lodge and Clive, can only relocate within the Stortford Lodge and Clive zones as defined in the attached maps or within the Hastings Central Commercial or Havelock North Village Centre zones.
- ii) In accordance with s 97A (2)(b) of the Act the maximum number of gaming machines permitted to operate at the new venue at the time when the new class 4 venue licence takes effect is the same as the maximum number of gaming machines permitted to operate at the old venue immediately before the licence relating to the old venue is cancelled.

Invercargill City

- (ii) Council may consent to the transfer of a licence for an existing venue to a new venue where the venue will be operated by the same corporate society provided that the maximum number of gaming machines which can be transferred to the new venue will be nine.

Kaipara

5.4 Relocation of existing Class 4 venues permitted under specific circumstances

Council may permit existing Class 4 venues to re-establish at a new site where:

- a) Due to circumstances beyond the control of the owner or lessee of the premises in which the machines are located, the premises cannot continue to operate at the existing site. Examples of such circumstances include but are not limited to the following:
 - Expiry of lease;
 - Acquisition of property under the Public Works Act; and
 - Site redevelopment.
- b) In the case of a club only, as defined in the GA 2003, Council will permit the relocation to a new site of a club, or where two or more existing clubs combine and a relocation is involved.

Lower Hutt

1.5 RELOCATION OF EXISTING VENUES AND MACHINES

Venues with more than nine machines may relocate from suburban areas without reducing the numbers of machines they operate.

Manawatu

- 3.2.6 Where an existing Class 4 gambling venue is ceasing to operate, the Council may, at its own discretion, allow the transfer of existing venue conditions to another location(s) that meets the criteria of existing policy.

Matamata-Piako

5.4 Relocation Policy

Council will consider granting consent for relocation of existing class 4 venues if;

- the premises cannot continue to operate at the existing site, examples of such circumstances include, but are not limited to natural disaster, fire, or the premises is unfit to continue to operate
- the premises wishes to move to a more appropriate venue within the same area.

When considering granting consent for relocation Council will take into consideration the social impact of gambling on high deprivation areas as well as all other considerations applicable for applying for a new licence.

Napier

5. Conditions for Consent

- 5.1. New or relocating venues may only be located within the following zones specified in the Napier City Council District Plan:
- i) Inner City Commercial Zone
 - ii) Art Deco Quarter
 - iii) Fringe Commercial Zone
 - iv) Ahuriri Mixed Used Zone
 - v) Main Industrial Zone
 - vi) West Quay Waterfront
 - vii) Taradale Suburban Commercial Zone (maximum of 3 venues)

Opotiki

8. Exceptional Circumstances

There may be circumstances such as but not limited to fire or flooding of an existing Class 4 Venue where Council may use its discretion to allow gaming machines to be replaced or relocated.

Palmerston North

4.3 Venues relocating to new premises

A Class 4 gambling licence holder who holds consent from the Council to operate gaming machines at a venue in Palmerston North may apply for consent to relocate all the gaming machines at that venue to a new venue in Palmerston North, if the licence holder can satisfy the Authorised Council Officer that they are required to relocate to the new venue through events beyond their control.

3

An application for consent under this section must provide all the required information, and meet all the necessary requirements of this policy, as if it were a new application for consent under this policy.

Any consent granted under this section shall not permit the consent holder to operate a greater number of machines at the new venue than were operating at the existing venue.

For the avoidance of doubt, an application for consent under this section may be permitted even if the overall cap on the total number of class 4 gambling machines in Palmerston North specified in clause 4.1 of this policy has been reached or exceeded.

Porirua

Relocation Policy

A class 4 gambling venue may relocate to the City Centre or Industrial Zones as defined under the Porirua City District Plan, and Tenancy 7, 69 A Discovery Drive, Whitby, Porirua, also known as 'The Co-Op Kitchen & Bar'. A venue that relocates may have the same number of gaming machines as were at the original venue.

If a venue wants to relocate, it must apply for consent from Porirua City Council. It must then apply to the Department of Internal Affairs (DIA) for the appropriate licences.

An application for consent to relocate may only be made with the agreement of the operator of the current venue.

