

3 August 2011

Queenstown Lakes District Council
Private Bag 50072
Queenstown

Attn: Alyson Hutton

RE: PRIVATE PLAN CHANGE REQUEST 43: REQUEST FOR ADDITIONAL INFORMATION (16 JUNE 2011)

Following your letter of 16 June 2011 requesting further information with respect to the Plan Change Request (PC43), this letter and the supporting information addresses each of the matters raised. In addition we comment on and propose further amendments to the Plan Change Request based on additional analysis of the implications of the Rules and Assessment Matters.

Urban Design

Please refer to the attached Supplementary Report to the Urban Design Assessment provided by R A Skidmore Urban Design addressing the first 5 bullet points of the request for further information (Appendix A to this letter).

With respect to the final 2 bullet points we also address them as follows, and an amended version of the proposed District Plan changes is attached as Appendix B to this letter. The amended District Plan changes include the Urban Design recommendations. Appendix B provides a tracked changed version that identifies all amendments made to the original documents, plus a clear version with all amendments accepted.

With respect to the first bullet point addressing activities currently listed as Controlled Activities, we have reviewed their activity status with respect to existing zones and other proposed plan changes and address each as follows:

(i) Outline Development Plan

The Requester considers that particular emphasis should be placed on the development of an Outline Development Plan (ODP). The importance of such is demonstrated by the proposed District Plan provisions requiring that development without an ODP will be a non-complying activity. To strengthen this, the Requester proposes as an amendment that the approval of an ODP is shifted to restricted discretionary activity status, involving a non-notified consent application. This status, combined with the detailed assessment matters, will provide the Council with sufficient control to ensure at a structural level that the basis for high levels of amenity, design and neighbourhood cohesiveness are provided for and can be carried through to subsequent approvals.

(ii) Buildings, including alterations and additions

In many zones in the Queenstown Lakes District Plan where commercial activities are anticipated (Business & Industrial, Remarkables Park, Town Centre) buildings are a controlled activity. Commercial activities aside, in many other zones buildings themselves are also a controlled activity, provided they meet site and zone standards. In this respect we consider that, provided particular emphasis is placed on the approval of an ODP (discussed above), then the controlled activity status for buildings is appropriate to achieve high levels of amenity, design and neighbourhood cohesiveness through the matters over which the Council reserves control.

(iii) Residential and Visitor Accommodation activities

The Council has queried whether residential and visitor accommodation activities should be a restricted discretionary activity in order to achieve suitably high levels of amenity, design and neighbourhood cohesiveness. We believe this is neither appropriate nor necessary, for the following reasons:

- a) The ODP approval (now restricted discretionary) includes, as one of the issues to be considered, "*Configuration of activities on the site*" and one of the related assessment matters reads "*The extent to which the proposed mix and location of activities takes into account and appropriately mitigates potential adverse effects of immediate neighbours on each other*". These provisions are adequate, at a restricted discretionary status level, to ensure that the overall mix of activities will achieve appropriate levels of amenity and neighbourhood cohesiveness.
- b) Activities are different from buildings. "Design" is therefore not relevant under this heading. Design will be addressed under both the assessment of an ODP and an application for a building and/or addition or alteration to a building.
- c) Once the ODP approval has determined the broad mix and location of activities, the other matters to be addressed under this heading are matters of detail which can be addressed as a controlled activity and do not require the higher regulatory hurdle of restricted discretionary activity status.
- d) It is important that ODP approval results in a sufficient degree of certainty as to development outcomes (subject to finalisation of detail) such that investment decisions can be made. Having a two stage process, with both stages including restricted discretionary activity status consents, would create an unnecessary degree of uncertainty.

The second bullet point seeks clarification with respect to how consideration of the interface of buildings specifically with SH6 has been given effect to in the Plan Change Request. Currently the Plan Change Request includes the following matters with respect to SH6:

Policies:

- 2.3 *To provide landscaping along the State Highway corridor which relates to the built form and is effective in maintaining an attractive streetscape.*
- 2.6 *To encourage development forms and design in accordance with topography and which recognise that an increased height of buildings is appropriate back from the State Highway against the hill.*
- 2.7 *To encourage variations in building design, height, colours and materials in order to create interesting streetscapes and variety in form, scale and height of buildings.*

Rules:

Site Standards 12.X.5.1 (i) and (iii) together, adopt a 5m building setback from the State Highway and require that no wall greater than 1.2m can be erected within that setback.

