



Order Paper For The Meeting Of The

PLAN CHANGE HEARING

Independent Commissioners D Whitney (Chair), D Mead and S Stevens

**10.30am on Tuesday 5th June and Wednesday 6th June 2018
at Edgewater Resort, Sargood Drive, Wanaka**

NORTHLAKE INVESTMENTS LTD
Council Reference PC53

Requestor's Pre-Circulated Evidence

QUEENSTOWN LAKES DISTRICT COUNCIL

RESOURCE CONSENT HEARING

| | |
|---|----|
| John Edmonds (Planner) | 1 |
| Patrick Baxter (Landscape Architect)..... | 21 |
| Andy Carr (Traffic Engineer) | 30 |
| John Polkinghorne (Economist)..... | 39 |

APPLICANT'S PLANNING EVIDENCE

**BEFORE INDEPENDENT HEARING
COMISSIONERS ON BEHALF OF THE
QUEENSTOWN LAKES DISTRICT COUNCIL**

IN THE MATTER OF
the Resource Management Act 1991

AND

IN THE MATTER OF
a Plan Change Request

BY
Northlake Investments Limited

STATEMENT OF EVIDENCE OF JOHN EDMONDS FOR

Northlake Investments Limited

Dated 17 May 2018

I INTRODUCTION

- 1.1 My full name is John Bernard Edmonds. I live in Queenstown. I am a planner, and for the last 17 years, I have been a director of John Edmonds & Associates Ltd (JEA).
- 1.2 I have read the Environment Court's Practice Note 2014 and in particular Part 7 that refers to expert witnesses, and I agree to comply with it. Except where I state that I am relying on the evidence of another person, this written evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.
- 1.3 I confirm that the matters on which I express an opinion are within my areas of expertise. After dealing with introductory matters in Sections I to IV, I have structured my evidence as follows:

- II Qualifications and Experience
- III Materials Reviewed
- IV Site Visit
- V The Subject Site and Surrounding Area
- VI The Statutory Context
- VII The Section 42A Report
- VIII The Changes to the Signage Rules
- IX The Change to the Prohibited Activity Status
- X Deletion of the Community Facilities Rule
- XI The Change to the Structure Plan Boundaries
- XII The Retail Footprint
- XIII Relevant Objectives and Policies

II QUALIFICATIONS & EXPERIENCE

- 2.1 I graduated with a Bachelor of Regional Planning from Massey University in 1990.
- 2.2 I am a full member of the New Zealand Planning Institute.
- 2.3 I have 28 years' experience in planning and resource management roles, including strategic planning, master planning, urban design, policy development, project management and other resource management consultancy services. I have worked in both local government and private sector roles.
- 2.4 My work history includes:
- Planner (consents and policy) for Nelson City Council. I held this role for 5 years;
 - Planner (consents) for Queenstown-Lakes District Council (**Council**). I held this position of 1 year;
 - District Planner for QLDC. I held this role for nearly 5 years, which included the role of Principal: Resource Management of CivicCorp Ltd, a company contracted to perform regulatory functions for the Council; and
 - Director of JEA. I have been in this role since 2001.
- 2.5 I am experienced in all stages of plan preparation and resource consent processes, and the preparation of assessments of effects on the environment.
- 2.6 For QLDC and subsequently for private sector clients, I have provided detailed advice, reporting and evidence with respect to a wide range of policy, planning and resource management matters.

- 2.7 Since 2001, I have been a director of JEA. In that role, I have managed planners and environmental scientists and been personally responsible for master planning, strategic planning, urban design, preparing consent applications and assessments of effects, and the principal consultant assisting with planning and environmental issues for a number of significant local developments.

III MATERIALS REVIEWED

- 3.1 The material I have reviewed in preparing my evidence includes:
- a. The plan change request that I prepared, and the traffic, infrastructure, retail and urban design/landscape reports prepared by others.
 - b. The submissions lodged by
 - Gary Tate
 - Stephen Popperwell
 - Jo Harry
 - Willowridge Developments Limited
 - Central Land Holdings Limited
 - Michael and Eyre McCauley
 - Exclusive Developments Limited
 - Lindsey Turner
 - Allenby Farms Limited
- And the Further Submissions by:
- Paul and Tress Hellebrekers
 - Willowridge Developments Limited
 - Central Land Holdings Limited
- c. The Councils Section 42A report.
 - d. The relevant statutory documents, which I describe at VII below.

IV SITE VISIT

- 4.1 I am familiar with the site having been involved in preparing the original Plan Change (#45) and the Outline Development Plan, subdivision and land use consents that have been issued.
- 4.2 I most recently visited the site and surrounds on Friday 11 May 2018 and am familiar with:
- The site itself
 - the buildings within the site,
 - the location of the submitters land and dwellings
 - the activities occurring in the vicinity of the site
 - the resource consents granted to Northlake Investments Limited
 - the resource consent applications lodged by Allenby Farms Limited and Exclusive Developments Limited for Outline Plan approval on their respective areas of land located within the Northlake Special Zone.

V THE SUBJECT SITE AND THE SURROUNDING AREA

- 5.1 The plan change request relates to that part of the Northlake Special Zone owned by Northlake Investments Limited (NIL) that is located north of Northlake Drive.
- 5.2 NIL have obtained a range of subdivision and land use consents in the past three years that have resulted in construction of almost 300 residential lots. In addition, house construction is underway (around 60 houses), with at least 12 homes occupied.

VI THE STATUTORY CONTEXT

- 6.1 The request and the section 42A report set out the relevant statutory matters that need to be considered, which for completeness include:
- Resource Management Act – 1st Schedule
 - National Environmental Standards
 - National Policy Statements
 - Regional Policy Statement (Operative and Proposed)
 - Regional Plans
 - Operative District Plan
 - Proposed District Plan

VII THE SECTION 42A REPORT

- 7.1 I have read the Section 42A report prepared by Mr. Barr and the additional reports prepared in respect of Traffic, Infrastructure, Urban Design and Retail.
- 7.2 I address each of the Plan change issues in subsequent sections, including the general topics of the request, any issues raised by the various experts or submitters, and my response to those matters within the framework of the plan change.

