

QLDC Council

23 March 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: Property & Infrastructure

Title | Taitara : Howards Drive Roundabout Potential Land Disposal at 516 Frankton-Ladies Mile

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to consider the part disposal of land at 516 Frankton-Ladies Mile as well as road legalisations for the 4th northern roundabout access to Waka Kotahi New Zealand Transport Agency. These actions will support the construction of the proposed new roundabout at this location.

Recommendation | Kā Tūtohuka

That the Council:

1. **Approve** the disposal for road (State Highway and local road) of those part of the 516 Frankton-Ladies Mile property with legal descriptions Lot 1 Deposited Plan 536321 and Lot 4 Deposited Plan 22156 (RoT 889403) and identified as LM3 and LM7 of **Attachment B**, and having a combined area of approximately 4150m² subject (but not limited to) to the following conditions:
 - a) A Tree Mitigation Agreement being signed between Waka Kotahi New Zealand Transport Agency and the General Manager Community Services;
2. **Approve the exchange of lands for legal road associated with the 4th northern Howards Drive roundabout access as shown on Attachment B as:**
 - a) Green area LM6 being 530m² and being part of the northern link paper road, to be stopped and vested in RT OT5C/21 (or successors), and;
 - b) Blue area LM5 being 630m² and being part of RT 613709 (or successors), to be acquired by the Crown and vested in Council as road.
3. **Approve** the Crown initiating the procedures of section 114, 116, 117 & 120 of the Public Works Act 1981 to undertake the above proposed legalisation actions for those parts of the 516 Frankton-Ladies Mile and northern link paper road identified as LM3, LM7, LM5 and LM6 (all subject to final survey) on **Attachments B**;
4. **Approve** that compensation payable to Council from the disposal of land, be assessed by Council's valuer, and negotiated with the Crown in accordance with the provisions of Public Works Act 1981;
5. **Agree** that all costs to undertake the process will be paid for by the applicant;
6. **Agree** that Council's approval to undertake the aforesaid legalisation actions, along with any sale and purchase agreements relating to them shall be limited to a period of five years from the date of this resolution;

7. **Approve** the Council's land being declared as surplus land to be sold in accordance with the Property Sale and Acquisition Policy 2014, and publicly notifying this intention;
8. **Delegate** final terms and conditions, along with any associated agreements, compensation, and consent notices to facilitate the legalisation and to provide any approvals for the placing or removal of easements, minor alignment, area changes and signing authority to the Chief Executive of Council.

Prepared by:



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1 March 2023

Reviewed and Authorised by:



Name: Tony Avery
Title: Acting GM Property & Infrastructure
1 March 2023

Context | Horopaki

1. Waka Kotahi / the New Zealand Transport Agency (WK) is in the detailed design phase of a \$115 million upgrade of the state highways running from Lake Hayes to Queenstown. The stated aim of this is to increase the roads' capacity and enable alternative transport options within the Wakatipu Basin.
2. Council's Spatial Plan adopted in July 2021 identified this area (Eastern Corridor) as one of two of the Whakatipu future urban and priority development areas. As a priority development area, it has been identified as a new transit orientated neighbourhood offering new housing choice that will require working in partnership to deliver a public transports solution to unlock the potential of this site.
3. To implement Council's Spatial Plan, the Te Putahi Ladies Mile (TPLM) masterplan was subsequently adopted by Council 30 June 2022, which included approval to rezone the land from its current rural and low-density zoning under the Proposed District Plan into a new Special Purposes Zone, the *Te Pūtahi Ladies Mile Zone*. Development in the new zone will be governed by a Structure Plan to achieve:
 - a. Additional housing capacity of approximately 2400 residential units in primarily higher density typologies;
 - b. A range of open spaces, including a significant community recreational facility, to benefit the existing nearby communities as well as those to be accommodated in the new urban development;
 - c. Areas which provide for a range of commercial and service activities catering primarily to local needs;
 - d. Protection of key existing natural features including mature vegetation; and
 - e. Integrated transport and movement networks within and beyond the site, with a particular focus on achieving a significant mode shift to active and public transport.
4. In order to give effect to this zoning, Council has applied to MfE to use a Streamlined Planning Process (SPP), instead of the standard Schedule 1 RMA process, the SPP has a shortened procedural process which will speed up the consenting process considerably. It is anticipated that should the Minister approve the use of the SPP, that the planning process could be underway from mid-April 2023 and would be fully operative by January/February 2024.
5. Within the TPLM area, WK proposes to replace the existing Howards Drive give way intersection with a new roundabout, similar to what has been installed at the entry to the Shotover Country subdivision. The roundabout is intended to improve traffic flow and safety through the intersection but would require the acquisition of a portion of land from the Council's holdings at 516 Ladies Mile.
6. Under Section 138 of the Local Government Act 2002, the Council has an obligation to consult on any proposal to dispose of land that is considered to be a 'park', but is not classified as reserve under the Reserves Act 1977.
7. The Council publicly notified its intention to dispose of part of the property at 516 Frankton-Ladies Mile on the 7th July 2022, with submissions closing on the 5th August 2022. 36 Submissions were received, 19 in opposition, 14 in support and 3 in neutral (refer to **Attachment E**).
8. A hearing was convened on 9 December 2022 to allow submitters and objectors to appear and speak in support of their written submission or objection. Hearing panel deliberations were also held on 9