Assessment Matters:

12.X.6.2 iii Controlled Activity – Outline Development Plan

- (h) *The extent to which buildings are configured and orientated in a manner that creates a positive interface (frontage) with the State Highway and internal and external adjoining streets and accessways.*

In light of the above, and following the request for further information, it is recognised that the consideration of the interface of buildings with SH6 could be strengthened. An assessment of the interface with SH6 should not only be carried out in the consideration of the ODP (as above) but in the

assessment of specific buildings so as to address the elevations and external appearance as well as site layout. The introduction of the following further assessment matter is proposed specifically in relation to buildings:

12.X.6.2 i Controlled Activity – Buildings

- (x) The extent to which building design will ensure a varied, interesting and positive interface with the State Highway (should demonstrate visual richness through physical stepping, variation of materials and colours, architectural details to achieve articulation, varied roof forms, visual relationship between buildings and street maintained by using large areas of glazing).*

As stated above this additional assessment matter is contained in the accompanying amended version of the proposed District Plan provisions.

Retail and Commercial Analysis

Several reports on commercial land needs and market economics have been prepared for developments on the Frankton Flats and wider District, including PC19 (e.g. John Long, Philip Donnelly, Mike Copeland), PC34 (Market Economics Ltd), and the Council's own Commercial Land Needs study (2006). New economic evidence is also currently emerging through the PC19 appeal process. A further report exclusively for the small PC43 area is not considered necessary or justified in this context, for (at least) the following reasons:

- a) Any such further report would not provide the Council with any meaningful information not already currently available to the Council as a result of those other reports referred to above.
- b) Because of uncertainty as to the ultimate outcome of both PC19 and PC34, any such further report would constitute little more than predictions based upon assumptions based upon further assumptions, and the conclusions would therefore have little value.
- c) Part of the underlying rationale of PC43 is that it addresses these areas of uncertainty by providing for a mixed use range of activities so that development of PC43 land can respond to market demand. In particular the ultimate apportionment between residential development on the one hand and commercial/retail development on the other hand of the PC43 land can be expected to be determined by reaction to market demand.

We do provide, however, some basic analysis with respect to existing and proposed retail and commercial land use based upon the information contained in the PC34 Request, and we draw on some of the analysis in the Council's 2006 Commercial Land Needs Study below.

For the purpose of this response we have considered 'retail' and 'commercial' as one combined activity. Based on the Walker Retail Architects Indicative Layout Plans (refer Appendix H of the Plan Change Request), the estimated GFA for retail/commercial activities is 9,384m². This area assumes a mixed use development incorporating 3,460m² GFA of residential accommodation and estimated total at-grade car parking provisions for both the commercial/retail and residential components of 261 spaces.

The analysis provided by Market Economics Limited in the recent request for PC34 provided the following GFA estimates for retail and service capacity and demand:

Capacity

	Existing	Remaining or Proposed	Total
Queenstown Central	60,580		60,580
Remarkables Park	20,700	10,700	31,400
Frankton Shops	3,220		3,220
Glenda Drive / Other	16,100		16,100
Arrowtown TC	5,840		5,840
PC34		30,000	30,000
Gateway		28,690	28,690
PC19 - C1		13,730	13,730
PC19 - C2		1,000	1,000
PC19 - E2		18,700	18,700
TOTAL	106,440	102,820	209,260

Demand

Market Economics Limited estimates total retail and service floor space demand growth arising in the Queenstown catchment (from residents and visitors and not accounting for net leakage) of 94,600sqm GFA (Medium growth outlook) and 118,100sqm GFA (High growth outlook) between 2009 and 2031. On this basis the proposed developments detailed above account for between 87% - 109% of anticipated retail and service floor space growth in the Queenstown Catchment.

Note¹: The assessment above of existing and proposed retail & service floor space capacity and demand is taken from pages 36 - 37 of the Market Economics Spatial Report Queenstown Catchment Assessment of Retail and Service Growth, Annexure G of Plan Change 34.

Note²: It is recognised that the floor space area assessments are subject to other plan change processes and are indicative only.

The estimated retail/commercial activity of PC43 at 9,384m² represents just 4.48% of the total 209,260m² existing/ remaining/ proposed provided for the Queenstown catchment as detailed above, and between 7.95% - 9.92% of the estimated demand. Based upon those percentages, and taking into account the fact that development of land for commercial/retail use (as opposed to alternative available uses) can be expected to reflect and relate to actual growth of demand, it is unlikely that development of PC43 land would have measurable effects on other commercial centres beyond the effects which normally arise from trade competition.