VIII THE CHANGES TO THE SIGNAGE RULES

- 8.1 The Request seeks to adopt the operative signage rules for the Corner Shopping Zone (CSZ) for the D1 area, instead of the current Residential zone rules.
- 8.2 The D1 area enables a range of both residential and non-residential activities, including retail, community and commercial; resulting in a small village centre where activity is concentrated. It is anticipated that buildings and activities will be clearly sign-posted to allow consumer convenience and business operators to advertise and sell their products.
- 8.3 The operative rules require discretionary consent for any commercial signage which adds cost and uncertainty for business owners.
- 8.4 The only relevant assessment matter is to consider the effects upon residential amenity.
- 8.5 The Corner Shopping Centre rules for signage are reproduced below:

| ACTIVITY TABLE 1 – COMMERCIAL AREAS | | | | | | | | | | | |
|-------------------------------------|--|---|--|--|-----------------------------------|-----------------------------|----------------------------|---|---|---|---|
| | | Commercial Precincts within the Township Zone | Town Centre Zone (including Town Centre Transition Sub-Zone) | Frankton Flats Special Zone A and Special Zone B Areas C1, D1, E1 – E2 | Queenstown Airport Mixed Use Zone | Corner Shopping Centre Zone | Business & Industrial Zone | Three Parks Zone (Business & Commercial Core Sub-Zones) | Remarkables Park Zone (Activity Areas 3, 5 and 8) | Ballantyne Road Mixed Use Zone (Activity Areas B and C) | Kingsdon Village Special Zone (Activity Area 2) |
| 1. | Identification of Signage Platforms that comply with the size requirements for 3-6 below. | CON | CON | CON | CON | CON | CON | CON | CON | CON | CON |
| 2. | All new and replacement signs located within an approved Signage Platform. | PER | PER | PER | PER | PER | PER | PER | PER | PER | PER |
| 3. | Arcade Directory Signs that do not exceed 3m ² in area limited to one per arcade. | PER | PER | PER | PER | PER | PER | PER | PER | PER | PER |
| 4. | Upstairs Entrance Signs that do not exceed 1.5m ² in area per building. | PER | PER | PER | PER | PER | PER | PER | PER | PER | PER |
| 5. | All signs located within the Ground Floor Area of a building which do not cumulatively exceed a total area of 15% of the Ground Floor Area provided that: (i) Where a building contains more than one commercial tenancy on the ground floor each commercial tenancy shall not display signs larger than 15% of the Ground Floor Area that tenancy occupies, and, (ii) Signs attached to glazing shall not exceed 50% coverage of that glazing. This applies to individual or partitioned glazed areas located within the Ground Floor Area. Signs not attached to glazing, or sited anywhere within the enclosed interior of a building, and visible or not, are not subject to this rule. Note: Arcade Directory and Upstairs Entrance Signs are not included within the Ground Floor Area signage allowance. | CON | CON | PER | PER | CON | PER | PER | PER | PER | CON |
| 6. | Above Ground Floor Signs that cumulatively do not exceed 2m ² in area per building or 1m ² per tenancy up to a maximum of 3m ² per floor | CON | CON | PER | PER | CON | PER | PER | PER | PER | CON |
| 7. | Any sign or sign platform that does not comply with any of 1 - 6 above. | DIS | DIS | DIS | DIS | DIS | DIS | DIS | DIS | DIS | DIS |

Figure 1: Sign Standards (Commercial Areas) – Chapter 18 Operative District Plan

- 8.6 The rules enable up to 15% of the ground floor area of a building to be used for sign purposes, together with signs that advertise tenancies and business that operate from upper floors.
- 8.7 The 1,000m² building that has been approved (RM161230) on the southern side of Northlake Drive (Lot 1006) contains multiple tenancies. The signage for that building provides a similar level of signage to the 15% ground floor area rule and was accepted by the council as being appropriate in this setting.
- 8.8 The Council reporting planner and Ms. Skidmore agree that this is appropriate to adopt the relevant CSZ rules for the D1 area.

IX THE CHANGE TO THE PROHIBITED ACTIVITIES STATUS

- 9.1 The request deletes that part of the Prohibited Activity rule (12.34.2.6 (i)) where it refers to 'fish or meat processing'. The reason for this change is to ensure that the range of permitted commercial and retail activities such as a butcher, restaurant or food retailer can establish and operate. The rule inadvertently prevents permitted activities anticipated within the zone from establishing.
- 9.2 The issue was brought to the requestors attention by Mr. Barr in his further information request dated 22 November 2017.
- 9.3 Mr. Tate notes his general opposition to change this rule, on the basis that "this is a residential area". Exclusive Developments also register opposition but do not provide any explanation.
- 9.4 I adopt the Council reporting planner recommendation (page 59) that it is appropriate to delete the term 'fish or meat processing' in order to provide for the range of retail and commercial uses envisaged for the zone, from the Prohibited activity standard.

X DELETION OF THE COMMUNITY FACILITIES RULE

- 10.1 The Request seeks to delete the subdivision rule that requires the provision of Community Facilities. One submission (L Turner) identifies a preference for an outdoor pool and two tennis courts to be provided.
- 10.2 This rule (*15.2.16.3 – Zone Subdivision Standard – Northlake Special Zone – Community Facilities*) was included as part of Plan Change 45 to ensure that community activities were established early on during the development of the zone.
- 10.3 Those facilities include a 25-lap indoor pool, a fitness/ gym facility, a children's play area and at least one tennis court, and they were to be provided after the first residential 50 lots were created.
- 10.4 NIL has constructed the children's play area and the tennis court and have obtained resource consent (RM161230) for a building that could contain a fitness/ gym facility.
- 10.5 This same approval agreed that the requirement for a pool is no longer relevant and dispensed with this same requirement.
- 10.6 In respect of Mr. Turners submission regarding his preference for a pool to be provided, I note that at the time the Plan Change 45 was prepared (following the Christchurch earthquakes), the only community pool at the High School was identified as requiring structural improvements whilst funding for a future community pool at Three Parks was uncertain.
- 10.7 NIL identified a local community issue and sought to remedy that by promoting a community swimming pool. The Plan Change decision of the Council was subsequently appealed by other parties which delayed construction in the zone. By that time the Three Parks pool was approved for funding and development, and the need for a third community pool in Wanaka became less of a community priority.
- 10.8 As noted in the plan change request, those facilities are now constructed or consented (or consent granted dispensing with the requirement for an indoor pool). To avoid unnecessary administrative

confusion, an on-going non-complying activity status for subsequent subdivisions, and complications for all four owners of Northlake Special Zoned land; it is most efficient to delete the rule.

