

**BEFORE THE HEARINGS PANEL  
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

**IN THE MATTER** of the Resource  
Management Act  
1991

**AND**

**IN THE MATTER** of Hearing Stream  
8 – Business  
Zones

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**EVIDENCE OF RICHARD JEFFREY STANILAND REGARDING THE QUEENSTOWN  
TOWN CENTRE RECOMMENDED CHAPTER**

**18 November 2016**

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**GTODD LAW**

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**MAY IT PLEASE THE PANEL:****I, RICHARD JEFFREY STANILAND, say as follows:**

1. I am the Chief Executive Officer of Skyline Enterprises Limited (SEL) and I am authorised to give this evidence on its behalf.
2. SEL has made a submission in respect of these proceedings (#606)
3. SEL owns O'Connells Pavilion, a five-storey (including car parking level) building on the corner of Camp Street and Beach Street, Queenstown, and the Skyline Arcade Building on Mall Street, Queenstown.
4. The O'Connell's Pavilion site comprises some 1,775m<sup>2</sup>. The recommendation under the Proposed District Plan (PDP) is to modify the Comprehensive Development rule so that sites that are equal to or larger than 1400m<sup>2</sup> qualify as Comprehensive Developments, requiring site coverage to be no more than 75% of the land area. Most other sites in the Queenstown Town Centre Zone have a proposed site coverage allowance under the PDP of 100%.
5. If O'Connell's were to be rebuilt under the new site coverage requirements there would be substantial reduction in the value of the building as a result of a reduction in potential rental income.
6. It is estimated that if the building were rebuilt with 100% site coverage the total capital value of the property would be \$47,925,000. Assuming an average inflation rate of 2%, the value of rental income after 50 years would be approximately \$97,803,230. If the 75% site coverage restriction was imposed, the total capital value would be \$42,600,000. Again assuming a 2% inflation rate the present value of rental income over 50 years would be approximately \$86,936,205. This would mean a present value loss of rental income over 50 years of approximately \$10,867,026.
7. This economic loss to SEL would not be offset by any advantage gained in providing more public access in the form of walkways or other open areas. There would be little to no public benefit in requiring O'Connell's to reduce its site coverage to 75% as there are already both internal and adjacent lanes and walkways in place that allow for pedestrian access.
8. I submit that the lowering of the comprehensive development threshold from 1800m<sup>2</sup> to 1400m<sup>2</sup> will be detrimental to the efficient use of land in the town centre, and will significantly reduce the value of O'Connell's Pavilion and future earning ability in the form of rental income. I therefore submit that the proposal to reduce the comprehensive development qualifier from 1800m<sup>2</sup> to 1400m<sup>2</sup> should be rejected.
9. The above statements are made without prejudice to our ability to claim existing use rights given the current O'Connell's building covers 100% of the site.

10. The PDP also seeks to formalise pedestrian links within the Skyline Arcade building. I submit that this amounts to a designation of the land as a pedestrian access way, which will have substantial effects on the future rental income for the building.
11. Based on the area of the current walkway within the Skyline Arcade and the rental rate for prime ground floor retail premises in the town centre, it is estimated that the present value of rent foregone would amount to approximately \$1,703,191 over a 50 year period. I submit that this financial loss will not be offset by the perceived benefit to the public in formalising the access way as a pedestrian land.
12. SEL has provided an informal pedestrian access way as part of the development of the Arcade building when it was erected many years ago, and it is unfair for the Council to impose a penalty in the form of a de facto designation of a pedestrian link, limiting development options and rental returns for SEL while not having to bear any financial responsibility in respect of value for the land comprising the link.
13. I trust the panel will accept this evidence put forward to you today and reject both the Comprehensive Developments recommendation and the pedestrian links proposal for the Queenstown Town Centre Zone.



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Richard Jeffrey Staniland

CEO of Skyline Enterprises Limited