

QLDC Council
11 August 2016

Report for Agenda Item: 2

Department: Planning & Development

Special Housing Area Expression of Interest: Waterfall Park

Purpose

The purpose of this report is to present the Waterfall Park Expression of Interest (EOI) for consideration for recommendation to the Minister for Building and Housing (Minister) as a Special Housing Area (SHA).

Public Excluded

It is recommended that **Attachment B** (Draft Deed of Agreement) to this report is considered with the public excluded in accordance with the Local Government Official Information and Meetings Act 1987 section 7(2)(h) on the grounds that the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities and section 7(2)(i) on the grounds that withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Recommendation

That Council:

1. **Note** the assessment outlined in the report;
2. **Determine** not to recommend the proposed SHA to the Minister.

Prepared by:



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1/08/2016

Reviewed and Authorised by:



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Background

- 1 The purpose of the Housing Accords and Special Housing Areas Act (HASHAA) is:

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

- 2 On 23 October 2014 the Council entered into a housing accord with the Government. The accord is “...intended to increase housing supply and improve housing affordability in the district by facilitating the development of quality housing that meets the needs of the growing population.”
- 3 On 30 April 2015, the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines), to guide the Council’s implementation of HASHAA.
- 4 The Council has completed a process in which it sought EOIs from the public for the establishment of SHAs. Since completing that process it has received individual EOIs from developers and has decided to follow the same process, resulting in some of those EOIs being recommended as SHAs. It has also itself proposed an SHA along Gorge Road (known as the Business Mixed Use Zone (Gorge Road)).
- 5 The EOI for the proposed Waterfall Park SHA was submitted to Council on 16 June 2016.
- 6 This EOI will follow the same process as the Queenstown Country Club EOI which was considered by the Council at the 26 May 2016 Council meeting, and the Glenpanel EOI that is also being considered at this Council meeting. These have both followed a slightly different process to the other EOIs that have been received by the Council. This is because of the imminent expiry of sections 16 and 17 of HASHAA and the timeframe required by the Minister to accept a recommended SHA.
- 7 If the SHA is established, the Developer will have to lodge its resource consent application prior to 16 September 2016 if the Council is to have jurisdiction to process it under HASHAA. As a result, the matters that have usually been processed *after* the Council has indicated an in-principle acceptance of the EOI have been front-loaded: Council staff have negotiated a draft Deed, various agencies have been consulted and the EOI has been placed on the Council website for community feedback/comments. The Developer is aware that this does not mean that its EOI will be or has been approved by Council, and is at its risk and cost.

Proposal

- 8 The total area of the proposed Waterfall Park SHA land is approximately 60.46 hectares and is made up of multiple land holdings. The site is indicated in Figure One below:



Figure One: Proposal site

- 9 In summary, the EOI seeks to subdivide the site into 141 housing lots, ranging in size from 288m² to over 4000m², as follows:
- 48 Medium Density Allotments - 288m², located near the centre of site and to the north;
 - 40 Low Density Allotments - 450-650m², located near the centre of the development;
 - 37 Residential Allotments - between 870-2,029m², located towards the centre and the southern end of the site;
 - 14 Rural Residential Allotments - between 4,00m² to 11.45 ha;
 - 2 Rural Lifestyle Allotments - 1.3ha and 14.9 ha respectively;
 - Village core and mixed use areas (café/restaurant) – 10.4 ha;
 - Protection of heritage features; and
 - Landscape protection areas, open spaces, esplanade reserve, landscape treatment, large boundary setbacks, mitigation plantings and the creation of new roads, parking, footpaths and cycle ways.

10 The proposed densities are illustrated in Figure Two below:



Figure Two: Proposed Density Plan

11 The site is located in the following zones of both the Operative and Proposed District Plans:

Site	Operative District Plan (ODP)	Proposed District Plan (PDP)
341 & 343 Arrowtown Lake Hayes Road	Rural General Protected Tree #196 and a group of Protected Trees #275 Protected Buildings #110 – Ayrburn Homestead and Stone Farm Buildings QLDC Category 2	Rural Protected Tree #196 ¹ Protected Buildings #110 – Ayrburn Homestead and Stone Farm Buildings QLDC Category 2
345 Arrowtown Lake Hayes Road	Waterfall Park Resort and Rural General zones	Waterfall Park Resort and Rural zones

¹ It is noted that Council has recommended that the group of protected trees #275 are reinstated as scheduled trees as part of the PDP process. The exclusion of this group of trees in the PDP was an omission.