- 10.9 I adopt the recommendation of the Council reporting Planner that the Community Facilities rule is no longer necessary nor appropriate within the subdivision chapter.

XI THE CHANGE TO THE STRUCTURE PLAN BOUNDARIES

- 11.1 There are five related components to the request to change the Structure Plan boundaries, which include:
- a. Rule 12.34.4.1 (ii) – page 12-366 – Setback from Roads
To increase the setback distance from Outlet Road from 4.5m for C2/ 3m for D1 – to 7m
 - b. Rule 12.34.4.1 (viii) – page 12-368 – Access
To prevent any lot within D1 having direct vehicle access to Outlet Road
 - c. Rule 12.34.4.1 (x) – page 12-369 – Landscaping and Planting
To replace the requirement for a 3.5m wide tree-planting strip adjacent to Outlet Road with a consistent post and rail fence with a Grisilinea hedge.
 - d. Part 12 – Rule 12.34.4.2 (iv) – page 12-372 – Building Height
To amend the height rule in the D1 area to limit buildings within 40m of Outlet Road to 2-levels.
 - e. Amended Part 12 Northlake Structure Plan
To adjust the activity Area boundaries.

Underlying Resource Consents

- 11.2 The request seeks change and adjustment of the Structure Plan boundaries. These changes have been in assessed by the council staff in conjunction with the recently granted land use consents
- RM171556 – landscape treatment alongside Outlet Road
 - RM171190 – bulk earthworks in Activity Areas D1, E1, B2, B3 and C1
- 11.3 The Council has recently granted consent to allow a 1.0m deep 'Grisilinea hedge' landscape strip set behind a consistent post and rail fence adjacent to Outlet Road for those lots within stages 1 and 2 of the NIL subdivision. The extent is highlighted adjacent to Outlet Road in Figure 2 below.



Figure 2: Amended Landscaping – RM171556

11.4 The Exclusive Developments Limited proposal for the eastern side of Outlet Road has adopted a similar landscape treatment for the Outlet Road edge, as demonstrated in the application for subdivision and land use consent referenced RM170797.

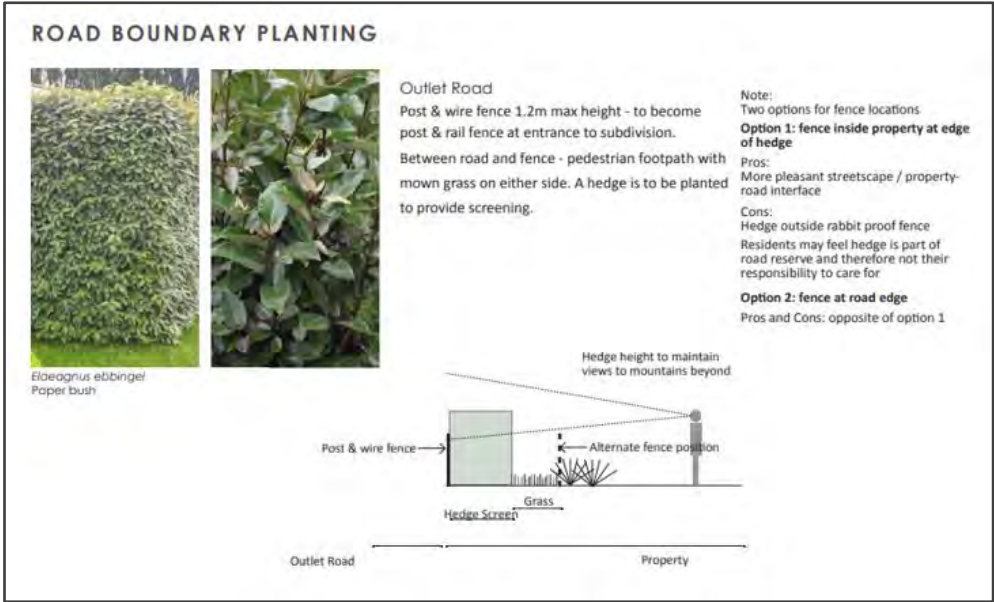


Figure 3: Exclusive Developments Limited landscape proposal for Outlet Road (RM170797)

Assessment - General

- 11.5 In seeking to expand the D1 area, there are number of consequential rule changes that have also been sought to off-set or manage the effect of increased density and potential scale of building (building setback, 2 level maximum).
- 11.6 There are also rule changes that respond to issues identified by the Council staff (prevention of direct access to Outlet Road) or respond to the changing character of the environment that often becomes apparent as development progresses (landscape edge treatment of Outlet Road).
- 11.7 It also needs to be recognised that in respect of the Outlet Road frontage there are two rules that inter-relate in respect of building location. Rule 12.34.4.1 (ii) titled *Setback from Roads* specifies that buildings must be located 3m from a road boundary in Activity Area D1 (4.5m in other activity Areas). In addition, Rule 12.3.44.1(x)(d) – *Landscaping and Planting* requires that in Activity Area C2 (where the road setback rule is 4.5m) that the first 3.5m of that setback area needs to be planted in trees. The request seeks to re-zone the strip of land adjoining Outlet Road from C2 to D1, and also proposes a 7m setback from Outlet Road.
- 11.8 Overall, I consider that the changes proposed are appropriate and achieve the purpose of the Act.

