

Before Queenstown Lakes District Council

In the matter of The Resource Management Act 1991

And The Queenstown Lakes District proposed District Plan Topic 09
Resort Zones

SUMMARY STATEMENT OF EVIDENCE OF MICHAEL COPELAND FOR

Jack's Point Residential No.2 Ltd, Jack's Point Village Holdings Ltd, Jack's Point Developments Limited, Jack's Point Land Limited, Jack's Point Land No. 2 Limited, Jack's Point Management Limited, Henley Downs Land Holdings Limited, Henley Downs Farm Holdings Limited, Coneburn Preserve Holdings Limited, Willow Pond Farm Limited (#762, #856 and #1275)

Jack's Point Residents and Owners Association (#765, and #1277)

Dated 17 February 2017

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lloyd.**

INTRODUCTION

- 1 My name is Michael Copeland. I am a consulting economist.
- 2 At the request of the submitters named on the front cover page of this summary evidence ("**the submitters**"), I prepared evidence (dated 3 February, 2017) in relation to economic aspects of provisions the submitters are seeking be included in the proposed Queenstown Lakes District Plan (the District Plan) in relation to the Jack's Point Zone (JPZ).

MAIN FINDINGS OF EVIDENCE

- 3 Community economic wellbeing and the efficient use of resources are relevant considerations under the RMA.
- 4 In economic terms, market interventions such as land use constraints are only justified where clear external costs have been identified and the significance of these external costs is such that they outweigh the costs of the particular form of intervention proposed.
- 5 There are a range of economic benefits from limiting constraints on the provision of retail, commercial, education and health activities within the Jack's Point Village Activity Area. These include:
 - (a) Greater competition in the markets for the supply of land for this range of development activities;
 - (b) Savings in transport costs (including vehicle operating, travel time accident and congestion cost savings);
 - (c) Greater convenience;
 - (d) Optimised and efficient use of JPZ infrastructure capacity;
 - (e) More affordable housing; and
 - (f) Reduced pressure for development on less suitable land within the District.
- 6 Retail and commercial/professional service activities provided within the Village Activity Area are likely to generally meet the convenience shopping and other needs of Jack's Point residents, overnight visitors and businesses. They will not usurp the role of the larger comparison shopping centres within the District (in particular Queenstown CBD and Frankton) because of:
 - (a) The population base of Jack's Point. Current projections are for Jack's Point to eventually reach around 4,500 households;

- (b) Jack's Point being separated from other population and business centres within the District;
- (c) The now proposed 300 m² cap on the permitted size of individual retail and commercial activities;
- (d) Other centres in the District having a wide range of retail and commercial activities and are already well established;
- (e) These other centres will also be the places of employment for some Jack's Point residents and places of destination for other trips so commuting to work and other trips will be combined with shopping trips at these other established centres. This will limit still further opportunity for comparison shopping of any significant scale to become established in Jack's Point; and
- (f) Growth in the district generally will dissipate any redistribution of trade effects for other centres.

7 Also, it is now proposed to reduce the area of land available for commercial, retail and community activities from that in the ODP and in the notified PDP. The ODP had 28.95 ha of commercial land in Henley Downs and Jacks Point Villages. The proposal now advanced is a reduction of that to 26.80 ha consolidated into one village, with a large component of that to be used for education.

8 The specific provisions being sought by submitters for the JPZ are consistent with a number of the Objectives and Policies in the proposed Plan's Chapter 3 (Strategic Directions) and Chapter 4 (Urban Development). They are also consistent with a number of the Objectives and Policies of the National Policy Statement on Urban Development Capacity 2016.

9 The relief sought by the submitters is consistent with enabling "*people and communities to provide for their ... economic ... well being*" and having regard to "*the efficient use and development of natural and physical resources*".

RESPONSE TO COUNCIL LEGAL SUBMISSIONS

10 I note at paragraph 6.13 the submissions say that Mr Heath supports a cap for commercial activities within the Village Activity Area which is less than 9.9 hectares. In fact Mr Heath does not specify a particular cap, although he has done some forecasts of the area of retail and commercial activities which might be required at Jacks Point. I believe Mr Heath's analysis may be useful for illustrative purposes but it is necessarily speculative at this time.

11 At paragraph 6.15, the submissions argue that a limit on retail and commercial activities is necessary to prevent such activities being developed to a scale and

scope that might create tension with the PDP strategic directions objectives. My evidence has provided reasons as to why I consider this tension will not occur without a cap.

MR HEATH'S SUMMARY OF EVIDENCE

- 12 Mr Heath in his summary of evidence (paragraph 2) argues that a cap is required on retail and commercial activities within the Village Activity Area again because it will prevent such activities being developed to a scale and scope that might create tension with the PDP strategic directions objectives. In my view because of the factors, which I have listed in my evidence and which will prevent retail and commercial activities developing at Jack's Point that will undermine other commercial centres within the District (e.g. the Queenstown CBD or Frankton), a flexible approach to retail and commercial development can be maintained. To place a limit on such activities, which have no economic, environmental or social costs, is unnecessarily restrictive and prevents a flexible response to future market requirements being adopted.
- 13 Mr Heath's apparent concerns (see paragraph 3 of his evidence) about land being set aside for retail and commercial uses not being available for other uses (e.g. high density residential development, medical facilities, community facilities and educational activities) can be overcome and is more efficiently addressed by letting the market determine the final mix of land uses within the Village without prescriptive land area caps or limits for particular types of activities.
- 14 Mr Heath in his evidence in chief has concerns about commercial development within the Jacks Point Village being dispersed and therefore undermining the commercial centre of the Village itself. I agree, but this is not overcome by a cap, but by instead appropriately planning both the village and surrounding area to avoid dispersal of activities such as visitor accommodation that is more suited to the village. I understand that Mr Ferguson has recommended a discretionary status for visitor accommodation in the residential areas to address this concern.
- 15 At paragraph 11 of his summary evidence Mr Heath suggests I assume that all of the activities proposed for Jacks Point Village will eventuate, whereas he considers there remains considerable uncertainty if the envisaged land uses within the Village will be developed to a scale required to fill 26.8 ha. In fact my evidence does not assume this. I understand that allowance is to be made for areas of open space and provision of 2 hectares for education purposes. In addition nobody is capable of forecasting the other forms of future development at Jacks Point (or elsewhere) with absolute certainty. However it is necessary to make certain provisions in the Plan to enable different types of development envisaged within the JPZ. Mr Heath himself has made certain assumptions about the future level of residential and visitor accommodation development within

Jacks Point to make estimates for the possible land requirements for retail and commercial services within the Village at full capacity.

- 16 The differences between Mr Heath and I are that I do not think it is necessary to be prescriptive about the maximum area for retail and commercial development given the factors at play for the Jacks Point Village Activity Area:
- (a) Mr Heath thinks there may be potential costs in terms of significant trade competition effects undermining the CBD and Frankton existing centres; whereas
 - (b) I consider the risks of such significant trade competition effects are negligible. Also I think there are economic benefits from enabling developers at Jacks Point to be “nimble” and “responsive” to market demand now and in the future. This is consistent with, rather than creating tension with, the Plan’s objectives and policies, the NPS on Urban Development Capacity, economic efficiency and economic wellbeing.

DATED this 17 day of February 2017

Michael Copeland

