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Queenstown Lakes District Council
Private Bag 50072
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Attention: Julia Chalmers

RE: HEARING STATEMENT ON BEHALF OF Z ENERGY LIMITED ON STREAM 13 OF THE PROPOSED DISTRICT PLAN – PLANNING MAPS

1. INTRODUCTION

- 1.1 We refer to the abovementioned matter set down for hearing commencing on the 24th of July 2017. Z Energy Ltd (*Z Energy*) will not be attending the hearing as, subject to the assessment of the suitability of the zoning of Z Queenstown and of Sugar Lane (outside of the Plan review process and to address the issues raised in the submission), it is generally in agreement with the recommendations of the Reporting Planner.
- 1.2 This statement has been prepared on behalf of Z Energy and represents its views. The statement relates to the submission and further submissions by Z Energy, including how they have been addressed in the Section 42A reports.
- 1.3 It would be appreciated if this statement could be tabled before the Hearings Committee.

2. SUBMISSION 312 AND FURTHER SUBMISSIONS FS1214.3 & FS1214.4

- 2.1 The Proposed District Plan (*the PDP*) proposes to continue to apply the Lower Density Residential Zone (*LDRZ*) to the Z Queenstown site at 846 Frankton Road (*the Site*) and the existing commercial properties along Sugar Lane (*the Sugar Lane area*). In its submission, Z Energy opposed the proposed zoning in that it fails to recognise the Site's location, characteristics and existing and potential development capacity. The submission sought to rezone the Site to Local Shopping Centre or Medium or High Density Residential, or as

consistent with any rezoning of the Sugar Lane area. Z Energy's reasoning included that there is an established commercial activity on the site, it is a short distance north of existing commercial activities along Sugar Lane, and the site benefits from separation to nearby residential properties (due to the steep slope to the north and west of the site and roads to the south and east). Z Energy also lodged further submissions in support of submissions by DS EE Properties Ltd and Kenneth Muir seeking to rezone the Sugar Lane area from LDRZ to Commercial and Business Mixed Use Zoning.

- 2.2 Z Energy's submission and further submissions are discussed in two Section 42A Reports – Mapping Group 1A (Queenstown Business and Industrial) by Ms Ruth Evans, and Mapping Group 1B (Queenstown Urban – Frankton and South) by Ms Kim Banks. In general, Ms Evans and Ms Banks make similar statements and recommendations in relation to the issues raised by Z Energy. Both ultimately recommend rejecting Z Energy's submission and retaining the LDRZ at this point in time, though Ms Evans recommends reassessment of the suitability of the zoning of these areas through a process that lies outside the District Plan review process.
- 2.3 Ms Evans disagrees with the submissions of Z Energy, DS EE Properties Ltd and Kenneth Muir, and recommends retaining the LDRZ over the Site and Sugar Lane area. One of the key concerns cited is that facilitating further development in the area would result in adverse traffic effects. Council's Transportation expert, Ms Wendy Banks¹, states that turning movements into and out of Sugar Lane and Marina Drive are already challenging due to the high traffic volumes along State Highway 6A, and therefore she opposes rezoning of the Site and Sugar Lane area from a traffic perspective².
- 2.4 Ms Banks also recommends rejecting Z Energy's submission and cites traffic concerns.³ Ms Banks suggests that a "spot-zoning" sought by Z Energy would be out-of-character, particularly in relation to the increased height limit which would be permitted. She states that while there are existing commercial activities near the site on Sugar Lane (and the further submissions supported by Z Energy seek that those be similarly rezoned such that the service station would not be "spot zoned"), that alone does not warrant rezoning, given that these properties are separated by State Highway 6A. Furthermore, Ms Banks states that there are no special circumstances to warrant rezoning, and further detailed analysis would need to be undertaken to demonstrate the appropriateness of rezoning⁴.
- 2.5 Ms Evans opposes rezoning the Site and Sugar Lane area to Commercial or Business Mixed Use suggesting that, in her opinion, doing so may be contrary to Policy 3.2.1.2.3 in the PDP and could compromise the strategic direction of the commercial zoning in Frankton. Policy 3.2.1.2.3 is to *"Avoid future additional commercial rezoning that will undermine the function and viability of the Frankton commercial area, or which will undermine increasing integration between the nodes in the area."*⁵

¹ This is the only instance where we refer to Ms Wendy Banks, Council's transportation expert. In all other instances where we mention 'Ms Banks', we are referring to Ms Kim Banks.