Outlet Road Edge Treatment

- 11.9 The officer's reports focus on the proposal to amend the requirement to plant a 3.5m wide tree planted edge alongside Outlet Road with a consistent post and rail fence and hedge, but do not recognise the increased setback of all buildings from Outlet Road (regardless of their use).
- 11.10 This is only part of the request to manage the change that will occur by replacing Activity Area C2 with D1. The other components are an increased building setback (more than either the current C2 or D1 setbacks), a limitation of 2 level buildings within 40m of the road, and prevention of direct access to the road.
- 11.11 The plan change request seeks to continue that same edge treatment that has been consented on the NIL land and proposed on the EDL land, along western side of Outlet Road for the full extent of the proposed D1 area. This will include a post and rail fence located on the boundary (which for reference purposes is the current finished edge visible in Mr. Baxter's photo's) of the zone, and immediately behind that – a 1.5m high cropped Grisilinea hedge. The fence and hedge will occur within private land and will occupy a strip of land at least 1.5m wide. The fence and hedge (as in Stages 1 and 2) is protected, managed by a covenant that details the requirements of growth, maintenance and height. That covenant would be continued to apply to the remainder of the Outlet Road frontage. The Council decision accepted that the effects of the post and rail/ hedge treatment is appropriate in this context:

There is potential for landscape and amenity impacts from viewpoints from Mt Iron and other nearby elevated areas. Northlake is an urban environment, however will have tree protection and recreational areas. The subject site consists of relatively small residential sections. The landscape and amenity effects from other public places resulting from the reduction in width of planting on the subject properties is considered to be less than minor in this context.

For these reasons mentioned above and in the applicants AEE, the adverse effects from this proposal on the environment are considered less than minor.

The relevant operative objectives and policies are contained within Part 12.33 of the District Plan. The applicant has provided a detailed assessment of the relevant operative objectives and policies in section 3.2 of the Applicants AEE. This is considered accurate and adopted for this section of the report.

Overall, the proposal is considered to be consistent with the objective and policies of the Operative District Plan.¹

- 11.12 Buildings will be set back 7 m from this boundary. As a result, the land inside of the hedge will provide private outdoor spaces for residents, and it is appropriate that they make efficient use of their north-facing outdoor areas. The proposal will achieve the same amenity outcomes that are sought by the operative rule – which is to present a consistent attractive edge to the street, and to avoid random land management approaches that can detract from public views of the land.
- 11.13 As noted in Mr. Baxter's evidence, the land to the west of Outlet Road is elevated approximately 1.7 to 2.0m above the level of Outlet Road and future road-side footpath, so that direct views into houses from pedestrians or people in passing vehicles will be avoided.
- 11.14 This will provide privacy for lot owners from passing vehicles, whilst still enabling a degree of passive surveillance for passer-by.
- 11.15 Mr. Barr (paragraph 10.15) identifies a concern that the proposed adjustment to the *Landscaping and Planting* rule only relates to 'residential sites' and suggests that the scope of the rule should be expanded to cope with non-residential activities. I disagree; there is no need to adjust that rule any further, as non-residential activities in the D1 area are already subject to a Restricted Discretionary consent process that includes discretion over²:
 - (a) *The location, external appearance and design of buildings*
 - (c) *Associated earthworks and landscaping;*
 - (f) *Location of buildings on the site;*
 - (h) *Integration between the proposed building and other consents with Outline Development Plans relevant to the site*

Earthworks and the Terrace Edge

- 11.16 In processing the request, the Council has enquired about the changes in ground levels that will occur across the D1 area, and in particular towards the western extent – where it adjoins the lower density B3 neighbourhood.
- 11.17 In respect of earthworks, the environment is currently being significantly modified by the implementation of the bulk earthworks consent – RM171190. This consent allows for the movement of over 1 million cubic metres of material that will result in a series of reasonably flat terraces that step up from Outlet Road towards the south-west. This will allow future housing to be elevated and enjoy good aspect and solar gain towards the north

¹ RM171556

² Rule 12.34.2.3 (iv)

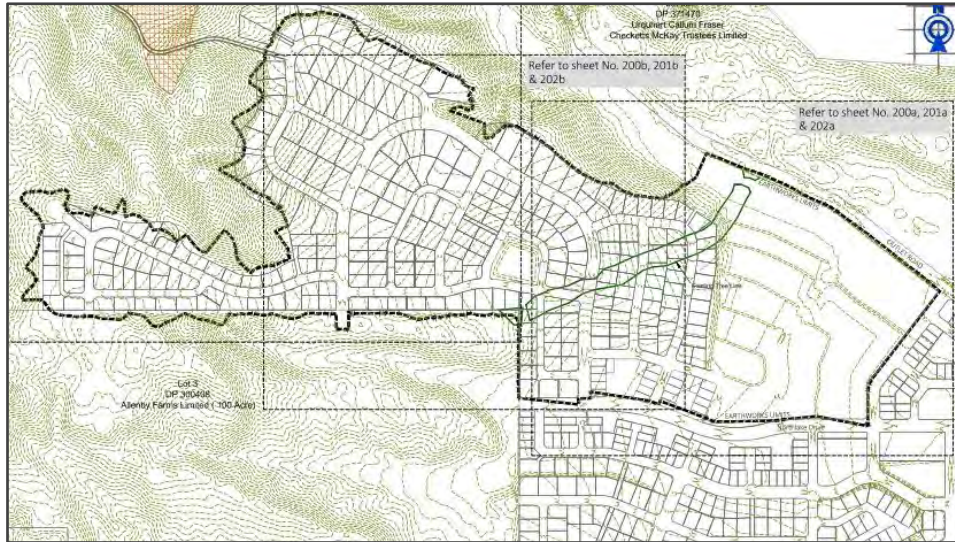


Figure 4: Consented Bulk Earthworks – RM171190

- 11.18 The plan provided to the Council for the bulk earthworks consent includes the same indicative lot layout provided as part of the plan change request.
- 11.19 The works will result in a more defined terrace edge between the modified boundary between B3 and D1. This batter slope will be up to 4.5m high and incorporated into the individual sections that adjoin it.