The venue that previously held a venue licence will be treated as if no class 4 venue licence had ever been held by any gaming society for that venue. This will mean that, if a society wants to put gaming machines or a TAB at that venue, it must apply for consent from Porirua City Council. It would then need to apply to the Department of Internal Affairs (DIA) for the appropriate licences.

Selwyn

6 Venue Relocation

- a) A new venue consent will be issued by the Council in the following circumstances:
 - i) Where the venue is intended to replace an existing venue with the district; sand
 - ii) Where the proposed new location meets all the other requirements of this policy.
- b) The new venue will be permitted to have the same number of machines as the existing venue.

South Taranaki

3.0 Exceptions to the Policy

- 3.1 Clubs that relocate may be allowed up to the maximum number of gaming machines approved at the time of closing the former premises.

South Waikato

4. Reestablishment of premises

Reestablishment of premises on an approved site after such circumstances, but not limited to, as fire, natural disaster, upgrade or expansion would not require site location reapproval.

Southland District

- (b) Council will consent to the transfer of a licence from an existing venue to a new venue where the venue will be operated by the same corporate society, and subject to a social impact study. The maximum number of gaming machines permitted to operate at the new venue, at the time when the new Class 4 venue licence takes effect, is the same as the maximum number of gaming machines permitted to operate at the old venue, immediately before the licence relating to the old venue is cancelled.

Taupo

7. Relocation of existing Class 4 gambling venues

- 7.1 An existing Class 4 venue may relocate provided it is relocating to or within the Taupō, Turangi and Mangakino Town Centres (as defined on the maps in this policy).
- 7.2 Class 4 venues that relocate may be allowed up to the maximum number of gaming machines approved at the time of closing of the former venue, subject to meeting the other conditions of this policy.

Tauranga

5.8 Relocation

Applications to relocate an existing Class 4 or TAB Venue will be considered a new application for consent.

Council may consider granting consent for relocation of existing class 4 venues if the premises cannot continue to operate at the existing site.

Examples of such circumstances include but are not limited to the following:

- due to a natural disaster or fire, the licensed premises is unfit to continue to operate;
- the property is acquisitioned under the Public Works Act 1981;
- expiration of lease; or
- site redevelopment.

Thames-Coromandel

3.3 Relocations of class 4 venues

Council will consider granting consent for relocation of existing class 4 venues if the premises cannot continue to operate at the existing site. Examples of such circumstances include but are not limited to the following:

- due to a natural disaster or fire, the licensed premises is unfit to continue to operate;
- the property is acquisitioned under the Public Works Act 1981;
- expiration of lease;
- site redevelopment.

In considering an application for class 4 venue relocation, Council will give regard to the proposed location of the new venue and its proximity to

- early childhood centres/kindergartens, schools, kohanga reo, and playgrounds, and
- other licensed class 4 venues and TAB venues

at the time of application.

Thames-Coromandel District Council - Class 4 Gambling Venue Policy and Board Venue Policy - August 2015

The number of class 4 gaming machines at the new premises must be the same or less than the existing class 4 venue.

Upper Hutt

7 Transfer of existing Class 4 Gambling Venue conditions

Where an existing Class 4 Gambling Venue is ceasing to operate, the Council may, at its own discretion, allow the transfer of existing venue conditions to another location(s) that meets the criteria of the existing policy

Generally, the conditions to be met for a transfer of venue conditions to be considered, in addition to those contained elsewhere in this policy, are:

- the existing venue must be ceasing to operate as a Class 4 Gambling venue;
- the new venue must be operated by the same corporate society operating the existing venue;
- the new venue must be in a similar geographic location as the existing venue;
- the new venue will be permitted to have the same number of machines as the existing venue, subject to any restrictions applicable under the Gambling Act 2003; and
- the merging of existing venue conditions and transferred venue conditions is not permitted.

Waikato District

2.8. Relocation Policy

2.8.1. Council will grant consent in respect of a venue where the venue is intended to replace an existing venue within the district to which a class 4 venue licence applies only in the following circumstances:

- (i) The proposed new venue has been newly constructed or refurbished for the purposes of the primary activity of the venue;
- (ii) Any club or two or more clubs merging that propose moving to newly constructed or refurbished premises must be relocated within the same community of interest as the original club or clubs;

- (iii) For any other venue the proposed new venue must be located in an area with a deprivation index at least the same or lower than the existing venue.