12 The ODP and PDP zonings of the EOI site are shown on Figure Three:

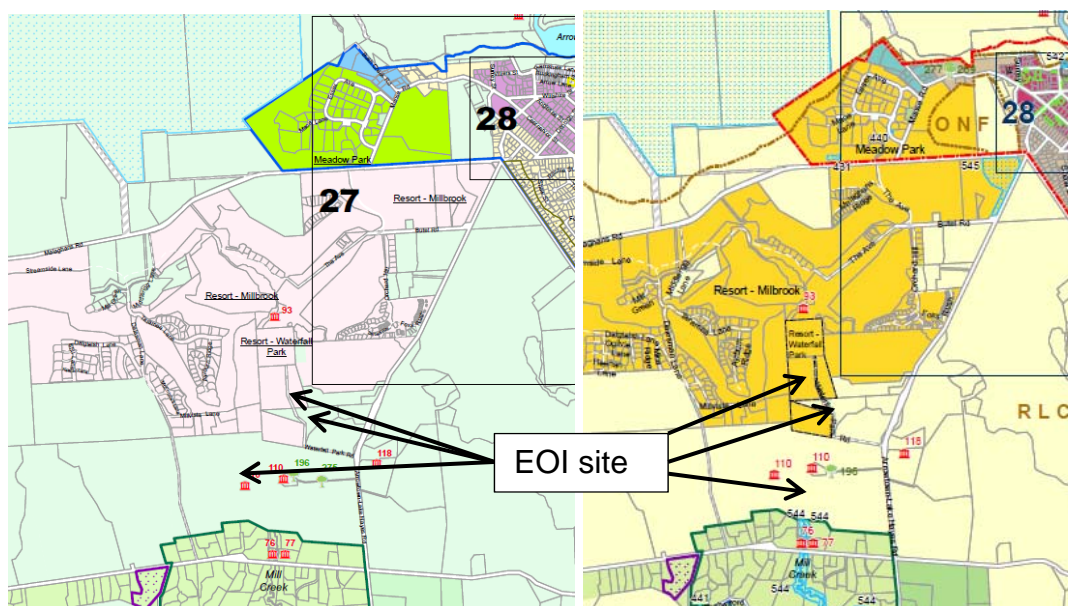


Figure Three: ODP and PDP zonings of the site and surrounds

- 13 The northern portion of the site that is located in the Waterfall Park Resort Zone (**WPRZ**) is located approximately 820m from the southern edge of the Arrowtown Urban Growth Boundary (**UGB**) (indicated by the blue and red lines in Figure Three above) in the ODP and PDP respectively. However, it cannot be accessed other than through the residential areas proposed under this development. The bulk of the residential development is located on the area of the site that is located in the Rural General Zone in the ODP and Rural Zone in the PDP, is located approximately 2km from the Arrowtown UGB and approximately 3km from the Arrowtown village centre.
- 14 Access to the site will be via a new access off Arrowtown-Lake Hayes Road that is to be located approximately 160m to the north of the intersection with Speargrass Flat Road. The existing access to the Ayrburn Homestead will be retained for the use of the Homestead only. The existing access to the WPRZ will only be used to service proposed Lot 3, which is one of the rural lifestyle properties. All other properties will gain access from the new access off Arrowtown-Lake Hayes Road.
- 15 The Developer has noted in the EOI it is willing to enter into discussions with the Queenstown Lakes Community Housing Trust (**QLCHT**). It proposes to provide up to seven new three-bedroom houses and offer these rent free to the QLCHT for a period of 25 years. However, updated feedback received from the Developer is that an agreement could not be reached with the QLCHT. It is now proposing to establish its own housing trust. The draft Deed has been amended to take account of this development.
- 16 The EOI is of a high quality and comprises concept plans and images, with supporting assessment from a qualified planner, landscape architect and engineers. It does not appear from the EOI that the Developer itself has undertaken any consultation with neighbouring properties or the general

community in respect of this specific EOI. However, the Council's public feedback process is noted in the EOI.

17 The EOI and its attachments form part of **Attachment A**.

Comparison with Ayrburn Farm and Ayrburn Retirement Village EOIs

18 The table below provides a comparison of the previous EOIs that the Council has received in relation to the Ayrburn Farm site. For ease of reference a summary of the different proposals is noted below:

Ayrburn Farm EOI	Ayrburn Retirement Village EOI	Waterfall Park EOI
<p>150 residential allotments;</p> <p>Size of allotments ranged from 350m² to 500m²;</p> <p>The EOI promoted house and land packages from \$450,000. Configuration of dwellings could easily be changed to ensure at least 20% of houses will be two-bedroom, and at least 70% of lots will be less than 400m²;</p> <p>Development involved the use of the on-site listed buildings;</p> <p>15 houses to be leased to the Queenstown Lakes Community housing Trust ("QLCHT") for a maximum period of 25 years;</p> <p>Located solely on land that is zoned Rural General and Rural in the ODP and PDP respectively. Did not include the area of land located in the WPRZ;</p> <p>Was not recommended as an SHA at the 3 June 2015 Council meeting.</p>	<p>201 new dwellings on 191 residential lots;</p> <p>Sizes varying from approximately 140m² to 600m² (but typically 200m² to 400m²) with the inclusion of ten two bedroom dwellings for staff accommodation;</p> <p>This EOI promoted a development to be solely used as a retirement village only and included ancillary activities related to this;</p> <p>Development involved the use of the onsite listed buildings;</p> <p>Ten 2-bedroom houses were proposed to be built for staff accommodation with the surplus available to the QLCHT for free community housing;</p> <p>Located solely on land that is zoned Rural General and Rural in the ODP and PDP respectively. Did not include the area of land located in the WPRZ;</p> <p>Was not recommended as an SHA at the 1 March 2016 Council meeting.</p>	<p>141 residential allotments;</p> <p>Lots ranging in size from 288m² to over 4000m²;</p> <p>48 of the allotments are proposed to be medium density. The Developer has noted that the price points of these sections will be well below the median house prices in Queenstown. However, no specific details of the anticipated levels have been provided.</p> <p>Seven new three-bedroom houses rent free for a period of 25 years. The developer proposes to set up a Housing Trust to administer this;</p> <p>Development involved the use of the onsite listed buildings;</p> <p>Located solely on land that is zoned Rural General and WPRZ and Rural and WPRZ in the ODP and PDP respectively.</p>

19 The subject EOI is more similar in density to the original Ayrburn Farm proposal but also includes development of around 28 dwellings within the WPRZ.

ODP and PDP zoning

20 The majority of the northern portion of the site is located in the WPRZ. The purpose of the WPRZ is to provide for open space and passive recreational activities in conjunction with residential, visitor accommodation and commercial activities in a high amenity environment. The objectives and policies of this zone are very similar to those of the adjoining Millbrook Resort Zone (**MRZ**).

- 21 The WPRZ is located on land that was zoned Tourist Development 2 under the Transitional District Plan. In the 1995 Proposed District Plan, the land was zoned Rural Downlands. Pan Tai Holdings Ltd, which operated a tourist venture on the site, sought a Resort zoning. The Hearings Committee for the 1995 Plan considered, on the basis of the Transitional District Plan zoning, that there was good reason to similarly provide a resort zoning in what is now the ODP. The WPRZ became operative in 2003.
- 22 To date only one house has been constructed in the WPRZ. The development of the WPRZ is constrained by the existing topography and ground conditions, its location, orientation, lack of sunlight and the position of Mill Stream.
- 23 The WPRZ provisions have only been restructured and reformatted in the PDP to be easier to read, more streamlined, and align better with the structure of the PDP. The scale and significance of the proposed changes are considered to be very minor. Therefore, in general terms the Council's position on the WPRZ in the PDP has been to continue the current zoning, which enables development of up to 100 residential dwellings in the zone.
- 24 The land immediately adjacent to the EOI site that is located in the MRZ falls in either the Golf Course and Open Space Activity Area (which restricts the use of the land to outdoor recreation activities and open space) or the village area. The village area is only located to the north and west of the WPRZ and is separated from the EOI site by steep topography.

Submissions on the Proposed District Plan

- 25 The PDP is still at a reasonably early stage of development. Ayrburn Farm Estate Ltd (Submitter 430), which is the current owner of the southern portion of the site, seeks for the PDP to provide more intensive residential development on 341 & 343 Arrowtown-Lake Hayes Road (the part of the site currently zoned Rural General in the ODP). The following extensions have been requested by Submitter ;
- The Rural Residential Zone north of Lake Hayes, or;
 - The WPRZ, or;
 - A site-specific Ayrburn zone, similar to the WPRZ; and
 - An extension of the Arrowtown UGB to include Millbrook, Waterfall Park and the Ayrburn Farm.
- 26 There were two primary submissions and 11 further submissions in relation to the WPRZ. The further submissions generally opposed the extension of the WPRZ, the Rural Residential Zone or a site specific zone for the southern portion of the subject site (Ayrburn Farm).