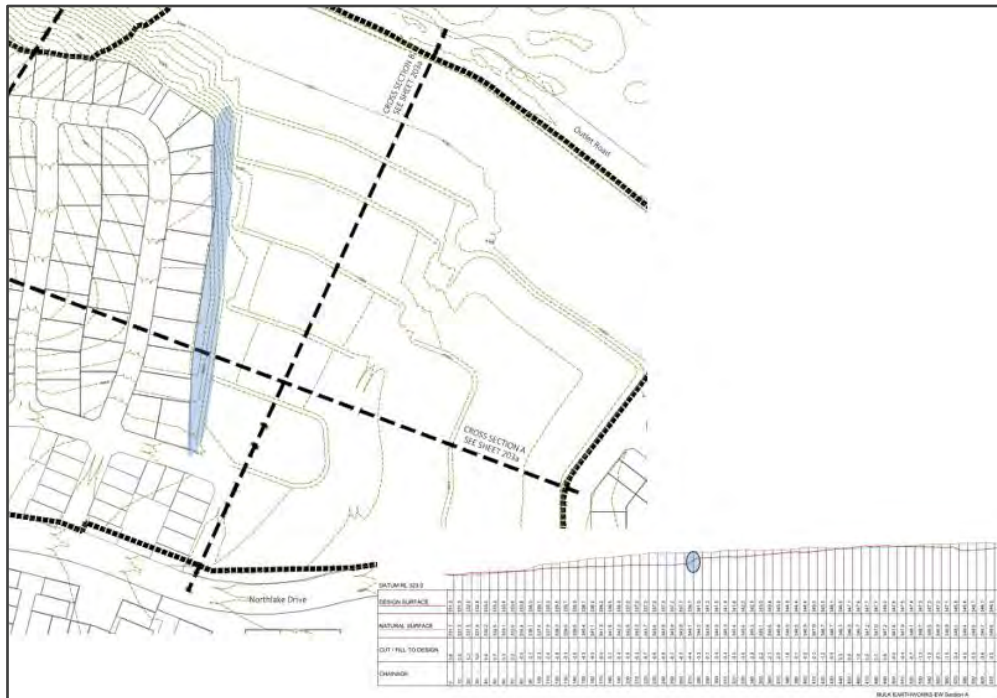


Figure 5: The proposed boundary of Activity Areas D1 and B3

- 11.20 Mr. Baxter identifies that it is unlikely that much of the terrace will ever be visible from Outlet Road, once buildings and landscaping occur. In the foreground view (from Outlet Road) there will be buildings within the D1 area that may be constructed up to 10m high, that would mostly screen any views. The terrace may still be visible but more likely a series of glimpses of part of that terrace; but not the whole. It will read as part of an urban environment, with houses located above and near the terrace edge. It is

likely that lot owners will maintain the face of the terrace in grass or other low growing species to preserve their elevated view and outlook towards the Clutha River. It is interesting to note that the existing zone does not provide any transitions between Activity Areas or define those boundaries through landform or landscaping. I consider that this change in elevation between Activity Areas will also provide a logical change in density and help define the elements of the community.

Activity Area Adjustments

- 11.21 The request seeks to reclassify 4.2 hectares of land from Activity Areas C2, B3 and E1 to D1. Smaller adjustments also occur between:
- C1 to B3 (7,571m²)
 - C1 to B2 (2,460m²)
 - E1 to B2 (undefined)
- 11.22 In all cases the proposed changes will result in additional density. The expansion of the D1 area will allow up to 36 -55 additional residential dwellings. The request also notes that an increase in the D1 area would better enable the development of a retirement village.

Traffic

- 11.23 Mr. Carr notes that the expansion of the D1 area and adjustment of other boundaries will potentially result in up to 32 additional vehicle movements in the peak hour (if used for residential purposes). However, if the land is used for a retirement village, the hourly vehicle movements would reduce considerably. Comparing the traffic movements of a retirement village (over the proposed 9.4 ha D1 area) with residential use of the operative zoning (of the same area) then there would be a reduction of 13 vehicle movements per hour.
- 11.24 Mr. Carr identifies at page 4 and 5 of his 12 October 2017 report that such any increase in traffic movements from increased residential use would be almost imperceptible to other road users. He further concludes that if the same land is used for a retirement village there might be a slight improvement in road safety due to a reduced level of use. Mr. Smith on behalf of the Council agrees.

Infrastructure

- 11.25 In respect of Infrastructure, the Paterson Pitts Group report (Attachment C to the request) and the Council peer review (Holmes Consulting) confirm that:

Stormwater

- Stormwater runoff characteristics of the existing catchment will not be changed.
- There will be a slight increase in run-off as a result of increasing density;
- The existing discharge locations at the site boundary will continue to be used
- Pre-development and post-development off-site flows will be maintained at the same or similar levels through the attenuation, infiltration and soakage methods
- That specific design is best dealt with at the ODP/ subdivision consent stage

Waste Water

- The increased density and capacity will increase waste water flows, however the recently installed 300mm main that extends along Outlet Road has sufficient capacity;
- A pump station (or low-pressure reticulation) may need to be installed on the north-east corner of the proposed D1 area – although that is required regardless of the re-zoning.

Water

- Water demand requirements will increase slightly as a result of increasing the density;
- This increased demand can be met by the proposed reticulation;
- Planned Council upgrades will accommodate the additional requirements for fire-fighting

- 11.26 I understand that the 3-waters infrastructure is either already adequate to meet the increased demands associated with the effects of the plan change, or that council has planned to undertake relevant network upgrades; which are required regardless of the minor increase in density associated with this request.