Waipa District

8. Relocation Policy

- 8.1. Where an existing Class 4 Gambling Venue is ceasing to operate, the Council or its delegated officer may, at its or their own discretion, allow the transfer of existing venue conditions to another location(s) that meets the criteria of the existing policy.
- 8.2. Generally, the conditions to be met for a transfer of venue conditions to be considered, in addition to those contained elsewhere in this policy, are:
- (a) the existing venue must be ceasing to operate as a Class 4 Gambling venue;
 - (b) the new venue must be operated by the same corporate society operating the existing venue;



- (c) the new venue will be permitted to have the same number of machines as the existing venue, subject to any restrictions applicable under the Gambling Act 2003; and
- (d) The merging of existing venue conditions and transferred venue conditions is not permitted.

Waitaki

7 Relocation of existing licensed premises

Council may permit existing Class 4 venues to reestablish at a new site where, due to circumstances beyond the control of the owner or lessee of the premises in which the machines are located, the premises cannot continue to operate at the existing site. Examples of such circumstances include, but are not limited to, the following:

- Expiration of lease
- Acquisition of property under the Public Works Act
- Site redevelopment.

Where a venue relocates, the vacated site will not be granted another Class 4 licence.

The new site must meet all of the other conditions set out in this policy.

Waitomo

4.17 Relocation of Class 4 Venues

- 4.18 Notwithstanding other conditions in this policy, where a legally established venue applies for consent to relocate to a new site, WDC will consider such application on the same basis as a new venue application, with the exception that such venue may relocate and retain the pre-existing number of gaming machines to such new site. That exception will be subject to the requirement that the total number of machines in the District remains within the overall district cap of 77 machines.

Wanganui

6. Venues Relocation Policy

- 6.1. Applications to relocate an existing Class 4 Gambling Venue will be considered a new application for consent. The application will follow the process detailed in Appendix II.
- 6.2. A Class 4 Gambling Venue licence holder in Wanganui may apply for consent to relocate the gaming machines from that venue to a new venue in Wanganui provided that –
- The licence holder can satisfy the Authorised Officer of Council that they are required to relocate to the new venue due to the existing venue becoming untenable; and
 - The venue is a permitted activity under the Wanganui District Plan or where a resource consent to undertake the activity has been granted by Council;
- 6.3. A consent issued under this section shall only permit the consent holder to operate up to the same number of machines at the new venue that were operating at the previous venue;
- 6.4. The applicant has the right to appeal this decision. The appeal process is detailed in Appendix II.

Wellington

5. RELOCATION CLASS 4 VENUES

This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003.

Any class 4 (NCGM) venue may be relocated provided:

- it relocates to the Central Area Zone; or
- it relocates to an area identified as a “centre”, but excluding Neighbourhood Centres, in the Wellington District Plan; and
- the NCGMs in the new venue would not result in more NCGMs in a zone than is allowed under section 4 of this policy.

Western Bay of Plenty

5.4 Relocation of existing Class 4 gambling venues

Council permits the relocation of Class 4 Gambling Venues subject to meeting the location requirements outlined in clause 5.3.

Attachment B**Queenstown Lakes District Council****Proposed Class 4 and TAB Gambling Venue Relocation Policy****Venue Relocation**

A new venue consent will be issued by Council in the following circumstances:

- (a) where the venue is intended to replace an existing venue within the district;
- (b) where the existing venue operator consents to the relocation; and
- (c) where the proposed new location meets all the other requirements of the Class 4 and TAB Gambling Venue Policy.

In accordance with section 97A of the Gambling Act 2003, when a relocation consent is sought under this relocation provision, the new venue may operate up to the same number of machines that was permitted to operate at the old venue immediately before the old venue licence is cancelled as a result of the relocation, to a maximum of eighteen (18) machines.

In accordance with section 97A(2)(c) of the Gambling Act 2003, when the new venue is established following a consent being granted under this relocation provision, the old venue is treated as if no class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council.



