

Kim Banks for QLDC – Summary of Evidence, 21 July 2017

Queenstown Mapping – Hearing Stream 13

Strategic and Dwelling Capacity

1. I start by summarising the strategic approach taken by the Council to this hearing, which is covered in my Overview and Common Themes evidence. I also summarise my supplementary statement of evidence on the dwelling capacity model (**DCM**). My summary for my Group 1B evidence will be presented later in the presentation of the Council's case.

2. This summary statement is grouped into three broad themes: the Council's strategic approach to zoning in Queenstown, dwelling capacity, and recommendations on strategic submissions on maps.

Zoning in Queenstown

3. Submissions on rezoning and mapping annotations have been considered against the statutory requirements of the Resource Management Act 1991 (**RMA**), in addition to a number of overarching principles that play an important role in giving effect to the strategic directions of the Proposed District Plan (**PDP**), in addition to the Otago Regional Policy Statement (**ORPS**) and the National Policy Statement on Urban Development Capacity 2016 (**NPS-UDC**); and having regard to the Proposed Regional Policy Statement for Otago (**PRPS**).

4. Council's evidence to previous hearing streams has been comprehensive and set out how the Council's Right of Reply positions achieve Part 2 of the RMA. I have summarised this approach, and relevant evidence is included in the Council's Bundle of Documents, for the Panel's convenience. The Strategic Direction Chapter 3 sets the overall direction for the management of growth, land use and development in a manner that ensures sustainable management of the District's special qualities; and reconciles the competing issues in the District in a balanced manner. Rezoning submissions within Outstanding Natural Landscapes (**ONLs**) are to some extent reflective of these competing interests, whereby demand for non-rural land use is derived from their special qualities and amenity. The strategic provisions of the PDP are therefore important in providing a balanced consideration as to the appropriateness of rezoning land. These provisions of the PDP, in Council's view, are considered to give effect to Part 2 of the RMA for the District.

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5. The purpose and provisions of Chapter 3 promote a compact and connected development form, which promotes efficiencies in land use, infrastructure and improves the viability of public and active transport within defined Urban Growth Boundaries (**UGBs**). Objective 3.2.2.1 is to ensure urban development occurs in a logical manner, that promotes a compact, well design and integrated urban form, that manages the costs of infrastructure, and protects the District's rural landscapes from sporadic and sprawling development.
 6. UGBs discourage urban development outside the boundaries and afford protection of ss 6 and 7 landscapes against inappropriate development, which are vital to the District's economy and wellbeing.
 7. Dovetailing with the Strategic Direction Chapter 3, the strategic Urban Development Chapter 4 establishes the intent and qualities of the UGBs, and contains seven objectives relating to the Queenstown area being considered in this hearing stream with associated policies. The first three objectives seek that urban development is integrated with infrastructure, that UGBs are established and have distinct defendable urban edges, and within the UGBs a compact and integrated urban form is encouraged that makes efficient use of infrastructure.
 8. Objective 4.2.4.1 and related policies seek to achieve better connection between urban areas, avoid sprawling residential settlements, provide for a diversity of residential development and improve the efficiency of infrastructure and public transport networks. This is particularly relevant to the Queenstown urban environment, which is presently characterised by a number of special zones, some of which are a significant distance from existing centres. Rezoning proposals have therefore been considered with regard to the consequential effects or efficiencies for infrastructure.
 9. Council's approach to infrastructure servicing for urban development is described in the evidence of Mr Glasner. Mr Glasner identifies that it is much more efficient to service new developments within existing urban areas where infrastructure capacity already exists, and the necessary planning and funding mechanisms have been established under the Long Term Plan (**LTP**). Proposals for rezoning outside or on the periphery of the UGB would need to fully address the operational, maintenance and renewal consequences of extending the Council's network; or for setting what may be inappropriate expectations for the future

extension of reticulated networks. Legal counsel has directed me to case law which is included in opening legal submissions, in which it was held that zoning land without the necessary infrastructure, in a situation where Council already has a detailed plan for providing infrastructure elsewhere, would not meet the purpose of the RMA.