December. Upon consideration of all submissions and objections, the Hearings Panel of Councillors Whitehead, Ferguson and Smith sought revisions and conditions on the proposed disposal and makes the recommendations noted in this report.

9. Three properties, in addition to the Council land, directly adjoin the current intersection and will be affected by the roundabout which requires significantly more space than the existing give way intersection. These property owners are being negotiated with directly by Waka Kotahi representatives.
10. As part of the negotiations with landowners on the Northern side of the State Highway, Waka Kotahi has requested that Council approve a road relocation leading into the future 4th leg of the proposed roundabout. This action would shift the existing legal road westward approximately 20m. These land/road parcels are shown on Attachment B as LM5 & LM6. Please note this matter has not been previously consulted upon.

Analysis and Advice | Tatāritaka me kā Tohutohu

11. Waka Kotahi New Zealand Transport Agency has been working with Council for some years to design upgrades along the State Highway 6 corridor to better manage traffic in the area. With the announcement by the Government of a national road funding programme in January 2020 known as the NZUP¹ programme, the agency and the Council have an opportunity to deliver on some of the proposed improvements required.
12. As part of the programme, Waka Kotahi intends to construct a new roundabout at the Howards Drive intersection, included as **Attachment B** to this report. Waka Kotahi proposes to acquire approximately 4150m² of land (subject to survey) from the north-western corner of the 516 Frankton-Ladies Mile property.
13. A number of tree removals, relocations and replanting's will be required as a direct result of the roundabout and potential land disposal, with the final number to be confirmed as detailed design is completed. The affected trees along with suggested replanting locations are shown as **Attachment C & D** to this report.
14. The Council is very aware of the public's interest in the row of trees along the edge of the 516 Frankton-Ladies Mile property and has been proactively working with Waka Kotahi and the local community association to identify areas both on and off the property for replacement trees to be planted. There are indications from Waka Kotahi's design team that the number of tree removals may be able to be reduced, however, they caution that with the design still at an early stage of only 30% design, the final number is still to be confirmed. An additional 9 planter-belt trees will also need to be removed as part of providing new access to the Ladies Mile Pet Lodge. The timing of construction of the 4th leg is still to be confirmed, and may be at a later date to the main roundabout construction, subject to private developer timing.
15. The Council intends to follow the requirements of the QLDC Tree Policy 2022 in the case of any tree removals required. The policy requires two replacement trees to be planted for each tree removed. In addition, the Council's arborist has inspected the trees, and confirmed that they are of an age and type which results in a low likelihood of being successfully relocated.

¹ Information regarding the NZUP programme can be found here: <https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/>

16. Following the recommendation from the hearings panel to enter a Tree Mitigation Agreement, Waka Kotahi has confirmed that they are supportive of doing so, and provided a draft agreement for Council's review.
17. Should the acquisition and road legalisation be approved, Waka Kotahi would use the Public Works Act 1981 to complete the transaction. This process can be carried out quickly and efficiently where there is agreement between parties but requires the consent of adjoining parties and usually any interest holders, in addition to receiving the consent of the Minister for Land Information. Should Waka Kotahi choose not to proceed with the property acquisition and re alignment for some reason, the Council resolution will expire after a period of 5 years from the date of this resolution.
18. Waka Kotahi and Council have sought their own respective valuations for the potential land disposal, and are in negotiation over the proposed compensation value. Any agreement will require a fair market price to be paid to the Council by Waka Kotahi, in accordance with processes under the Public Works Act.

Option 1 Approve the land disposal and road legalisation as proposed.

Advantages:

1. Recognises the community's concerns with tree loss at the site, and implements an agreement to ensure replanting will take place in a way that is directed by the Council's Parks team following works.
2. Enables Waka Kotahi to construct works in accordance with the NZUP programme.
3. Will improve traffic safety at this intersection.
4. Council and ratepayers would benefit from any consideration associated with an eventual disposal of part of the property.