Housing Accord targets and potential yield

27 The Housing Accord sets the following targets:

Total number of dwellings and sections consented			
	Year 1 October 2014 – September 2015	Year 2 October 2015 – September 2016	Year 3 October 2016 – September 2017
Targets	350	450	500
Actual	557	399 (at 30 April 2016)	

28 The Year 1 target has been met. However, this was not met through development following the establishment of SHAs. An analysis of the Year 2 targets show that 6 months into Year 2 the total number of dwellings and sections consented is 399 (or 88% of the Year 2 targets), which is just 51 short of the Year 2 target of 450. The Bridesdale SHA resource consent application that was approved on 21 March 2016 contributed significantly to the Year 2 targets.

29 The Minister is seeking to amend these targets with the exact figures yet to be set. It is anticipated that these will be higher than the original targets.

30 The Minister has approved the following SHAs in the region:

- Bridesdale – 136 residential allotments and 1 commercial allotment (decision issued 21 March 2016);
- Shotover Country – 95 residential units;
- Arthurs Point – 70 residential units;
- Onslow Road – 20 residential units;
- Arrowtown Retirement Village – 90-120 villa units, 40-55 apartment units, and a 100 bed aged care facility offering rest home, hospital and dementia level care;
- Business Mixed Use Zone (Gorge Road) – approximately 100 to 150 residential units are anticipated;
- Queenstown Country Club (Retirement Village) - 227 independent villas; 72 serviced apartments; 72 bed care facility: offering rest home, hospital and dementia care; Commercial node: ancillary services including a doctor, dentist, pharmacy and child care; Club house: offering a café, theatre, gymnasium, health spa, bowling green and croquet lawn; staff rental accommodation (approximately 7 blocks); and residential subdivision (approximately 5 to 10 residential units) (approved as a SHA on 5 July 2016).

31 These proposals would deliver a yield of approximately 955 residential units, a 172 bed aged care facility and 18 staff accommodation units, contributing significantly to the Council's obligations under the Housing Accord, especially directly relating to the specified housing targets.

32 The potential yield from the proposed Waterfall Park SHA would contribute up to 141 residential units. The proposal would contribute significantly to the Housing Accord targets and in this respect meets the purpose of the HASHAA.

Council's Lead Policy on Special Housing Areas

33 The Developer has undertaken its own review of the proposal against the Lead Policy at pages 21 and 22 of the EOI.

34 An assessment of the proposal against the Lead Policy is set out below.

Location (Paragraph 5.2.1 of the Lead Policy)

35 Clause 9 of the Queenstown Lakes District Housing Accord states:

The Accord recognises that by working collaboratively the government and the Council can achieve better housing outcomes for the district. In particular, the Accord will facilitate development aligned with the Council's intended plan for residential development to be more affordable, medium density and closer to key centres and on good public transport routes.

36 The Lead Policy at clause 5.2 notes:

It should be noted that criterion 5.2.1 Location is not a statutory consideration under the Act. However, in the interests of sound resource management planning practice, environmental and economic impact, and consistency with the draft Strategic Directions chapter of the District Plan review – location is considered to be a vitally important consideration for Council.

37 The Lead Policy specifies at criterion 5.2.1 that:

The proposed area shall be located within or adjacent to existing urban areas. Areas located in rural areas remote from existing urban areas and services will generally not be viewed favourably.

38 The Lead Policy contemplates SHAs outside urban areas but only where they are adjacent to an existing urban area. The primary reasons for this are to more readily enable the extension of existing urban infrastructure and to provide for housing closer to services and amenities. Sites further removed from urban areas, although clearly less desirable according to the Lead Policy, are not precluded from consideration as SHAs.

39 All SHA proposals recommended by the Council to date have been located within an existing urban area or adjacent to existing urban areas, except the Arrowtown Retirement Village, which is situated approximately 750m from the southern edge of the Arrowtown UGB. While, part of the subject EOI (in the WPRZ) is situated approximately 820m from the southern edge of the Arrowtown UGB it cannot be accessed other than via the new access proposed at the southern end of the site; the bulk of the residential development is situated approximately 2km away.

40 That part of the proposal would be situated in the WPRZ does not make it an "urban" development. The location criterion of the Lead Policy is intended to relate to "existing urban areas and services" and is not directed at areas that are zoned for future urban development (but have not been developed) or contain little urban development, such as WPRZ and MRZ. This was confirmed by the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 at [76].

- 41 The land to the south of the site located adjacent to Speargrass Flat Road is zoned Rural Residential and located in the north of Lake Hayes subzone within both the ODP and PDP. Section sizes generally range from approximately 4,000m² to 6,000m².
- 42 The land to the east (on the opposite side of Arrowtown-Lake Hayes Road) and west and the land located to the east of the lower portion of the WPRZ is zoned Rural General and Rural in the ODP and PDP.
- 43 Overall, the subject EOI is not consistent with the location criterion.

Adequate Infrastructure (Paragraph 5.2.2 of the Lead Policy)

- 44 Holmes Consulting Group (**HCG**) prepared an infrastructure review for the Developer. This report forms Appendix 2 of the EOI. HCG reviewed all existing reports that were prepared by Clark Fortune McDonald, Rationale Limited and Tonkin & Taylor for the two previous Ayrburn Farm EOIs. Noting that the previous reports have assessed a slightly higher yield than that proposed within the existing EOI.
- 45 HCG concludes that the development can be serviced with existing and new services; however, some decisions around servicing and funding of that servicing would need to be addressed in the draft Deed between Council and the Developer. A copy of the Draft Deed is contained in **Attachment B**.
- 46 As with all development in SHAs, there will be an ongoing cost to Council in maintaining any vested services or reticulation constructed to service the development. The Developer otherwise agrees to fund the planning and construction of necessary infrastructure. However, the Council may consider the long-term costs of servicing the infrastructure provided.
- 47 MWH Limited (**MWH**) has undertaken a Three Waters Review of the information submitted as part of the EOI. This report is contained in **Attachment C**.
- 48 HCG concludes that the development is able to be serviced by the surrounding water supply and wastewater networks, subject to upgrades to the Lake Hayes Wastewater Pump Station 1 and the installation of a new water main from the intersection of Speargrass Flat Road and Arrowtown-Lake Hayes Road through to the development. The upgrade to Pump Station 1 is required (to a slightly lesser degree) due to the demands associated with existing development within this catchment.
- 49 HCG notes that the specific upgrades required are:
- Upgrade of the pumps in the Lake Hayes Pump Station 1 located at the Lake Hayes Recreation Reserve at the north end of the lake;
 - Provision of additional emergency storage at the Lake Hayes Pump Station 1 or emergency power by means of a generator or supplementary power feed from the Lake Hayes bore site. HCG recommends that a standby generator (that is appropriately screened) would be the most cost effective solution;
 - The rising main upgrade may be required; and

- Installation of a new 150mm ID water main along Arrowtown-Lake Hayes Road, at a length of approximately 300m.