² Para. 6.12-6.13 and 6.25 of Ruth Evans' Section 42A Report (Mapping Group 1A) (*Report 1A*)

³ Para. 12.10 of Kim Banks' Section 42A Report (Mapping Group 1B) (*Report 1B*)

⁴ Para. 12.14 – 12.16 Report 1B

⁵ Para. 6.19 and 6.30 Report 1A

- 2.6 While they nevertheless recommend retaining the LDRZ, both Ms Evans and Ms Banks acknowledge that the existing Z Service Station and activities on Sugar Lane are inconsistent with the LDRZ⁶.
- 2.7 Z Energy continues to maintain the view that LDRZ is an inappropriate zone for the Site and Sugar Lane area, for the reasons set out in its submission. Z Energy is not convinced that rezoning of the Site and Sugar Lane area is necessarily contrary to Policy 3.2.1.2.3. The area already has existing commercial uses. Furthermore, the zoning of the area could be tailored to ensure that future enabled uses do not undermine the function and viability of the Frankton commercial area.
- 2.8 Z Energy believes that the consented large-scale Marina Development at the end of Sugar Lane⁷ is an important factor to be considered in determining an appropriate zone for the Site and Sugar Lane area. Ms Evans recognises this also and suggests that *“some form of marine based commercial zone, or a structure plan or outline development plan that considers the future development of the Sugar Lane area as a whole would be beneficial, to ensure that this area can be redeveloped holistically and all environmental effects carefully considered.”*⁸ Ms Evans states that it would be appropriate to include the Z Energy site in any such review.⁹ Z Energy is supportive of this suggestion. If the proposed LDRZ is to be retained over the Site and Sugar Lane area in this PDP process, Z Energy seeks that the Council pursue rezoning in the near future in accordance with the suggestion of Ms Evans. Z Energy would appreciate the opportunity to provide input into the process.
- 2.9 Z Energy has had brief contact with both Don Lawrence of DS EE Properties Ltd and Kenneth Muir, and understands that, in principle, they also support this idea.
- 2.10 Regarding Ms Banks’ traffic concerns, Z Energy notes that the intersection of Sugar Lane and State Highway 6A is anticipated to soon be upgraded, and this does not appear to be reflected in the recommendations in the Section 42A reports. The district resource consent for the Marina Development at the end of Sugar Lane required the consent holder to make a financial contribution to NZ Transport Agency (NZTA) for the purpose of roading improvements to that intersection. The consent holder is also required to liaise with the Council and NZTA in redesigning the Sugar Lane approach to the intersection with State Highway 6A to add an additional exit lane.¹⁰ Z Energy believes that these anticipated roading improvements are an important consideration as they will provide a basis to support additional development in the Site and Sugar Lane area. This can be taken into consideration through the subsequent rezoning process.

⁶ Para. 6.10, 6.14 and 6.26 Report 1A, and para. 12.11 Report 1B

⁷ Consent RM140061: Lakes Marina Projects Ltd

⁸ Para. 6.18 Report 1A

⁹ Para. 6.31 Report 1A

¹⁰ Conditions 11 and 12 of Consent RM140061: Lakes Marina Projects Ltd

3. OVERALL RECOMMENDATION

- 3.1 If the Committee adopts the Section 42A report and retains the LDRZ over the Z Queenstown Site and Sugar Lane area, Z Energy also urges the Committee to recommend to the Council that it pursues rezoning those areas in the near future through a structure plan or outline development plan type process, or through the development of a marine based commercial zone, in line with the Reporting Planner's recommendation. Z Energy would appreciate the opportunity to provide input into any such process.

Yours sincerely,

BURTON PLANNING CONSULTANTS LIMITED



Kahlia Thomas
Graduate Planner