

BEFORE THE QUEENSTOWN LAKES DISTRICT HEARING PANEL

Chair: Councillor L. Cocks
Members: Councillor M. White
Councillor C. Ferguson

HEARING at Queenstown on 19th February 2024

APPEARANCES

Meaghan Miller, GM Corporate Services – to assist.
Paul Speedy, Strategic Projects Manager – to assist.
John Stevens, Lawyer with Meredith Connell – to assist.
178 public submissions were received.
27 members of the public spoke at the hearing.

RESERVED DECISION OF THE PANEL

Introduction

1. This Hearing Panel was established to hear submissions and make a recommendation to Council on:
 - a. Topic 1 - proposed land strategy for the Stanley Street site; and
 - b. Topic 2 - proposed joint venture partnership with Ngai Tahu Property (NTP), including governance arrangements for the future Civic Administration Building (CAB) through the establishment of a Council Controlled Organisation (CCO).

2. The Stanley Street site has been a topic of conversation with our community for some time. An outline of the actions to date is as follows¹:
 - a. 2016 – Council confirmed the preferred location for a future CAB is the Queenstown CBD, the proposed building be constructed on Council owned land, further consideration be given to the merits or legality of a joint venture versus a Council owned option, and consultation on the proposal detail and options in the 2017/18 Annual Plan with the intention a budget for construction was to be included in this Annual Plan.
 - b. 2017 – Consultation on the Queenstown Town Centre Master Plan which identified the establishment of a civic axis and community heart precinct at the Stanley Street site (the Site).
 - c. 2018 – Councillors endorsed the Queenstown Town Centre Master Plan.
 - d. 2018 – Funding for the CAB was approved in the 2018-2028 Long Term Plan (LTP).
 - e. 2018 – Council entered into a Memorandum of Understanding (MOU) with NTP to explore the opportunity to develop the Site for mutual benefit.
 - f. 2019 – Councillors approve entering into a partnering agreement with NTP to formally enable work to jointly develop options for development on the Site.

¹ See Project Manawa Statement of Proposal, page 8 -9.

- g. 2020/21 – Three Lakes Cultural Trust established Te Atamira community facility in Frankton, providing improved space for tenants from the Stanley Street Queenstown Arts Centre building.
 - h. 2022 – Leases on the Queenstown Arts Centre and Queenstown Performing Arts Trust buildings on Stanley Street end.
 - i. 2022 – Consultation on the removal of the Queenstown Arts Centre building resulting in Council resolving to relocate rather than demolish the building.
 - j. 2022 – Council sought expression of interest to relocate the Queenstown Arts Centre building from Stanley Street to Country Lane at Frankton.
 - k. 2024 – Community consultation on the proposals which are being addressed by the Hearing Panel.
3. The aim of the proposals put to public consultation was to progress the development of the Site in line with the Queenstown Town Centre Master Plan, by unlocking freehold land surrounding reserve land at the heart of the Site to enable a range of development options.

Submissions

4. The majority of the submissions were opposed to both proposals for a variety of reasons. Comment on the location of CAB was not specifically asked for as previous processes and decisions were relied on as described above however, it was apparent the CAB location had an underlying impact on most submissions. There was not a lot of opposition to a 'one office' CAB to replace the status quo, but there was significant comment regarding the size and cost of the building given financial pressures at this time, and the CAB's location.
5. Reliance on previous processes and decisions was challenged based on the:
- a. asserted non-compliance with the mandatory requirements of the LGA to analyse and consider alternative options;
 - b. wording in the decisions and what was actually intended; and
 - c. duration since the earlier decisions and the changes that have occurred during that time.
6. The location of the heart of Queenstown and community hub was questioned considering most of the existing and planned residential development is east and south of Frankton. It was asserted that Queenstown CBD is now a hospitality centre/visitor precinct, and Frankton has developed as the residential centre for the Wakatipu basin. The notion that the CBD is/would be more vibrant due to council offices being located in the CBD was questioned.
7. The definitions of the 'heart of a city' or the 'civic centre', and where they should be, is likely to be an ongoing debate. There was acknowledgement that the traditional town centre is the Queenstown CBD and it was suggested there should not be an 'all or nothing' approach. As indicated in the consultation document, there are other activities for consideration on the Site, including Arts and Cultural facilities. We were reminded that the support for removal of the Queenstown Arts Centre Building from the Site was predicated on replacement facilities providing for the Arts and Performance in the CBD.