**QUEENSTOWN
LAKES DISTRICT
COUNCIL**

**PROPOSED QUEENSTOWN LAKES DISTRICT
CLASS 4 AND TAB GAMBLING VENUE
RELOCATION POLICY**

STATEMENT OF PROPOSAL

Attachment C

INTRODUCTION

- 1 In accordance with Section 102(5A) of the Gambling Act 2003, Queenstown Lakes District Council is considering whether to include a relocation policy as part of its current Class 4 and TAB Gambling Venue Policy.
- 2 A **relocation policy** is a policy setting out if and when the Queenstown Lakes District Council will grant permission in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) to which a class 4 venue licence applies.

PROPOSAL

- 3 Queenstown Lakes District Council is undertaking its statutory obligation to consider a Relocation Policy as part of its Class 4 and TAB venue gambling Policy.
- 4 The proposed policy is intended to provide an element of protection to our expanding residential areas, while recognising the community benefits from local community grants received.
- 5 The proposed policy will continue the requirements of the Class 4 and TAB venue gambling Policy to meeting the following criteria.
- 6 This Statement of Proposal has been prepared in accordance with the requirements of sections 83 and 86 of the LGA, and includes:

REASON FOR PROPOSAL

- 7 Council has reviewed the current policy, including a review of other territorial authority's policies and consider the proposed policy is the most appropriate means of protecting the public by:
 - a. Controlling the growth of gambling;
 - b. Preventing and minimising harm from gambling, including problem gambling;
 - c. Authorising some gambling and prohibit the rest;
 - d. Facilitating responsible gambling;
 - e. Limiting opportunities for crime or dishonesty associated with gambling and the conduct of gambling;
 - f. Ensuring that money from gambling benefits the community; and
 - g. Facilitating community involvement in decisions about the provision of gambling.

IS THE PROPOSED POLICY THE MOST APPROPRIATE POLICY?

- 8 The Council has considered the most appropriate way of addressing the issues described in the problem definition section above, the options available, and determined that the proposed policy is the most appropriate means for addressing the issues.
- 9 In considering whether the policy is the most appropriate, Council has considered the following options:
 - a. Option 1 - Status Quo – Do not permit the relocation of gaming machines.
 - b. Option 2 – Proposed relocation policy

10 Option 1 – Status Quo

- 11 This option will continue to minimise adverse effects of gambling on the community, but will not allow the relocation of machines from one venue.
- 12 The policy does not protect residential areas from containing gaming premises. The number of machines will not reduce in our district.

13 Option 2 - Proposed relocation policy

- 14 The advantage of this option is that it enables the relocation of gaming machines, while ensuring compliance with the Class 4 and TAB Gambling Venue Relocation Policy.

ARE THERE ANY IMPLICATIONS UNDER THE NEW ZEALAND BILL OF RIGHTS ACT 1990?

- 15 The proposed policy is consistent with the New Zealand Bill of Rights Act 1990 (NZBORA).

TIMETABLE FOR CONSULTATION

- 16 The following dates represent the key times in the consultation programme:
- a. Council resolves to undertake public consultation regarding the proposed policy – **28th October 2017**
 - b. Advertisement in Otago Daily Times, Southland Times, Mirror and Wanaka Sun – between **28th October and 4th November 2017**.
 - c. Submissions close on **27th November 2017**.
 - d. Submissions heard by a subcommittee of Councillors on **30th November 2017**.
 - e. Council considers outcome of consultation process **14th December 2017**
 - f. Public notice of final decision (if Council resolves to adopt the policy) – **16th December 2017**

- 17 The policy comes into effect subject to the above.

INSPECTION OF DOCUMENTS AND OBTAINING COPIES

- 18 Copies of this Statement of Proposal and the proposed policy may be inspected, and a copy obtained, at no cost, from:
- a. either of the Council offices at 10 Gorge Road, Queenstown or the Wanaka Service Centre, 47 Ardmere Street, Wanaka;
 - b. any Council library within the Queenstown Lakes District; or
 - c. the Council website – www.qldc.govt.nz

RIGHT TO MAKE A SUBMISSION AND BE HEARD

- 19 Any person or organisation has a right to be heard in regard to this proposal and the Council encourages everyone with an interest to do so.
- 20 The Council would prefer that all parties intending to make a submission to the Queenstown Lakes District Council Website: www.qldc.govt.nz
- 21 Submissions must be received by **Monday 27th November 2017**. The Council will then convene a hearing, which it intends to hold on **Thursday 30th November 2017** at which any party who wishes to do so can present their submission in person. The Council will give equal consideration to written and oral submissions.
- 22 The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.
- 23 Every submission made to the Council will be acknowledged in accordance with the LGA 2002, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.
- 24 Section 82 of the LGA 2002 sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

MAKING AN EFFECTIVE SUBMISSION

- 25 Written submissions can take any form (e.g. Email, letter). An effective submission references the clause(s) of the draft policy you wish to submit on, states why the clause is supported or not supported and states what change to the clause is sought.
- 26 Submissions on matters outside the scope of the policy cannot be considered by the Hearings Panel.