10. Landscapes are a significant resource to the District and Region, and require protection from inappropriate activities that could degrade their qualities, character and values. The PDP Landscape Chapter 6 provides a framework that gives effect to the Strategic Direction Chapter 3, the ORPS and sections 6(a), 6(b) and 7 of the Act. The Urban Development Chapter 4, in combination with the Landscape Chapter and Rural Zones, discourages ad-hoc urban development in the Rural Zone. Council accepts that in some circumstances development may potentially need to expand into the ONL, and that UGBs may over time need to be amended. However, the appropriateness of this happening will depend on (among other things) the ability for the development to protect, maintain or enhance the ONL from the adverse effects of inappropriate development, in addition to the need for housing capacity in terms of the NPS-UDC.
11. Overall, it is worth reflecting on the consideration that just because land has the ability to absorb development, does not necessarily mean that it is appropriate to rezone it to allow the Council to carry out its functions in achieving the purpose of the RMA.

Dwelling capacity and the NPS-UDC

12. The PDP is required to give effect to the NPS-UDC. This requires consideration of the capacity and demand for housing and business land, as well as providing for 'choice' and the appropriate locations for urban development. The NPS-UDC does not solely focus on the provision of capacity. For example, OA1 (and OC1) are reflective of what were previously referred to in the LGA as the 'four wellbeings'. OA1 states:

Effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental wellbeing.

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13. OA3 and OC2 also reflect the ongoing nature of monitoring, assessments and responsive planning required by the NPS-UDC; referencing urban environments and a planning response that develops and changes, over time.
 14. As set out in the memorandum to the Panel of 3 March 2017, it is the Council's view that the proposed zoning pattern, combined with the provisions in those zones, will give effect to the NPS-UDC.
 15. In terms of plan enabled capacity, the PDP (together with the operative district plan) is required to include 'zoned' development capacity for the short (3 years) and medium term (10 years) only. Long term supply (10-30 years) does not need to be zoned; however, the targets for long term supply are required to be identified in the plan and development infrastructure required to service it must be identified in the relevant Infrastructure Strategy required under the LGA.
 16. My DCM evidence¹ identifies that with the changes made to the provisions of the PDP to support intensification and infill development, there is sufficient feasible and realisable zoned land in the Queenstown ward² and within the Queenstown UGB, to meet PA1 for the short and medium term to 2028. There is also sufficient feasible and realisable zoned land to meet demand in the long term to 2048, which is more than the NPS requires.
 17. The estimated dwelling demand to 2028 (ie life of the PDP) is 3,126³ and to 2048 is 8133 (this is derived from a '2018' base year and does not account for latent demand).⁴ Mr Osborne estimates a dwelling demand of 9500 at 2048 including latent demand of 800.
 18. A summary table setting out the DCM figures is included in **Appendix 1**. The evidence shows that there is feasible capacity for 20,494 dwellings across the Ward, and realisable capacity is 15,100 dwellings across the Ward.
 19. With the Queenstown and Arrowtown UGB's essentially making up the 'Queenstown Urban Environment', the evidence shows there is feasible capacity

1 Dated 19 June 2017.

2 Which for the purposes of this evidence, covers the area of land within both the Queenstown and Wakatipu hearing streams.

3 As per Table 1 of my Supplementary Evidence: 15,254 (predicted dwellings to 2028) - 12,128 (predicted dwellings to 2018) = 3126.

4 I note Mr Osborne has used 2016 as the base year, and therefore the estimated dwelling demand set out in his evidence differs to mine.

for approximately 14,338⁵ dwellings (refer paragraph 8.6 of my evidence and **Appendix 1** to this summary). The estimated feasible and realisable capacity within the UGB of approximately **14,338** is more than sufficient to meet demand.