Disadvantages:

1. Would not enable the Council to hold the land for future community or other infrastructure purposes.
2. Will result in the subsequent disposal and therefore decrease of land available at this location.
3. Will result in a loss of mature trees from the affected land.

Option 2 Decline this request.

Advantages:

1. Will enable the Council to hold the land for future community or other infrastructure purposes.
2. Will not result in the subsequent disposal and therefore decrease of land available at this location.
3. Will not result in a loss of mature trees from the affected land.
4. Recognises the community's concerns with tree loss at the site, and retains the trees through ceasing or dealing the intersection upgrade.

Disadvantages:

1. Will not enable Waka Kotahi to construct works in accordance with the NZUP programme.
2. Will not improve traffic safety at this intersection.

3. Council and ratepayers will not benefit from any consideration associated with the disposal of part of the property.

19. This report recommends **Option 1** for addressing the matter because it addresses public concern relating to the loss of trees, and progresses timely upgrades to traffic safety as part of the NZUP programme.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

19. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the matter involves 'park' land. The significance is considered moderate because the subject land is a small part of a larger park land holding in the area, is currently unused for recreation and will therefore have only a minor impact on residents or ratepayers.
20. The persons who are affected by or interested in this matter are the residents, ratepayers and visitors to the Queenstown Lakes district community.
21. The Council has undertaken initial consultation with the Lake Hayes Estate and Shotover Country Community Association. The Council has also sought wider public feedback and considered this via a hearings panel, in accordance with requirements for the disposal of the park under s138 of the Local Government Act 2002.

Māori Consultation | Iwi Rūnaka

22. The Council has not consulted with Iwi in this instance, as the disposal involves recently acquired QLDC freehold land and the road legalisation is considered to be of particular interest to the owner and adjoining owners only.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

23. Risk 00012 Core infrastructure is insufficient - poor infrastructure planning
24. Risk 00056 Ineffective provision for the future planning and development needs of the district
25. Risk 00009 Ineffective management of community assets
26. Risk 00012 has been assessed as having a high inherent risk rating. Risk 00056 has been assessed as having a moderate inherent risk rating. Risk 00009 has been assessed as having a high inherent risk rating.
27. In relation to each risk referred to above, the approval of the recommended option will support the Council by allowing it to implement additional controls for this risk. This shall be achieved by the provision of improved infrastructure and fit for purpose community assets in the district, which provides the Council with an additional permanent control over the risks.

Financial Implications | Kā Riteka ā-Pūtea

28. All costs associated with the land disposal will be met by the applicant, Waka Kotahi. The Council will also receive income from disposal of the property, as assessed through the valuation processes of the Public Works Act.
29. Whilst compensation has not yet been finalised between parties, the land disposal at 516 Ladies Mile is expected to be in the region of \$825,000+GST (if any). No compensation is anticipated for the northern 4th leg of the roundabout, as the Council will receive more land than it provides for the roading legalisation, with the balance being negotiated by Waka Kotahi directly with the private landowners.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

30. The following Council policies, strategies and bylaws were considered:
- Vision Beyond 2050, supporting Thriving People through provision of effective roading assets
 - Property Sale and Acquisition Policy 2014
 - The Significance and Engagement Policy 2014
31. The recommended option is consistent with the principles set out in the named policies.
32. This matter is not included in the Ten-Year/Annual Plan, but will not have any affect upon it.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

33. Section 138 of the Local Government Act places restrictions on the disposal of parks (by sale or otherwise). A Park is defined as:
- means land acquired or used principally for community, recreational, environmental, cultural, or spiritual purposes; but
 - does not include land that is held as a reserve, or part of a reserve, under the Reserves Act 1977.
34. The Subject Land could be considered a park under this legislation, requiring that council must consult on its potential disposal, before it agrees to sell or dispose of it.
35. General consultation obligations under the Local Government Act apply to the potential disposal and require that the Council publicly notify the proposal in local media channels for a period of 1 month. Should opposing submissions be received, a hearing is required to consider the submissions and make a recommendation back to full Council.
36. To carry out the road exchange the Crown must follow the procedures of section 114, 116 117 & 120 of the Public Works Act 1981, receiving all necessary consents to the Exchange.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

37. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

38. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act, and:

- Can be implemented through current funding under the Ten 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.

Attachments | Kā Tāpirihaka

A	Overview Plan
B	Land Disposal and Road Realignment Plan
C	Tree Removal Plan
D	Indicative Tree Replanting Plan
E	Hearing Minutes
F	Ladies Mile Masterplan