Mike Theelen
CHIEF EXECUTIVE

APPENDIX 1 – Proposed Class 4 and TAB Gambling Venue Relocation Policy

**QLDC Council
26 October 2017**

Report for Agenda Item: 7

Department: Finance & Regulatory

Annual Report 2016/17

Purpose

The purpose of this report is to adopt the Annual Report for the year ended 30 June 2017.

Recommendation

That Council:

1. **Adopt** the Annual Report for the year ended 30 June 2017 pursuant to sections 98 and 99 of the Local Government Act 2002, and as recommended by the Audit, Finance and Risk Committee.

Prepared by:



Lyn Zeederberg
Financial Controller

10/10/2017

Reviewed and Authorised by:



Stewart Burns
General Manager, Finance
and Regulatory

10/10/2017

Background

- 1 Sections 98 and 99 of the Local Government Act 2002 require Council to prepare its Annual Report for the year ended 30 June 2017 in accordance with the information required by Part 3 of Schedule 10 of the same Act.
- 2 Council is required to adopt its Annual Report by 31 October 2017. The Annual Report was considered at the meeting of the Audit, Finance and Risk Committee ("the Committee") on 5 October 2017.
- 3 The auditors attended this meeting and briefed the Committee on the audit process for the Annual Report 2016/17. This year's audit focused heavily on the revaluations of Council infrastructure and investment property. Council is expecting to receive an unqualified audit report.

- 4 This Annual Report is produced pursuant to the requirements of the Local Government Act 2002. The purposes of an annual report as per section 98 (2) are:
- a. to compare the actual activities and actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the 10 Year plan and the annual plan; and
 - b. to promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.

Comment

- 5 A copy of the Annual Report 2016/17 has been circulated to all elected members and it is expected that Council's auditors (Deloitte) will have issued an unqualified opinion on the report by the meeting date. This means that in the opinion of the auditors, the financial statements fairly reflect the financial performance and position of the Council and Group for the year ended 30 June 2017.
- 6 The audit process has been completed and no changes are expected to the Annual Report at Attachment A.
- 7 The Committee considered a draft Annual Report 2016/17 at its meeting on 5 October 2017. No changes to the draft Annual Report were made at this meeting. The Committee has recommended that Council adopt the Annual Report 2016/17 at Attachment A.
- 8 The introductory information in Section One provides a summary of the main financial issues and also the major achievements over the financial year. The key features are:
- a. QLDC recorded a surplus of \$68.0m for the year. This is up from the \$39.4m surplus recorded last year and also up against a budget of \$21.5m.
 - b. The main reasons for the higher surplus, which is not profit, are related to higher revenue (\$16.1m) to budget and \$34.6m of unrealised net gains on revaluation of QLDC assets. The \$34.6m movement in value for the year relates to the Council's investment property; this is a gain on paper due to higher market prices and the change in zoning for the Lakeview land in Queenstown.
 - c. Both revenue and operating expenditure were above budget for the year ended 30 June 2017. Revenue was above estimate by 12.9% or \$16.1m and expenditure was over by 5.5% or \$5.72m. This reflects extremely high levels of activity across all activities.

Options

- 9 Option 1: The report is for adoption as required by legislation, therefore no options are discussed.

Significance and Engagement

10 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the Annual Report process is largely a reporting back mechanism. The Annual Report neither contains nor requires any new decisions from Council.

Financial Implications

11 The Annual Report provides the main mechanism for reporting back to the community on the year's financial results and on organisational performance.

Council Policies, Strategies and Bylaws

12 The following Council policies, strategies and bylaws were considered:

- 10 Year Plan 2015-25
- Annual Plan 2016/17

13 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

14 The recommended option:

- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

15 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community.