8. Although it was not raised to any significant degree by submitters, it could be argued that the Site is under-utilised and had not been developed in any way since handover of the land to the QLDC in 1980 because of reserve status restrictions.
9. We were also asked to learn from the past and were provided examples of debate around the location of a supermarket (in the CBD or not), location for the swimming pool (the Gardens or Frankton), and it was suggested the decisions for the current locations have proved to be correct.
10. The perception movement of staff into the CBD increased congestion and used scarce parking was a consistent message. There seemed to be a lack of acceptance that a large number of the Council staff already work in the Queenstown CBD and therefore there would not be an increase in the movements in and out of Queenstown if the staff were to remain in the CBD. Notwithstanding this, the parking issues in Queenstown are well known and temporary parking will be addressed in the Panel's recommendation. Concern was expressed that there is insufficient provision for a major transport hub.
11. The lack of support for establishing a Joint Venture (JV) and governance CCO with NTP was another consistent theme, based on the views that Council already owns and leases many buildings without CCOs and there have been better results when Council manages projects on a sole trade basis. Counter to this were the views that Council does not have the capacity to undertake Project Manawa. Many thought it prudent that Council retains full ownership of community assets, particularly new purpose-built council buildings.
12. Many of the submissions opposing the proposed land strategy appear to have been influenced by concerns regarding the Site being the preferred location for the CAB. There were also questions and concerns regarding the value of the exchanges and the apparent intention to sell land without community input. Alternative uses such as housing development were suggested by a small number of submitters for the Robertson Street land rather than local purpose reserve as it is currently used.
13. Proposals were received from some submitters to use Council land by the QEC either for the land swap or on which to build the CAB. The QEC neighbouring land is identified for future sports fields and has District Plan building restrictions which may affect its suitability for the CAB. As freehold land it could be considered for a land swap with reserve land, but the planning restrictions may reduce its value which would need to be considered as part of any exchange proposal.
14. There were questions as to whether other options, such as revocation of reserve status under the Reserves Act 1977 or compulsory acquisition under the Public Works Act 1981, had been considered rather than a land swap to provide freehold land at the Site. Other options had been considered, but as revocation of reserve status results in land reverting to Crown ownership and may trigger NTP's right of first refusal, Council decided instead to work closely with NTP and entered a Partnering Agreement with NTP in 2019. This Agreement facilitated a holistic approach to the Site, enabling the current proposal to unlock existing site constraints to realise the full potential and value of the Site. There is, however,

the ability for Council to commence a revocation process under the Reserves Act if desired.

15. Compulsory acquisition was also considered but this process is generally a last resort option and not necessary to achieve the proposed land outcomes for the Site. Issues under s.40 of the Public Works Act 1981 regarding whether any of the Site land will continue to be required for public work (or not) will be considered by Council when making subsequent decisions on how the Site is used.
16. The Council's proposal to stop the road (part of Ballarat Street) under the Public Works Act 1981 rather than under the Local Government Act 1974, is to enable the Council and NTP to make a joint approach to the Crown across the various parcels of the Site.
17. Costs, funding and affordability of another large project were consistently mentioned. Funding was not a matter to be addressed in this consultation as that will be included in LTP and AP processes when projects are defined and consulted on in the future. However, the sense of community weariness and fatigue from the impact of a number of large projects was evident. Added to this, it was implied there is a level of mistrust towards Council and a risk of further reputation deterioration that needs to be addressed.