The following aspects of the QLDC Commercial Land Needs Study (2006) provide support to the mixed use approach of PC43:

Page 36 highlights a desire that:

Some of the demand for showrooms / small workplaces should be able to be provided for in the mixed use areas proposed as part of the new centres in Frankton and Wanaka.

And Page 59 states:

there is a role for show room type retail, or retail associated with the trades and construction sector in business areas.

Page 51 notes that:

... given current and proposed land supply associated with commercial (town centre) areas, the need for additional supply lies in the mixed business and industrial end of the employment spectrum.

Page 55 in addressing the projected land needs to 2026 states that:

Assuming that the existing business areas of Glenda Drive, Gorge Road and the Airport Mixed Use area can accommodate a total of 2,500 jobs, then an area of 25 ha (net) is needed to accommodate the balance of 1,400 jobs. This is equal to a gross figure of 28ha.

The proposal addresses just over 2ha of this projected need. PC43 will complement the existing Frankton Corner (including Terrace Junction), which does not include any large format retail but instead includes smaller retail, mixed commercial / office, some residential (upper level flats), service stations and fast food outlets. The proposed mixed use zone PC43 will connect to Frankton Corner and will contribute to that existing commercial centre.

Transportation

Please refer to the attached transportation analysis and consultation with NZTA undertaken by the Traffic Design Group (attached as [Appendix C](#) to this letter).

Infrastructure

We note the matters listed to be included in any future detailed designs.

Affordable Housing

The Council has asked that the Requester provide an AHIMS as part of the Plan Change Request. This is not possible, due to the range of possible outcomes which could result from the proposed PC43 mixed use zone. A preliminary application of the AHIMS formula indicates that that formula applied to the PC43 land could result in a requirement for between 7 – 61 affordable and community housing units, depending upon the ultimate development mix. Any such requirement would almost certainly render the Plan Change Request economically unviable.

Alternatively the Council has suggested that provisions be included in the Plan Change Request in relation to PC24. The Requester considers that PC43 adequately responds to the objectives and policies introduced into the District Plan by PC24 simply through the Request itself; the change from the low density residential to a potential high density residential development; and the likelihood that that will result in well-located housing being provided at the affordable end of the market.

The amount of weight that can be placed upon the PC24 District Plan provisions at this stage is debatable, due to the significant legal challenges currently being processed in relation to PC24. Given those circumstances it is appropriate that this issue be addressed (if necessary) through the PC43 process, rather than at the outset. This is an issue which can (if considered necessary) be raised in the Planning Report prepared for the PC43 hearing in due course, and can then be debated at the PC43 hearing, by which time there may be more clarity as to the outcome of PC24.

Additional Changes Requested

ODP and future changes of use

Having reviewed the status of an ODP within the current Plan Change Request, we note that the Zone Standard 12.X.5.2 i (b) would require that any future change of use from that initially approved in an ODP would require non-complying activity consent. We consider that this is onerous and that such an

application should correctly be subject to similar activity status and assessment matters as the original ODP. The Requester proposes that 12.X.5.2 i (b) be shifted to discretionary activity status as denoted in the amended District Plan provisions (Appendix B to this letter).

Acoustic Insulation

A joint witness statement has been signed in relation to the appeal from Queenstown Airport Corporation Limited against the decision of the QLDC on submissions to Plan Change 35. This statement included agreement on a change to the acoustic insulation and ventilation provisions and the insertion of an Appendix 13 into the District Plan to deal with activities within the Air Noise Boundary (ANB) and the Outer Control Boundary (OCB). A copy of this Joint Witness Statement is attached as Appendix D to this letter.

Because much of the Plan Change Request site is within the area proposed for extension to the OCB under Plan Change 35, in order to align the request with this agreement, a policy contained in this agreement and amended rule with reference to the new Appendix 13 have now been included in the revised District Plan provisions in Appendix B to this letter.

We trust that the information provided within this letter and attachments will be sufficient for you to continue processing the Plan Change Request.

Yours sincerely

Rosalind Groves/Alistair Smith
John Edmonds & Associates Ltd

Enclosed:

Appendix A – Supplementary Report to the Urban Design Assessment – R A Skidmore
Appendix B – Revised District Plan provisions
Appendix C – Addendum to Transport Assessment – Traffic Design Group
Appendix D – Joint Witness Statement on Plan Change 35 Appeal ENV-2011-WLG-003