20. The rezonings which have been recommended through the course of this hearing will further supplement this plan enabled capacity; as will future Special Housing Areas (**SHAs**) within the current timeframe of the Housing Accords and Special Housing Areas Act 2013 (**HASHAA**) through to 2019. I discuss further below the relevance of these numbers to the evidence of Mr Geddes.
21. In terms of business land, the evidence in chief of Mr Phil Osborne⁶ concludes that business land projections would suggest that the Wakatipu ward has sufficient commercial land zoned to meet expected demand to 2048. He estimates that the current supply of industrial land supply is sufficient for the short and medium terms in the Wakatipu, but a shortage is predicted in the long term, (ie. by 2030). The ODP business and industrial zone is to be reviewed during Stages 2-4, and a full analysis of business capacity will be undertaken alongside the Housing and Business Capacity Assessment required to be completed under the NPS by December 2017.
22. In my view, this evidence supports Council's UGB approach as an important method for achieving Council's strategic direction and the intent of OA1 of the NPS; and also illustrates that sufficient and importantly, feasible and realisable capacity is provided via this compact development approach to meet the needs of the community while maintaining the integrity of the landscape.
23. In my view there is no need for any further rezoning under the current PDP timeframe in order to give effect to the NPS-UDC.

Response to the Supplementary Statement of Evidence of Nicholas Karl Geddes⁷

24. With respect, I consider that the evidence of Mr Geddes regarding Council's approach to the DCM is flawed, and I set out the reasons for this.

5 I note that the figure of 14,338 presented above varies from that presented in my evidence in chief. This is because my evidence in chief included approved SHA's within the UGB within the calculation, which gives a total figure of approximately 14,500. I have removed these figures because the NPS-UDC does not strictly include SHA's.

6 Dated 24 May 2017.

7 338, 328 and 715

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25. Firstly, Mr Geddes appears to understate the role of the NPS-UDC in ensuring that capacity is provided in the appropriate locations and manner to provide for social, economic, cultural and environmental wellbeing (OA1 and OC1); and for promoting the efficient use of land and infrastructure (PA3). Mr Geddes considers that Council has not justified the capacity of existing zones as providing for these 'four wellbeings'. In my view, Council's strategic approach to promoting infill and intensification of existing zones and within the UGB as the means of achieving Part 2 of the RMA as well as giving effect to the NPS, is reflected in multiple s32A and s42A analysis and is sound. Mr Geddes has not undertaken such a district wide assessment.
26. I also refer to the suggestion by Mr Geddes that such an approach may not be accepted by the market. I consider the following statement at paragraph 7.7 of Mr Osborne's dwelling capacity evidence dated 19 June 2017 is particularly relevant: *"A key driving feature of demand for the Queenstown market (and a growing one) is dwelling price. Therefore, demand is likely to shift over time towards those areas with sufficient capacity, as the price levels are reflected in the market price"*.
27. Mr Geddes states at paragraph 4.15 that there is little point in providing for capacity where there is little or no demand. I do not believe there is any question of demand for housing within the Queenstown UGB; and in addition to that, the DCM has demonstrated there is sufficient capacity in that location. I consider the evidence of Mr Osborne reflects that the nature of demand in Queenstown, which has an urban environment in part determined by the landscape, relates to where housing is available. Mr Geddes on this matter also does not consider the body of work which remains for Council in implementing the NPS, beginning with the first Housing and Business Capacity Assessment, and the Future Development Strategy which is required one year later in providing the planning response for the medium and long term.

Capacity estimates

28. With regard to the comparison undertaken by Mr Geddes of the capacity previously estimated by Mr Paetz, and that of the recent update, Mr Geddes has misunderstood the data provided by Mr Paetz in his reply at paragraph 7.28. Mr Geddes seems to place significant weight on this, which was at the time acknowledged by Mr Paetz to be a desktop analysis.