XII THE RETAIL FOOTPRINT

- 12.1 The request proposes to amend Rule 12.23.4.2 (viii) – page 12-373, as follows:

viii. Retail

- (a) *No retail activity shall occur within the Northlake Special Zone except in Activity Area D1.*
- (b) *No retail activity shall have a gross floor area exceeding 200m², except for one activity with a maximum gross floor area of 1,250m².*
- (c) *The total amount of retail floor area within the Northlake Special Zone shall not exceed ~~1000m²~~ 2,500m².*

- 12.2 The D1 area is a mixed-use village centre that anticipates both medium density residential (15 dwellings per hectare) and a range of commercial, community, recreation and retail activities. The D1 area is the core of the Northlake Special Zone.

- 12.3 Northlake Drive is the primary internal road that runs in an east-west direction (perpendicular to Outlet Road), and the D1 zoning extends along both sides.

- 12.3 Existing subdivision and land use consents have established the internal road and pedestrian network and identified the village core. Consents have confirmed the design controls for buildings together with approval of a multi-tenanted 1,000m² building on Lot 1006, restaurant/ bar, two level commercial/ retail building and pre-school on Lot 1008. The restaurant, commercial building and pre-school are all under construction and will be complete in December 2018. In addition, the low impact design stormwater management for the site incorporates dual use as communal reserve areas.

- 12.4 The key issues raised by Council staff and submitters include:

- Traffic and Nuisance during construction
- Amenity of the Town Centre and Three Parks zones
- The need for additional retail floor area/ zoning
- Policy framework for non-residential activities

Traffic

- 12.5 Several submitters comments on the use of Northburn Road and Mt. Linton Road to access the D1 area, and the potential for an increase in such traffic once a supermarket is established. There are also issues raised with the temporary use of those roads by construction -related traffic.
- 12.6 Mr.Carr's evidence is that there may be an increase of 76 vehicle movements (two-way) on Aubrey Road; with evenly split approaches from the east and west (38 each). He confirms that the increased vehicle movements through those peak hours would equate to one additional traffic movement every 48

seconds if traffic only used Outlet Road, or one movement every 2.4 minutes – if the traffic were distributed evenly over all three roads.

- 12.7 His opinion is that most traffic accessing the Northlake supermarket would elect to use the Outlet road route because it is in most cases a shorter route, it has a higher operating speed with fewer intersections.
- 12.8 Mr. Smith agrees with those conclusions.
- 12.9 Mr. Carr also responds to the issue of temporary effects during construction. I agree with him, that the most appropriate method of addressing temporary effects is through a specific resource consent application. I confirm that the operative NSZ rules require a subsequent resource consent application for a supermarket, and that the Council will typically require a Temporary Traffic Management Plan as a condition of consent. In conclusion, I reject Mr. Barr's proposal that the ODP rule should be amended to include such controls.

The Need for Retail and the Amenity of the Town Centre and Three Parks

- 12.10 A number of submitters have questioned whether there is a need for the supermarket.
- 12.11 Land development company, Willowridge Developments Limited (WDL) considers that the catchment area (Northern Wanaka catchment referred to in the RCG October 2017 report at page 34) as being too large. Mr. Polkinghorne subsequently acknowledges with Market Economics Ltd that a reduction of the catchment to 3,231 households (from 3,395) is appropriate.
- 12.12 WDL also considers that "appropriate consideration has not been given to the full development potential of Three Parks", and that demand for retail floor space is over-stated, which in turn might undermine the CDB and Three Parks. Mr. Polkinghorne initial report identifies all of the relevant retail facilities in Wanaka including the Gordon Family Trust land. He has since updated that assessment in his evidence (paragraphs 16 – 20) to acknowledge changes that have subsequently occurred.
- 12.13 Central Land Holdings Limited (CLH) owns the land at 35 Plantation Road that is occupied by a 4,000m² Mitre 10 building. CLH submit that the Anderson Heights area has recently been included in the Mixed-Use Business Zone and "will create sufficient retail land to service the Northlake area". Mr. Polkinghorne notes that most of the land within the Anderson Heights area is already developed for a range of activities. Similarly, the proposed Mixed-Use Business Zone anticipates that land will be used for a mixture of activities, including residential, visitor accommodation, service, community, light industry and storage.
- 12.14 Mr Polkinghorne report of October 2017 (Attachment E to the request) and his evidence confirm that Wanaka is currently undersupplied by supermarkets. He acknowledges that if the Three Parks New World is developed that there may briefly be an over-supply but that this would be corrected within a few years (probably before 2023). He also notes that consumer choice and competition provide significant economic benefits to the community.
- 12.15 I do not intend to repeat the retail evidence; however, I do understand it to be that:
- There has and continue to be high growth rates in both resident population and tourism
 - That tourism spending in the Wanaka ward has increased by 22% in the past year
 - That Mr. Polkinghorne has adopted a conservative modelling approach
 - That retail spending per household has increased 17% since 2013
 - That there is undersupply of retail floor space, particularly for supermarkets

- That there is probably latent retail demand that is not met due to the limited range of stores in Wanaka (resulting in some leakage to Queenstown and other areas)
- That if the northern Wanaka Catchment area identified by RCG is reduced in size; that the conclusions of that report remain valid
- That the proposed supermarket at Northlake will not undermine the amenity of either Three Parks or the Town Centre
- That if the Three Parks supermarket proposal is developed; that three supermarkets would be supplied by Foodstuffs, and that providing for further supply options is healthy and desirable for the community
- There will not be adverse economic effects on the on the CBD or Three Parks.