The Panel's Decision and Reasons

18. In view of the various points submitted in opposition to the CAB location, the Panel recommends that further and updated analysis be undertaken to determine whether the Stanley Street site should remain the preferred location for the CAB or whether an alternative site would provide a better option. The work is to include, but not be limited to:
 - a. assessing the main themes arising from feedback/submissions, update the QLDC Workplace Travel Plan for alternative locations, use of public transport and active travel network, cost of building on a flat vs incline, and review of governance structure and funding options;
 - b. collating all relevant reports and information received by Council to date; and
 - c. updating financial and non-financial information for the Site, for comparison with similar information for a possible alternate location.
19. We support the proposal for a 'one office' CAB to replace the status quo, as we accept this will enable the most effective and efficient environment for the Council.
20. We acknowledge the concerns raised about the proposed establishment of a CCO with NTP to provide governance for the CAB, and do not support this proceeding until further work and review is undertaken on the location of the CAB and any potential commercial arrangements.
21. We are satisfied that Option 1 for the proposed land exchange should be progressed to enable potential future development and/or revenue generating opportunities for the Site. Arguably, the Site is currently under-utilised and has been for a long time, and we consider this proposal will remove constraints and enable development to help activate the area.
22. We prefer the comprehensive Option 1 proposal over the limited Option 2, as it will provide the optimum potential for a range of enterprises to be considered to activate

and utilise the Site for the benefit of the community. Option 1 will release significantly more freehold land than Option 2, providing the potential for more commercial activities and greater income for the Council, whilst retaining a large area of local purpose reserve for the community.

23. The land exchange should not be impeded by the review of the CAB location and does not commit Council to a CCO with NTP without further review and consideration by Council. Following the various land exchanges, the Council should determine the use, retention or sale of the Site or parts of it, which could potentially, not be part of Project Manawa. Council staff should be required to report the various steps and scope of work to achieve the proposed land exchange, for approval by Council.
24. While action regarding CAB location and land exchange is being progressed, we support providing the maximum amount of additional temporary car parking possible at the Site in the medium term. This parking should be provided pending decisions on the use of the Site, and development of alternative modes of travel/transport.

Recommendations

25. The Panel recommends Council:

- a. **Direct** the Chief Executive to undertake a review of the proposed new CAB location and ownership and report back to the Council on the following:
 - i. An update of financial and non-financial information upon which the Stanley Street site was identified as the preferred location for a one office solution, for comparison with similar information for an alternate site.
 - ii. An update of the QLDC Workplace Travel Plan for the Site and an alternative site.
 - iii. A review of the governance structure and funding options for building a CAB on the Site and an alternative site.
 - iv. A proposal for subsequent consultation with the community on these matters.
- b. **Adopt** Option 1 under Topic 1 – Land Exchange within the Project Manawa Statement of Proposal (refer page 13 – 18 Project Manawa Statement of Proposal), namely the proposal to stop part of Ballarat Street and exchanging the freehold land created by stopping that road, with the reserve land to the east of the site, and exchanging freehold land from Robertson Street (or elsewhere) with the reserve land on the Stanley Street site (refer page 16 Project Manawa Statement of Proposal).
- c. **Direct** the Chief Executive to report back to the Council with a scope of the works programme for:
 - i. obtaining Ministerial approval for stopping of Ballarat Street under the Public Works Act 1981; and
 - ii. notifying the swapping of reserve land under the Reserves Act 1977 to achieve the proposed land exchanges.
- d. **Agree** not to proceed with the establishment of a Council Controlled Organisation jointly owned with NTP for the purpose of owning land jointly

and/or owning, constructing and administering a new Civic Administration Building at this time, and any future ownership and/or governance arrangements with NTP will be subject to the Chief Executive's review and further consideration and approval by the Council.

- e. **Direct** the Chief Executive to report to Council regarding the options to provide the maximum number of public carparks at the Stanley Street site for the medium term.

DATED at QUEENSTOWN this **21st day of March 2024**

A handwritten signature in black ink, appearing to read 'LA Cocks', written in a cursive style.

Councillor LA Cocks, Chairman