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29. Mr Paetz's evidence was undertaken on a high level and desk-top analysis only, and it has been emphasised throughout the PDP process that this was not particularly 'scientific' and that the DCM was an evolving piece of work. Mr Paetz noted that "*A full re-running of the Dwelling Capacity Model should in my view be undertaken to reach a more 'scientific' estimate*". This has led to the more recent update of the model, which significantly advances previous model (2015) used by Mr Paetz. For example, the 2017 model reflects the proposed densities specified in the PDP; and the input data has been updated, as well as the feasibility factors (as outlined in Section 6 of Mr Osborne's evidence).
30. Mr Geddes has assumed that the figures stipulated by Mr Paetz were 'plan enabled'; however, these were in fact desktop feasible capacity estimations taken from the 2015 DCM. Therefore, Mr Geddes' comparison between the 'plan enabled capacity' of 9,500 of the PDP DCM 2017 (for the LDRZ) and the feasible capacity estimate of Mr Paetz is inaccurate, and is not comparing 'apples with apples'.
31. In terms of the overall numbers these remain very similar; Mr Paetz (paragraph 7.1 to 7.3) estimated the PDP to provide a total of 20,000 to 22,000 dwellings within the urban area of the District. The PDP DCM 2017 illustrates an estimated capacity of approximately 19,689.⁸

Special Zones

32. In relation to paragraphs 4.8 to 4.11 of Mr Geddes' evidence for the Special Zones, Councils approach to estimating capacity for these within the 2017 DCM has been either:
- (a) as stated within either the PDP (if a Stage 1 zone) or ODP, or part of the plan change or resource consent (eg. Waterfall Park (noting this has been discounted due to constraints of site), Bendemeer, Millbrook, Meadow Park, Frankton Flats, Plan Change 50 and Arrowtown South);
 - (b) obtained in consultation with the developer / land owner or their agent (eg. Quail Rise, Jacks Point, Remarkables Park and Shotover Country);
- or

8 Wanaka DCM estimates are outlined in the evidence of Mr Osborne for Stream 12: '*Statement of evidence of Philip Mark Osborne on behalf of Queenstown Lakes District Councils, Dwelling Capacity*', Dated 1 May 2017.

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- (c) calculated taking into consideration existing development and available land area (Arthurs Point and Kingston Village).
33. For Jacks Point, Remarkables Park and Shotover Country, discussions have taken place with the land owners (or their consultants) to obtain more detailed and accurate predictions of capacities within these zones. In updating the PDP DCM it was considered more prudent to discuss capacities with developers to ensure a more realistic capacity was provided for in the model, as previous Council experience has demonstrated that special zones tend to realise at or above the maximum capacity achievable within the zone and density limits.
34. In terms of the capacities stipulated for Jacks Point, Mr Geddes should be aware (as he is acting on behalf of Submitter 715) that since the release of the ODP DCM, detailed discussions have taken place with Submitter 715 and the Council in relation to anticipated densities in the Jacks Point and Hanley Downs area. These capacities have been debated extensively throughout PC44 and the PDP process. In addition, Mr Paetz's figures did not include the proposed densities for the Hanley Downs portion of the Jacks Point zone.
35. Mr Geddes in his evidence states at paragraph 4.16 (and 4.20) that "*RG Glenorchy, Gibbston Character, Bobs Cove RR Sub-Zone and Kingston Village*" should not be included as part of the urban environment. I agree with Mr Geddes. These areas have not been relied on to meet urban development capacity, as they are outside of the UGB and rely mainly on onsite servicing. At paragraph 8.6 of my DCM evidence I note that capacity of approximately 14,500 is contained within the zones located within the Queenstown UGB (which I have now updated to remove SHA's and this gives a figure of 14,338). This does not include the zones specified by Mr Geddes above and these zones are also not considered to be within the definition of the Queenstown 'urban environment'.⁹
36. However these zones are included in the overall DCM update because they are within the Queenstown ward, and subject to the outcomes of Stream 13 and also a direction in the NPS that the Council apply NPS policies beyond the District's urban environments. I also consider it important to understand the capacities that exist throughout all zones, as part of the PDP process, not just those contained within the UGB. The relationship between different urban environments is

9 Paragraph 10.2 of my DCM evidence dated 19 June 2017.

certainly also reflected in the NPS-UDC, and it also states that the various policies are not restricted to the boundaries of the urban area.