50 MWH have raised the following issues with the wastewater drainage proposed:

- Feasibility of gravity drainage to the existing Lake Hayes Wastewater scheme;
- Capacity and power supply problems at Pump Station 1; and
- Capacity of the existing wastewater drainage system between Pump Station 1 and 2.

51 MWH agrees that there is capacity in the Lake Hayes Water Scheme to provide both potable water and firefighting flows to the EOI site. MWH also agrees that the proposed wastewater management is deemed feasible and notes that further investigation is required. Both HCG and MWH agree that any gravity main or rising main upgrades would need to be considered concurrently to determine the best solution for the network during the future design phase of the wastewater system. The requirement for the Developer to cover all costs relating to these works is included in the draft Deed.

52 In terms of stormwater, MWH has raised concerns with the feasibility of the Developer's proposed stormwater solution. It notes that runoff from the proposed development has not been modelled and the information provided is very limited. MWH is not satisfied that stormwater management by means of a piped gravity system and detention pond is feasible.

53 MWH considers that a more detailed survey, river level data and detailed long sections will be required to confirm the practicality of the stormwater system. In particular, MWH notes that the low lying southernmost area of the proposal on the true left of Mill Creek, which governs the invert level of the stormwater detention structure, is below possible levels in Mill Creek. Resource consent may be required from the Otago Regional Council (**ORC**) and an affected party approval from Fish & Game is likely to be required, as Mill Stream is considered to be a fish spawning area.

54 In response to concerns raised by MWH the developer has supplied additional information. HCG has advised that the stormwater will be both treated and attenuated within the site before being discharged to Mill Creek at pre-development flows. HCG stated that "*The net effect on the creek will be nil, with the methodology, levels, number of attenuation and treatment devices/locations and other details determined during future design phases*". This is contained in **Attachment D**.

55 In response, MWH has noted that no specific details have been provided and as a result it is only able to conclude that this appears to be a reasonable approach but the specific design needs to be confirmed. To provide the Council with more certainty, MWH has recommended that preliminary design of sufficient detail be submitted to act as proof of concept. This would involve both plan and cross section drawings which specifically identify the levels of the river and the ponds and the storage capacity of these. The developer has not submitted enough information to robustly demonstrate that the site can be adequately serviced in terms of stormwater.

- 56 To provide the Council with greater certainty that the site can be adequately serviced, ideally this information would have been supplied upfront. However, due to the expiry of Sections 16 and 17 of the HASHAA the draft Deed has had to be negotiated in parallel with this assessment. A clause has been added to the draft Deed that requires the concept design of the proposed stormwater approach to be submitted into the Council prior to the submission of the resource consent application. The detailed design of all services will be submitted as part of the resource consent application process.
- 57 GeoSolve Limited (**GeoSolve**) has undertaken a preliminary geotechnical report, which formed Appendix 4 of the EOI. It concluded that the development of a residential subdivision on the site is feasible from a geotechnical perspective, provided its recommendations are followed. It identified a risk of liquefaction and associated surface deformation in the low lying portions of the site. As a result, it recommended specific foundation requirements for dwellings constructed in those areas that are prone to liquefaction. The cost implications of these are unknown.
- 58 It is noted that the geotechnical report does not include specific testing of the northern portion of the site (the area zoned WPRZ). Geosolve has recommended that this area would need to be further investigated as part of any resource consent application.
- 59 GeoSolve has also recommended setbacks to the west of Mill Creek due to stability issues. It has identified an alluvial fan risk but has reported the risk to development from debris flow or flooding associated with the alluvial fan hazard as being very low. GeoSolve has also noted that surface run-off from the adjacent hills is to be expected but that this can be resolved via a small diversion bund. GeoSolve recommended further works at the detailed design phase and as part of the flooding assessments once site levels are finalised.
- 60 Fluent Solutions Limited (**Fluent Solutions**) undertook an assessment in relation to the flood risk of the site (Appendix 3 of the EOI). It did not identify significant flood issues that could not be resolved in a practical manner. Fluent Solutions conclude that the potential alluvial fan debris hazard would be mitigated with a formed channel and provision of a "No Build Zone". Overall, it concludes that there is no reason to believe that the alluvial fan debris poses any significant limitations to the proposed residential development of the site. MWH agreed with the findings of this assessment and considers that the flood risks for buildings and damage to infrastructure have been adequately addressed.
- 61 A traffic assessment provided by the Developer was prepared by Traffic Design Group (**TDG**). This report forms Appendix 5 of the EOI. TDG concluded:
- The proposed intersection location provides adequate separation from other intersections;
 - The proposed development should be supported by an intersection constructed with a right turn bay and left turn deceleration lane;
 - Power poles on the western side of Arrowtown-Lake Hayes Road should be relocated to increase clearance from the carriageway;
 - The ditch on the eastern boundary should be replaced by an underground pipe; and

- Adequate sight distances can be provided to allow safe and efficient operation of the new intersection.

62 Overall, TDG concluded that the proposal can be supported from a transport perspective. The development cost of the necessary upgrades will be borne by the Developer. Clauses to this effect have been included with the draft Deed.

Demand For Qualifying Development & Residential Housing (Paragraphs 5.2.3 & 5.2.4 of the Lead Policy)

63 The EOI would help to address land and housing supply issues by providing for 141 residential allotments, which include low, medium and rural residential allotments. The Developer proposes to commence development as soon as possible.

64 The new SHA would deliver new residential housing that supports the aims of HASHAA and targets of the Housing Accord. As noted above, the targets set within the Housing Accord are being exceeded, but the Minister and the Mayor are due to review these and set more ambitious targets in light of the significant increase for demand in housing in the District.

Housing Provision and Affordability (Paragraph 5.2.5 & 5.2.6 of the Lead Policy)

65 The EOI targets a range of housing needs promoting both low to medium density housing and rural residential allotments. The EOI includes 48 medium density lots (34% of the residential dwellings) being approximately 288m² in size. The Lead Policy requires at least 30% of the allotments to be between 250-400m². The location of the medium density allotments is shown in Figure Four below:

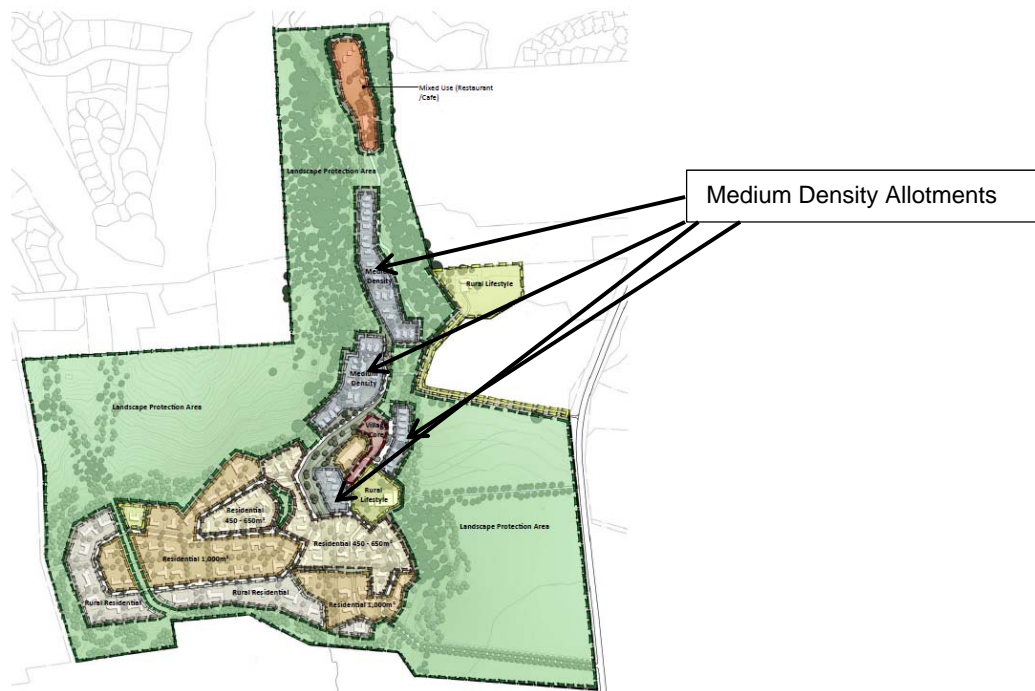


Figure Four: Position of the medium density allotments

66 The Developer has noted that the price points of these sections will be well below the median house prices in Queenstown. However, no specific details of the anticipated levels have been provided. Approximately 27 of the medium density allotments are located in the WPRZ. The draft Deed has been worded in a manner to ensure that the medium density allotments are built first or within the first stages of the development. Another matter to note is that the topography and ground conditions of the WPRZ area are such that it might be difficult to keep these lower price points.

67 The Developer has proposed to place design covenants on all the sections to ensure the quality and character of the development without impacting on affordability. If this EOI is recommended as an SHA it would be essential to find out further information on the proposed covenants to ensure that this requirement does not impact on affordability. This could be done as part of the resource consent application.

68 The EOI does not provide for any two-bedroom dwellings but there is opportunity for some of the medium density allotments to be either developed to be two or three bedroom depending on demand.

69 The Developer is committed to a community housing contribution, and proposes to offer up to seven new three-bedroom houses rent free to a housing trust for a period of 25 years. The Developer has advised that it has not been able to come to an agreement with the QLCHT. The developer is proposing to set up a separate housing trust. The Draft Deed provides a process for the Council to consider whether the subsequent agreement between the Developer and that trust reasonably meets the community housing criteria of its Lead Policy. The Lead Policy provides flexibility in that the developer can provide an acceptable mechanism for dwellings to be retained as Community Housing (freehold or rental).

70 The proposed SHA is not to be used for visitor accommodation purposes. The Draft Deed restricts the proposed SHA being used for short term rental/visitor accommodation, as identified by section 5.2.5(f) of the Lead Policy.

Predominantly Residential, Building Height and Residential Quality (Paragraphs 5.2.6 to 5.2.9 of the Lead Policy)

71 The proposal is predominantly residential with the following ancillary activities:

- Small café and wedding chapel;
- Internal roading, parking, footpaths, lawn and garden areas;
- Open spaces and landscape treatment, inclusive of large boundary setbacks, mitigation plantings and cycle links.

72 The EOI proposes that all new dwellings be single storey (approximately 5m, 5.5m and 6.5m) to reduce their visibility from public roads and neighbouring properties. However, there is a discrepancy in the EOI as it also states that the medium density dwellings are proposed to be 7.5m in height. The Developer has supplied further information that indicates that Lots 32-51 are proposed to be single storey, and Lots 4-31 are proposed to be two storeys.

- 73 An 8m height limit currently applies in the Rural General Zone and to residential buildings in the WPRZ. Some flexibility surrounding the development of two storey dwellings on the medium density allotments should be sought. As a result, it is recommended that the qualifying development criteria of two storeys and 8m in height be sought.
- 74 The design concept is considered to be well thought out and appears to address some of the unique characteristics of the setting and the wider locality.
- 75 In terms of connections, Council's Parks Planning Manager has noted that the proposed trail links are not particularly advantageous as the existing north-south trail runs parallel to the legal road from Speargrass Flat Road and into and through Millbrook less than 1 kilometre away. It is unclear how the proposed trail would go any further north through Millbrook due to topography.
- 76 As a result, any network should be developed in conjunction with the Council and the Queenstown Trails Trust. This requirement has been included in the draft Deed.

Conclusion

- 77 This proposal will target a range of housing needs (including for first time home buyers). It will provide a mixture of low, medium and rural residential properties. The Developer has advised that the medium density allotments will be sold well under the median house price for Queenstown houses, although no specific details or percentages have been provided and the majority of these are proposed to be built in the WPRZ. The Developer will provide flexibility for future owners to build 2 bedroom units. The proposal will result in a residential development that will provide social benefits to the local community. The proposal would facilitate the increase of land and housing consistently with the purpose of HASHAA.
- 78 However, the EOI does not immediately adjoin an existing urban area. It is separated from the MRZ by steep topography and the bulk of development is located over 2km from the Arrowtown UGB and 3km from Arrowtown village centre. The EOI could be viewed as an isolated residential island in the countryside.
- 79 In addition, insufficient information has been provided to date to robustly demonstrate that the site can be adequately serviced in terms of stormwater. Clauses have been included in the Draft Deed requiring concept designs to be approved by the Council prior to the submission of the resource consent application.
- 80 These are key issues that Council needs to consider in deciding whether to recommend the proposal to the Minister.

Agency Responses

Otago Regional Council (ORC)

- 81 Correspondence from ORC is included in **Attachment E**.

- 82 ORC notes that there is an active debris-dominated alluvial fan through the centre of the proposed development area and the residential development of the site would significantly increase risk. ORC expects the recommendations of the submitted geotechnical report to be followed if the project proceeds further.
- 83 ORC has noted that no geotechnical tests appear to have been undertaken in the forested section on the northern portion of the site where residential dwellings are proposed. This would need to be further addressed as part of any resource consent application as there is a risk of potential for liquefiable soils.
- 84 ORC notes that there is no mention of the rock fall risk in the confined WPRZ section of the development and that this is a matter that needs consideration.
- 85 The proposed stormwater system would need to be discussed further with the consents staff at ORC. ORC also notes that stormwater proposed to be discharged to Mill Stream should not be allowed to decrease the quality or increase the rate of discharge.
- 86 ORC seeks that a strategic approach is considered to address transport matters (particularly public transport) as well as connections to other necessary infrastructure. ORC expects the Council and the Developer to pay adequate attention to linking the subdivision by cycleway to Arrowtown, Frankton and Queenstown and by footpath to Arrowtown and Lake Hayes; and the development would need adequate footpaths to enable links to bus stops and the main road.
- 87 ORC has advised that the proposed development is isolated from other residential areas and this can be problematic for providing public transport. Isolated developments result in a lot of “dead” running where there are no passengers to pick up as the routes need to deviate to pick people up. ORC has also advised that consideration needs to be given to the likely cost implications and uptake of any public transport service to ensure it is feasible and sustainable.
- 88 The public transport concern highlights the adverse effects associated with ‘island’ urban developments in the countryside and the impact that this may have on local infrastructure.