16 The report provides a basis for communication between the Council and the community on the year's financial results and on organisational performance, and as such no wider consultation is required.

17 The final Annual Report 2016/17 will be made available via the QLDC website.

Legal Considerations and Statutory Responsibilities

18 Section 98 of the Local Government Act 2002 requires that a local authority complete and adopt the annual report by resolution within 4 months after the end of the financial year to which it relates.

Attachments (Circulated separately)

A Annual Report for the year ended 30 June 2017

QLDC Council**26 October 2017****Report for Agenda Item: 8****Department: CEO Office****Chief Executive's Report****Purpose**

To provide updates on matters of general democratic interest and to present updates on items from meetings earlier in the meeting cycle.

Recommendation

That the Council:

1. **Note** the contents of this report;

Agreement to Grant a Temporary Right of Way & Underground Services Easement – Spark New Zealand Limited, Platinum Ridge Recreation Reserve

2. **Approve** an Agreement to Grant a Temporary Right of Way and Underground Service Easement over Recreation Reserve Lot 726 DP 399076 in accordance with section 48 (1)(d) of the Reserves Act 1977 in favour Spark New Zealand Limited subject to the following conditions:
 - a. Spark New Zealand Limited to notify and liaise with QLDC's Infrastructure Department in advance of any onsite works so that they can oversee and provide input relating to existing in ground infrastructure;
 - b. The work site to be evidenced by before and after photographs, video or similar to be provided by Spark New Zealand Limited;
 - c. A comprehensive safety plan must be prepared and implemented, at Spark New Zealand Limited's cost, to ensure a safe environment is maintained around the subject site;
 - d. Certificate of adequate public liability cover to be received;
 - e. Method of installation of power supply and location to be confirmed with Council Engineers before commencement of works;
 - f. Reinstatement of the area to be completed immediately following installation and to the satisfaction of QLDC's Infrastructure Department. Reinstatement to include any roading, fencing or other structures.
 - g. The term of the Agreement shall be for a period of 2 years with a further term of 2 years at Council's sole discretion.
3. **Agree that** notification of the intention to grant the easements is not required as the statutory test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report; and

4. **Delegate** authority to approve final terms and conditions of the Agreement to Grant an Easement, including location, and execution authority to the General Manager – Property & Infrastructure; and
5. **Agree to** exercise the Minister's consent (under delegation from the Minister of Conservation) to the granting of easements to Spark New Zealand Limited over Lot 726 DP 399076.

Committee meetings of previous round

Audit, Finance and Risk Committee – Councillor McRobie (5 October 2017)

Information:

1. Work In Progress 2017
2. Sensitive Expenditure
3. Risk Management Update
4. Ten Year Plan (Long Term Plan) Project Update
5. QLDC Organisational Health Safety and Wellbeing Performance
7. Treasury Update: October 2017 (Public Excluded)

Ratification:

6. Audit of Annual Report for 2016/17 (Public Excluded) (Separate agenda item)

Wanaka Community Board - Ms R Brown (25 October 2017)

Information:

1. Affected Person's Approval – Warbirds Over Wanaka Community Trust
2. Paddle Wanaka – New Licence Notification and Affected Person's Approval
3. Affected Person's Approval – Tuki Festival
5. Chair's Report

Ratification

4. Agreement to Grant a Temporary Right of Way & Underground Services Easement – Spark New Zealand Limited, Platinum Ridge Recreation Reserve

Recommendation to Exclude the Public

It is recommended that the Council resolve that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of minutes of ordinary meeting held on 28 September 2017

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
19. Appointment of Resource Management Act Hearings Commissioners	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons	Section 7(2)(a)
20. Commonage Land Sale	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); j) prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(h) Section 7(2)(i) 7(2)(j)

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
21. Proposed new lease to Peak Bungy Limited for the bungy operation on Ben Lomond Reserve	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: b) protect information where the making available of the information: i) would disclose a trade secret; and ii) would likely unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information	Section 7(2)(b)(i) & (ii)
22. Appointment of QAC Directors	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons, including that of deceased natural persons h) enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities;	Section 7(2)(a) Section 7(2)(h)

Agenda Items

9. Arrowtown Community and Sports Centre Funding	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)
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This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.