Special Housing Areas (SHAs)

37. I agree with Mr Geddes that the NPS is silent on SHAs. This is why they have been reported on separately. In that separate reporting, the capacities of the underlying zone have been removed from the SHA areas to avoid double counting.

Overall comment

38. Mr Geddes has misinterpreted the information and his conclusions are in my view inaccurate and misinformed. The PDP DCM has been put through a robust analysis in consultation with various developers for the special zones to provide a more robust and conservative analysis of PDP DCM, and is also addressed in the evidence of Mr Phil Osborne. As I have already stated, the approximately 14,338 available capacity contained within the Queenstown UGB is more than sufficient to meet demand to 2028 (which I note is Ward demand, rather than just demand within the UGB, and therefore even more conservative) required to be zoned in the PDP.

Strategic recommendations

Queenstown Airport and PC35

39. QAC's submission seeks that the Air Noise Boundary and Outer Control Boundary shown on the District Plan Maps reflects the 'With Lot 6' noise contours. 'Lot 6' is located within the ODP Remarkables Park Zone, and therefore I understand my recommendations over that land are not being considered in this hearing stream. This also means that my recommendations, in my revised 'section 26' to the strategic report, also do not apply to the Air Noise Boundary and Outer Control Boundary as it goes over the operative Industrial A, Frankton Flats (A & B), and Shotover Country zones, as they have not been notified in Stage 1.
40. A number of rezoning submissions have also been made within and outside of the Queenstown Airport Noise boundaries and these are addressed in my 1B evidence. The PDP has reflected the outcomes of PC35 through the provisions.

The role of the airport is also recognised within the strategic provisions of the PDP, namely Policy 3.2.1.2.4 to recognise its role to the economy; and Objective 4.2.5 and 4.2.6 which are derived from the Environment Court confirmed provisions of PC35 and provide the strategic basis for the noise boundaries.

41. My approach to the analysis of rezoning submissions has been consistent with PC35 and the New Zealand Standard for Airport Noise Management, which in terms of changes to zoning, focuses on the method of the air noise boundaries. With one discrete exception, I have not supported rezonings within the OCB where they would result in significant intensification of ASAN.
42. QAC continues to oppose a number of rezonings within a specific area beyond the OCB. With regard to these submissions, I have assessed these by a balanced approach, evident through the strategic provisions of the PDP addressing the airport. I have not accepted the opinion of QAC that submissions outside the OCB should be rejected on the basis of possible future aircraft noise and reverse sensitivity.

Landscape classifications on land not zoned rural

43. Universal Developments Limited (177) request that the planning maps be amended so that the ONL lines are only shown on land that is zoned Rural. I have assessed this submission as it applies to three zones, and I comment on these below:
 - (a) (notified) Medium Density Residential Zone (**MDRZ**) at Frankton – Dr Read is of the view that the ONL through the notified MDRZ is appropriately located, and that there are no provisions in the MDRZ to manage the landscape. I have therefore recommended land within the ONL be rezoned to Rural under which the values of the ONL will be appropriately protected;
 - (b) Quail Rise and Remarkables Park Zones – these zones are out of scope of Stage 1 of the PDP review and no recommendations are made; and
 - (c) Jacks Point Zone – the submission point is rejected as there are zone specific provisions to ensure the ONL is appropriately protected.