Ministry of Education (MoE)

- 89 MoE has advised that it expects minimal impact on the schooling network from the proposal. This is because the 100 dwellings anticipated in the WPRZ have already identified in the Council’s dwelling capacity model data. The proposal will result in an additional 41 dwellings, over and above what has already been modelled.
- 90 MoE anticipates that any increase in school age children resulting from this proposal will have a negligible direct impact on Arrowtown School. Correspondence from MoE is included in **Attachment F**.

Kai Tahu ki Otago (KTKO) and Te Ao Marama Incorporated (TAMI)

- 91 KTKO and TAMI have both not raised any concerns with the establishment of the proposed SHA. There are no recorded Maori archaeological sites within the SHA, however the area is known to be utilised by Maori in the past. Therefore,

they have requested that any earthworks undertaken should be carried out in a way that allows monitoring for artefacts or archaeological material. This will be addressed as part of the resource consent process.

- 92 It is noted that TAMI provided verbal confirmation. Correspondence from KTKO is contained in **Attachment G**.

New Zealand Transport Agency (NZTA)

- 93 NZTA has advised (**Attachment H**) that the proposal is unlikely to have a significant adverse effect on the safety, efficiency and functionality of the SH6/Arrowsmith-Lake Hayes Road intersection, particularly in the short to medium term. NZTA is satisfied that the intersection is likely to be able to accommodate the expected traffic generation of the proposal.
- 94 NZTA notes that it continues to have some concerns regarding the longer term operational capability of the State Highway at this location, particularly given the growing volume of consented but unrealised residential development on the eastern side of the Shotover River.

Council's Parks Planning Manager

- 95 Council's Parks Planning Manager notes that the landscape protection areas would provide limited recreational value and would carry an unjustified cost to Council to maintain. Therefore, the vesting of these areas in Council would not be supported. The Developer has advised that it would prefer the landscape protection areas remain in private ownership. However, it is willing to provide public access to Lot 142 (lot containing the waterfall).
- 96 The proposed pocket parks would only serve the proposed SHA residences because they are not of a destination character or size. Council's Parks Planning Manager would discourage the scattering of very small pocket parks as shown in favour of consolidating these areas into fewer but larger spaces so as to provide better recreation opportunities, such as kicking a ball and throwing frisbees. The Developer has advised that its intention is to vest the pocket parks with the Council, but is flexible on this matter.
- 97 If the EOI were approved as an SHA by the Minister, pre-application discussions are recommended to ensure that the above issues are resolved prior to the submission of any resource consent application. This requirement is included as part of the draft Deed.

Planning Considerations

- 98 When the Minister considers a recommendation from a local authority to establish a particular area as a SHA, the Minister is required to consider whether:
- a. adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and

- b. there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and
- c. there will be demand for residential housing in the proposed special housing area.
- 99 Other than (by extension) considering these matters, HASHAA provides no guidance by way of specified criteria on what matters local authorities may consider when deciding whether or not to recommend a potential SHA to the Minister. In particular, HASHAA does not indicate whether it is appropriate to consider ‘planning matters’, such as landscape, district plan provisions, and previous Environment Court decisions.
- 100 However, the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 confirmed that:²
- “...the HASHAA gave both the Minister and a local authority a discretion and, clearly, the actual location of areas of land to be recommended (and to that extent what could be described as planning or RMA matters) were always appropriate considerations in any such recommendation”.*
- 101 This decision confirmed the legal advice provided previously by Council’s lawyers that planning considerations are relevant matters for Council to consider when deciding whether to recommend a potential SHA to the Minister. However, while these considerations are relevant, Council’s decision-making should remain focussed on the purpose and requirements of HASHAA and how to best achieve the targets in the Housing Accord. While the weight to be afforded to any consideration – including the local planning context – is at the Council’s discretion, HASHAA considerations are generally considered to carry more weight.
- 102 The Developer has undertaken a detailed review of the RMA considerations at pages 23-30 of the EOI.
- 103 In theory, all or most proposed SHAs are likely to be contrary to an ODP / PDP provision – an EOI would not be made for a permitted or a controlled activity. Therefore, a logical approach is to consider which plan provisions may have greater significance and which may therefore need to be given greater consideration.

UGB and Landscape Matters

- 104 The UGB was established by Plan Change 29. Plan Change 29 was initiated by the Council and defended at the Environment Court, which ruled in the Council’s favour. It sought to:
- Establish an urban boundary for Arrowtown in the ODP; and
 - Introduce new policies that limit the growth of Arrowtown, and promote urban design outcomes for future growth.

² Paragraph 56

- 105 Urban development outside the UGB is not prohibited, but would require resource consent as a discretionary activity under the ODP and PDP. HASHAA's purpose is increasing land and housing supply, so an assessment that weighs up these competing matters is required.
- 106 The Council has previously considered six expressions of interest for SHAs immediately adjoining or near the Arrowtown UGB. The first four were considered on 3 June 2015 and not recommended to the Minister. These included the Ayrburn Farm EOI. In terms of its location (near to but not adjoining the UGB) the Ayrburn Farm EOI was treated slightly differently to the other three adjoining proposals in the officer's report considered at that meeting.
- 107 The fifth expression of interest was the Arrowtown Retirement Village proposal, considered at the 26 November meeting. The Council resolved to support this proposal in principle, subject to further work. This was recommended as an SHA to the Minister at the 1 March 2016 Council meeting.
- 108 The sixth expression of interest was the Ayrburn Retirement Village Proposal. This was not recommended as an SHA by the Council on 1 March 2016.
- 109 The following are considered to be factors that should be taken into account:
- a. The purpose of HASHAA (noted in paragraph 1 above);
 - b. The majority of the built form is located approximately 2km away from the Arrowtown UGB, the proposed SHA is sufficiently removed from the UGB so as to not result in a 'sprawling' and contiguous urban form. Instead it could be viewed as an isolated residential 'island' in the countryside, noting the consequent issues outlined above in this respect.
 - c. UGBs have several purposes, not just protecting the 'edge' of urban areas. They also seek to ensure a distinction between urban and rural land uses, whether near town edges or not, and seek to discourage urban development in the countryside.
 - d. The location of the proposed SHA is remote from services and facilities and would be heavily reliant on private vehicle transport as there are no pedestrian footpaths links available. This was also raised as a concern by the ORC. Bus stops are proposed on both sides of the road adjacent to the new access into the site. These are linked to the residential dwellings by a footpath but are located a considerable distance from the bulk of the residential dwellings.
 - e. The EOI has considered the constraints of the site and states:
 - i. Particular consideration has been given to the landscape treatment of the Arrowtown-Lake Hayes Road frontage and the relationship with the Rural Residential properties that are located to the south of the subject site (along Speargrass Flat Road). The Developer is proposing additional planting to mitigate visual effects. It is also proposed to retain and intensify the upper edge terrace east of Mill