The Policy and Rule Framework

- 12.16 Mr. Barr and Ms. Skidmore both identify the appropriate policy framework for managing the effects of increased retail floor area, and particularly a single supermarket building in D1.
- 12.17 Mr. Barr lists the six zone objectives at page 34 of his report, which fall under the headings:
- Residential Development
 - Urban Design
 - Connectively
 - Landscape and Ecology
 - Recreation
 - Infrastructure
- 12.18 The operative policies that Mr. Barr refers to are:
- 1.7 *To provide for small scale neighbourhood retail activities to serve the needs of the local community within Activity Area D1 and to avoid visitor accommodation, commercial, retail and community activities and retirement villages within Activity Areas other than within Activity Area D1.*
- 1.8 *To provide for community activities, including educational facilities, to serve the needs of the Northlake community and to be available for use by the wider Wanaka community.*
- 2.6 *To enable visitor accommodation, commercial, retail and community activities and retirement villages within Activity Area D1 including limited areas of small scale neighbourhood retail to service some daily needs of the local community, while maintaining compatibility with residential amenity and avoiding retail development of a scale that would undermine the Wanaka Town Centre and the commercial core of the Three Parks Special Zone.*
- 12.19 Mr. Barr implies that Policy 1.7 has a 'catchment' that is limited to residents within the Northlake zone only. He says that the retail activity sought by the request seeks to draw from the wider catchment shown in the RCG model.
- 12.20 I disagree that the policy necessarily restricts the catchment to the Northlake community. Certainly, there has always been the intention that retail activities that locate within the zone should provide the local community within Northlake the associated benefits of proximity and convenience. I do not interpret the policy to have any limitation on the catchment that it serves.

- 12.21 The associated objective identifies that the Northlake zone, like any new neighbourhood, will also rely upon the wider infrastructure of the town, where it says:

A range of medium to low density and larger lot residential development in close proximity to the wider Wanaka amenities.

- 12.22 Further, Policy 2.5 clearly foresees and encourages Northlake to be part of the wider community:

2.5 To ensure that development recognises and relates to the wider Wanaka character and is a logical extension of the urban form of Wanaka.

- 12.23 Similarly, operative Objective 3 and its policies also encourage integration and connectivity beyond the zone:

Development that is well-connected internally and to networks outside the zone.

3.1 To ensure that roading is integrated with existing development and the existing road network.

3.3 To require public cycling and walking trails through the zone that link to existing and potential trails outside the zone.

3.4 To enable public transport to efficiently service the area, now and in the future

- 12.24 I agree with Mr. Barr (at his paragraph 9.42) that policy 1.8 is not relevant to this request. However, his subsequent conclusion is that Policy 1.8 is that “the retail activities provided for in Policy 1.7 primarily relate only to residents of Northlake itself” is flawed. The two policies are quite un-related.

- 12.25 Policy 1.7 addresses retail activities, whilst Policy 1.8 address community activities. Neither policy restricts the use of the facilities they enable to a particular catchment.

- 12.26 To take Mr. Barr’s interpretation of Policy 1.7 literally; retail activities should only serve the needs of local residents within Activity Area D1; which would be a nonsense.

- 12.27 I also disagree with Mr. Barr’s interpretation that the references within Policies 1.7 and 2.6 to ‘small scale neighbourhood retail’ and servicing the ‘needs of the local community’ needs to be amended to reflect the increased floor area.

- 12.28 The evidence of both Mr. Polkinghorne and Ms. Hampson is that the supermarket will serve a local catchment described as the North Wanaka Catchment, which includes approximately 3,231 households. As Ms. Hampson notes at page 23, there could be a range of convenience retailers established within Northlake (baker, butcher, deli, grocery store, liquor store, fruit and vege retailer) that would deliver substantial amenity to the surrounding community.

- 12.29 The threshold is set out in the last part of Policy 2.6 which is “..and avoiding retail development of a scale that would undermine the Wanaka Town Centre and the commercial core of the Three Parks Special Zone”. The evidence of both retail experts is that a supermarket of 1,250m² will not undermine the CBD or Three Parks and as such is not contrary to this policy.

- 12.30 I consider that a more significant policy issue is about managing the built form outcome of a supermarket.

- 12.31 Ms. Skidmore identifies in her evidence that the supermarket can be designed to integrate within the D1 environment, and that the existing matters of discretion (12.34.2.3 (iv)(a-h)), and the assessment matters (12.34.5.2 (v), pages 12-377/8) are appropriate.

- 12.32 Ms. Skidmore suggests that the policy framework “should be broadened to also encompass the retail activity provided for within the zone”, and that “there should be additional policy guidance about the design and amenity outcomes sought for non-residential activities and they way they integrate with the surrounding environment”.

XIII THE PLAN CHANGE REQUEST – RECOMMENDED OBJECTIVES, POLICIES AND RULES

- 13.1 I have reviewed Mr. Barr’s recommended policy changes (his Appendix 1A), and make the following comments:

Policy 1.7

It is my opinion that Policy 1.7 can and should be retained in its current format for the reasons outlined above.

In the alternative, largely retain the policy, and add reference to a small supermarket as follows:

- 1.7 *To provide for small scale neighbourhood retail activities including one small supermarket to serve the needs of the local community within Activity Area D1 and to avoid visitor accommodation, commercial, retail and community activities and retirement villages within Activity Areas other than within Activity Area D1.*

Objective 2

Reject the addition of the word ‘residential’ to this objective. This word has been added to Objective 2, in conjunction with Mr. Barr’s suggested new Objective 7 for non-Residential activities; which I recommend should also be rejected.

Policy 2.6

Retain this policy, as it is importantly provides for the range of non-residential activities that underpin the vision for a village centre located in the D1 area.

Reject the alternative wording of Policy 2.6, in favour of my alternative wording for new Policy 2.8 below

Policy 2.8

Reject the proposed wording and replace with the following:

- 2.8 *Ensure the design and appearance of non-residential buildings is compatible with the character of the wider neighbourhood and considers variation in form, articulation, colour, texture and landscaping to add variety, moderate scale and provide visual interest, especially where facades front streets and public spaces*

Policy 2.9

Reject the proposed Policy as amended 2.8 above enables consideration of a range of architectural solutions, together with the associated matters of discretion and assessment matters.

Policy 2.10

Reject. The proposed policy is unnecessary, and the matters captured by Policy 2.8 above.

Objective 7 and Policies 7.1 to 7.4

These are all matters that are beyond the scope of the Plan Change and are already adequately addressed by the existing policies and rules.