The Queenstown UGB

44. Winton Partners (653) sought that the UGB is deleted from all planning maps. I have rejected this submission and in my view the Queenstown UGB provides an appropriate planning mechanism to encourage development where it is efficient from an infrastructure perspective, and to manage and protect the District's ONLs, Outstanding Natural Features and Rural landscapes.
45. I have also assessed a submission by Woodlot Properties (501) to extend the UGB between Jacks Point and Frankton. While the land identified may be in principle logical for urban development, I have rejected any extension to the UGB here at this time because there is no rezoning submission for the land, and accepting this submission may result in speculation and pressure on Council for infrastructure delivery, which is currently unplanned.

Other general submissions

46. A number of other recommendations on general mapping submissions are also outlined in my strategic evidence. I do not summarise each of these here.

APPENDIX 1

DWELLING CAPACITY MODEL SUMMARY TABLES

Black text: District

Red text: Queenstown ward (includes Wakatipu and Queenstown hearing streams geographic areas)

	DCM Capacity	2028 ¹⁰	2048 ¹¹
Dwelling demand (2016 base date)¹²		4,800 ¹³ (i.e. 12 years)	13,500 ¹⁴ 9,500 ¹⁵ (i.e. 32 years)
Dwelling demand (2018 base date)¹⁶		5,756 3,926 (i.e. 10 years)	12,677 8,933 (i.e. 30 years)
Plan enabled capacity	41,400 ¹⁷ 27,159 ¹⁸		
Feasible capacity	20,494 ¹⁹		
Realisable capacity	20,300 ²⁰ 15,100 ²¹		

10 These figures are based on comparing the 2018 and 2028 Population Projections from the Evidence of Mr Clarke, at Appendix 1.

11 These figures are based on comparing the 2018 and 2048 Population Projections from the Evidence of Mr Clarke, at Appendix 1.

12 We note that these figures include the latent demand of 800 dwellings.

13 Evidence of Mr Phil Osborne, at paragraph 2.4.

14 Evidence of Mr Phil Osborne, at paragraph 2.3.

15 Evidence of Mr Phil Osborne, at paragraph 5.9 and 7.5. This figure includes latent demand of 800 dwellings.

16 We note that these figures are sourced from the Evidence of Mr Walter Clarke at Appendix 1 with the latent demand of 800 dwellings added onto the figure in Appendix 1.

17 Evidence of Mr Phil Osborne, at paragraph 7.4. This figure includes 11,600 "special development capacity" dwellings.

18 Evidence of Mr Phil Osborne, at paragraph 7.4. This figure includes 11,600 "special development capacity" dwellings.

19 Evidence of Mr Phil Osborne, at Table 3. This figure includes 11,600 "special development capacity" dwellings.

20 Evidence of Mr Phil Osborne, at paragraph 2.6. This figure includes 11,600 "special development capacity" dwellings.

21 Evidence of Mr Phil Osborne, at paragraph 7.5. This figure includes 11,600 "special development capacity" dwellings.

Dwelling Capacity within UGBs²²

Zone area	Feasible	Realisable
Low Density Residential		3040
Medium Density Residential		310
High Density Residential		491
Business Mixed Use		278
Local Shopping Centre		73
Queenstown Town Centre		66
Special Development Areas		
Queenstown TC PC50	647	
Remarkables Park	4500	
Jacks Point	3700	
Quail Rise	13	
Shotover Country	248	
Arthurs Point RV	200	
Frankton Flats B	750	
Sub total	10058	4258
Total (Queenstown UGB)		14316
Arrowtown TC		9
Arrowtown South		13
Total (Queenstown + Arrowtown UGB)		14338

22 I note that the figure of 14,338 presented above varies from that presented in my evidence in chief. This is because my evidence in chief included approved SHA's within the UGB within the calculation, which gives a total figure of approximately 14,500. I have removed these figures because the NPS-UDC does not strictly include SHA's.