Creek and in conjunction with mounding to reduce visual prominence from this view point;

- ii. Design and landscape controls, such as height limits have been imposed to minimise views of development from outside of the site and increase the amenity of future owners; and
 - iii. The proposal involves the restoration and reuse of the scheduled buildings on the site. The proposal also retains the avenue of trees that are currently protected under the ODP and are proposed to be protected under the PDP.
- f. A significant portion of the site is to be retained in landscape protection areas and open space (approximately 41.33ha). The acceptability of the open space areas, pocket parks, proposed setbacks and mitigation measures (including the proposed mounding and planting) would be assessed in detail as part of the resource consent application, including pre-application discussions. In particular, the Council's Parks Planning Manager has raised concern with the proposed scattering of pocket parks and is of the opinion that fewer but larger spaces should be provided. This matter will need to be addressed prior to the submission of any resource consent application.
- g. Existing and proposed landscape features, combined with the proposed locations, setbacks, materials and landscape treatment will reduce the visibility of development from Arrowtown-Lake Hayes Road. However, the approval of this development would inevitably change the rural character of the area and may set a precedent for further residential development within this area.
- h. The site can be adequately serviced from onsite services in terms of water supply and waste water, and upgrades proposed by the Developer. MWH has advised that the proposed stormwater solution is reasonable, however insufficient information has been provided to robustly demonstrate it will work.
- i. The proposal will result in the extension of urban infrastructure to the Rural Zone. This is inefficient and expensive in terms of the overall network. It will also create a precedent, which could tend to lead to more demand for urban services in rural zones to the cost of ratepayers and potentially develop inefficiencies in the existing and proposed network.
- 110 Conferring SHA status for the site only enables the potential for development. SHA status, in itself, does not guarantee applications for qualifying developments will be approved, and planning matters (including UGBs, character / amenity and landscape issues) are a relevant and explicit consideration at the resource consent application stage as third, fourth and fifth tier considerations under HASHAA. The decision on whether or not to recommend the EOI site as an SHA is considered to be a finely balanced one.

- 111 The Developer has undertaken an assessment of the objectives and policies of both the ODP and PDP at pages 27-30 of the EOI.
- 112 A key area where the EOI is inconsistent with both the ODP and PDP objectives and policies is in regard to the establishment of urban development in the middle of the basin within a largely rural area. In particular, the PDP seeks to discourage these forms of development in the future.
- 113 Goal 3.2.2 (The strategic and integrated management of urban growth) of the PDP is supported by Objective 3.2.2.1, which states:

Ensure urban development occurs in a logical manner:

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

- 114 The proposal will not result in an integrated urban form and the isolated nature of the development could result in maintenance cost implications for the proposed infrastructure to the Council. The proposal will also result in sporadic and sprawling development.
- 115 Objective 4.2.1 of the PDP requires urban development to be coordinated with infrastructure and services and undertaken in a manner that protects the environment, rural amenity and outstanding natural landscapes and features. This objective is supported by the following policies:

Policies

4.2.1.1 Land within and adjacent to the major urban settlements will provide the focus for urban development, with a lesser extent accommodated within smaller rural townships.

4.2.1.2 Urban development is integrated with existing public infrastructure, and is designed and located in a manner consistent with the capacity of existing networks.

4.2.1.3 Encourage a higher density of residential development in locations that have convenient access to public transport routes, cycleways or are in close proximity to community and education facilities.

4.2.1.4 Development enhances connections to public recreation facilities, reserves, open space and active transport networks.

4.2.1.5 Urban development is contained within or immediately adjacent to existing settlements.

4.2.1.6 Avoid sporadic urban development that would adversely affect the natural environment, rural amenity or landscape values; or compromise the viability of a nearby township.

4.2.1.7 Urban development maintains the productive potential and soil resource of rural land.

- 116 While the EOI is generally consistent with some of the abovementioned policies, for example, it would enhance public access to the waterfall and open spaces throughout the site, it:
- a. will result in the development of a site that is not located adjacent to a urban area;

- b. would promote increased densities of residential development that are highly reliant on vehicular traffic (located approximately 3km from the Arrowtown village centre);
 - c. is separated from Arrowtown by a hill; and
 - d. would encourage residential development that is not in close proximity to community and educational facilities (the nearest alternative shopping area from Arrowtown is Five Mile in Frankton).
- 117 It is acknowledged that the proposed residential development that is taking place on the portion of the site zoned WPRZ, is considered to be generally consistent with both the ODP and PDP, although only approximately 28 houses are proposed in this area. The development rights relating to this zone will remain irrespective of whether the EOI gets recommended to the Minister or not.
- 118 In summary, while all SHAs will to an extent be inconsistent with some or many of the objectives and policies of both the ODP and PDP, this EOI would result in an urban development that is isolated from established urban areas. This form of development is being discouraged in the PDP and the Lead Policy. That said the Council must consider this conclusion having regard to the purpose of HASHAA.

Comment

- 119 At this stage in the process, the Council's decision making role is focused on whether it recommends the proposed SHA land to be considered by the Minister as a SHA under HASHAA.
- 120 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002 (**LGA 2002**).

Options

Option 1: Recommend the proposed SHA to the Minister

121 *Advantages:*

- Helps contribute to the purpose of HASHAA, advancing the principles and priority actions in the Housing Accord, and in particular helps the Council achieve the housing targets in the Housing Accord by increasing the supply of land and housing in the District.
- Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and during the operation of the ancillary commercial activities, and long term benefits relating to the increased supply of housing and the public access to the waterfall and areas of open space.
- Provides a platform for a range of housing options to be developed in the Wakatipu Basin, including low, medium and rural residential sections.

- Contributes to community housing in the Wakatipu Basin via a requirement for an agreement between the Developer and a housing trust.
- Provides certainty over conditions for recommendation to the Minister via the draft Deed.

122 *Disadvantages:*

- The proposal could set a precedent for isolated urban development on a site that is not unique or distinguishable as appropriate for development from many other sites in the Wakatipu Basin, and the granting of this SHA could lead to a precedent of further residential development in this area or throughout the Wakatipu Basin.
- The proposal is considered to be inconsistent with the ODP and PDP, due to its location outside the UGB, and on the part of the site that is zoned Rural General and Rural where the scale and density of development is not anticipated.
- There is a risk that the site cannot be appropriately serviced in terms of stormwater. The Council would need to accept the risks of proceeding with the development based on the information received to date. The advice received from the Council's Consultant Engineer is that the design approach is reasonable but the specific design approach needs to be confirmed.

Option 2: Not recommend the proposed SHA to the Minister

123 *Advantages:*

- Would help preserve District Plan integrity by avoiding development that is inconsistent with the ODP and PDP.
- Would avoid an island of urban development in the middle of the Wakatipu Basin some distance from the support services.
- Would avoid creating a precedent for urban development on a site that is not unique or distinguishable as appropriate for development from many other sites in the Wakatipu Basin.
- Would avoid the risk and potential long-term cost of proceeding with a development that could not be appropriately serviced.

124 *Disadvantages:*

- Would forgo the opportunity of providing a housing option in the Wakatipu Basin and impact on the Council's ability to meet its commitments under the Housing Accord, particularly if the Minister and the Mayor increase the Housing Accord targets.
- Would forgo the short and long term social, and economic benefits offered by the proposal (outlined above).

125 This report recommends **Option 2** for addressing the matter for the reasons detailed in paragraph 123 above.

Significance and Engagement

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

- **Importance:** the matter is of high importance to the District
- **Community interest:** the matter is of considerable interest to the community
- **Existing policy and strategy:** Although consistent with the Housing Accord, the SHA is inconsistent with aspects of the Council's Lead Policy, the ODP and PDP.

Risk

127 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 is because of economic, social, environmental and reputational risks.

128 A key element of this risk is meeting the current and future development needs of the community and providing for development that is consistent with the strategic direction of Council's Policies and Strategies. There is some social risk relating to the economic and social consequences of not meeting development needs, which includes housing provision. However, one of the key risks is proceeding with a development that is not within, adjacent or near to an existing urban area. This is inconsistent with the Lead Policy, the ODP and the PDP. The PDP is seeking to discourage ad hoc urban development in the middle of the countryside.

129 In this instance, having regard to the purpose of HASHAA, it is considered the adverse effects of allowing an isolated urban development does not outweigh the social and economic benefits towards the provision of housing and land packages.

Council Policies, Strategies and Bylaws

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

- Lead Policy, which provides guidance for Council's assessment of SHAs.
- ODP, which regulates housing development and urban growth management.
- PDP, which sets out proposed changes to the ODP.
- Housing Our People in our Environment Strategy, which is relevant as it seeks to address the housing affordability issue in the District.
- Economic Development Strategy, a key action of which is to "investigate all options for improving housing affordability in the District".
- 2016/2017 Annual Plan, within which a number of Community Outcomes that are relevant as they relate to the economy, and the natural and built environment.

131 As discussed above, the proposal is inconsistent with the ODP and PDP in that it would result in the urban development that is somewhat removed from existing urban areas.

Local Government Act 2002 Purpose Provisions

132 The recommended option is consistent with the Council's plans and policies and will help maintain the integrity of the ODP and PDP.

133 Section 14 of the LGA 2002 is relevant to Council's decision making on this matter. In particular, subsections (c) and (h):

(c) when making a decision, a local authority should take account of—

(i) the diversity of the community, and the community's interests, within its district or region; and

(ii) the interests of future as well as current communities; and

(iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii):

(h) in taking a sustainable development approach, a local authority should take into account—

(i) the social, economic, and cultural interests of people and communities; and
(ii) the need to maintain and enhance the quality of the environment; and

(iii) the reasonably foreseeable needs of future generations

134 These statutory provisions take a strong intergenerational approach to decision making, and also place significant emphasis on social, economic and community factors, as well as environmental ones.

Consultation: Community Views and Preferences

135 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the consent authority may request the written approval of adjoining land owners if they are deemed to be affected and may undertake a limited notification resource consent process.

136 The persons who are potentially affected by or interested in this matter are neighbours adjoining the proposed SHA site, and more generally the wider Wakatipu Basin community. There is also likely to be some wider community interest in the EOI in Queenstown, given the shortage of land and housing and the location of the EOI.

137 The Developer has not provided any details regarding community consultation. However, the Council has also provided for community feedback process on the EOI, consistent with how other SHAs were considered. The EOI has been placed on the Council's website. The process calls for feedback to Councillors and closes on 29 July 2016. Feedback will be collated and provided to Councillors and made public prior to the Council meeting on 11 August 2016.

Legal Considerations and Statutory Responsibilities

- 138 HASHAA is the relevant statute with its purpose detailed in paragraph 1 of this report.
- 139 As stated previously, HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the recent High Court decision. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.
- 140 The Council will need to consider the consistency of any decision to recommend this SHA to the Minister and its decision in July to notify the PDP, which maintains the sites as Rural/WPRZ zonings. The proposed SHA land is located outside the Arrowtown UGB and not immediately contiguous to an existing urban area. It could also be viewed as an isolated residential 'island' in the countryside. The proposal is inconsistent with both the PDP and ODP, except to the extent that the part of the proposed development within the WPRZ could be carried out under the WPRZ standards.
- 141 The proposed stormwater system has been considered to be a reasonable approach but the specific design needs to be confirmed. Council's Engineering Consultant, MWH has advised that the developer could be asked to provide preliminary design of sufficient detail (such as plans and cross section drawings that identify the levels of the river and the ponds and detail the pond storage that is available). Clauses have been included in the draft Deed requiring the concept design of the stormwater system to be approved by Council prior to the lodgement of the resource consent application. Ideally this information would have been supplied upfront.
- 142 In this instance the provision of land for housing does not outweigh the adverse effects of proceeding with an isolated urban development and the precedent this may set for development of other sites throughout the District. These are key issues that Council needs to consider in deciding whether to recommend the proposal to the Minister. This is a finely balanced decision.
- 143 On balance, this report recommends that the Council does not recommend the establishment of the SHA to the Minister.

Attachments

- A Special Housing Area Expression of Interest; plus appendices:
Masterplan (1); Infrastructure Review (2); Flood Hazard Review (3); Geotechnical Review (4); Transportation Review (5) [*NOTE: Merged into one document*]
- B Draft Deed of Agreement – Waterfall Park (*Public Excluded*)
- C Three Waters Assessment, prepared by MWH Limited)
- D Further Infrastructure Information supplied by the developer)
- E Agency Response – Otago Regional Council) *Merged together*
- F Agency Response – Ministry of Education)
- G Agency Response – KTKO)
- H Agency Response – New Zealand Transport Agency)