13.2 In relation to the proposed Rule changes I note the following:

Rule 12.34.2.3 (i)(m)Rule 12.34.2.3 (ii)(n)

Reject, this proposed new matter of discretion (temporary construction effects) is incorrectly listed under the rules for initial Outline Development Plans that set the framework for development within an Activity Area. This stage of consenting does not relate to physical works.

In addition, Mr. Carr identifies that such a rule (or matter of discretion) is not appropriate at the plan change stage, and that standard council consent conditions require the provision of a Temporary traffic management Plan for any sizeable development.

Rule 12.34.2.6

Identify and include the deletion of 'fish or meat processing'

12.34.4.1 (ii)(b)

Agree with the 7m setback distance from Outlet Road

12.34.4.1 (viii)(b)

Agree with the rule preventing direct access to Outlet Road

12.34.4.1 (d)

Reject suggested alternative wording, and replace with the wording sought by this request:

- (d) *On residential sites adjoining Outlet Road, tree planting within a 3.5 m setback from that road shall achieve 100% coverage.*

Note: For the purposes of rule (d) above:

- (i) *'tree planting' shall consist of species that will be higher than 1.5 at maturity spaced at a maximum of 5m between centres of trees.*
- (ii) *planting shall be completed within 12 months of Code of Compliance certification of a building on the site in accordance with the Building Act 2004.*
- (iii) *this rule shall not apply to Activity Area A or the land referred to in (e) below.*
- (vi) *This rule shall not apply to Activity Area D1 to the west of Outlet Road where roadside landscaping within 3.5m of Outlet Road shall consist of:*
 - 1. *Post and (2) rail timber fence located on the property boundary*
 - 2. *Grisilinea hedge located immediately behind the post and rail fence, maintained to minimum height of 1.5m.*

Rule 12.34.4.2 (iv)(a)

Agree with the height rule limiting buildings within 40m of Outlet Road to 2 levels.

Rule 12.34.4.2 (viii)

Reject the suggested changes to the rule and replace with the following wording, amended to include reference to 'supermarket/' food retailing' as indicated below:

viii. Retail

- (a) *No retail activity shall occur within the Northlake Special Zone except in Activity Area D1.*
- (b) *No retail activity shall have a gross floor area exceeding 200m², except for one activity with a maximum gross floor area of 1,250m² limited to a supermarket/ food retail activity*
- (c) *The total amount of retail gross floor area ~~within the Northlake Special Zone~~ shall not exceed 1,250m², excluding a supermarket/ food retail activity established under (b).*

Assessment Matter 12.35.5.2 (xv)

Reject the amendment

Structure Plan

Accept the amended structure Plan

Rule 15.2.16.3

Accept the deletion

Chapter 18 – Table 1 and Table 2

Accept the amendments to both Tables

John Edmonds

17 May 2018

APPLICANT'S LANDSCAPE EVIDENCE

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF

The Resource Management Act
1991

AND IN THE MATTER

Private Plan Change 53
Northlake Special Zone

Evidence of Patrick John Baxter

Private Plan Change 53
Northlake Investments Limited
May 2018



INTRODUCTION

1. My name is Paddy Baxter. I hold the qualifications of Bachelor of Science in Geography and a Diploma in Landscape Architecture. I am a member of the New Zealand Institute of Landscape Architects and a Registered Landscape Architect. I am a Director of Baxter Design Group Ltd (BDG), a Queenstown based consultancy specialising in Landscape Architecture, Urban Design, Master-planning and Landscape Planning.
2. I have read the Environment Court's Consolidated Practice Note 2011 relating to the Expert Witness Code of Conduct. I have complied with the Code of Conduct in preparing this evidence. Except where I state that I am relying on the evidence of another person, this written evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in this evidence.
3. I have been involved in landscape consultancy work since 1989 and I am familiar with the Northlake **property (the 'site') and its wider environs**. I have worked on this project since its conception and have provided master planning and landscape architectural input and advice to the project over that time
4. During my 23 years as a practicing consultant I have extensive experience in master planning, urban design and landscape architecture in the rural environments of New Zealand. My fundamental experience was gained in my position as Principal Design Landscape Architect and Senior Associate for the Boffa Miskell practice, nationwide. I had 10 years with that company, working masterplanned projects, both nationally and internationally. During my time at Boffa Miskell I masterplanned many townships, resorts and urban projects
5. I began my career as the Millbrook landscape Architect, and today am still the Millbrook landscape Architect and Urban Designer, having been responsible for the look, feel and layout of the entire development as it exists today. I am currently working on the masterplanning of the remaining land at Millbrook and closely involved with all design aspects of that project.

BACKGROUND

6. I prepared a Landscape and Urban Design Assessment in 2017 as part of the application for this Plan Change. In that document I described the following:
 - The landform of the site.
 - The existing zoning from an Urban Design and landscape perspective.
 - The proposed re-contouring and earthworks.
 - An assessment of effects.
 - An urban design assessment of a retirement village in an expanded AA (Activity Area)-D1
 - Conclusions
7. I concluded that the changes proposed in the Activity Areas B2, B3, C1, C2, and D1 would have no adverse landscape or urban design effects and that the overall amenity of Northlake as a whole would still remain intact.
8. I have adopted that document as part of this evidence and maintain the conclusions made in that evidence, aside from one matter regarding roadside planting on Outlet Road which I discuss later in this evidence.
9. In this evidence I address the following:
 - The matters raised by Ms Rebecca Skidmore in her Urban Design Report Peer Review 2nd May 2018 and offer solutions to her concerns.
 - The landscape treatment of Outlet Rd adjoining the expanded AA-D1.
 - The landscaped strip on the embankment between the proposed boundary of AA-B3 and AA-D1.
 - The design and appearance of non-residential buildings on AA-D1, in particular those facades facing onto legal roads.
10. Urban Design Report – Rebecca Skidmore

Outlet Road West: In paragraphs 6.2-6.7 of her report Ms. Skidmore discusses the adequacy of the proposed planting along Outlet Road, on that section of Outlet Road running northwest and adjoining the expanded D1 Activity Area. The principal change to the southern edge of

AA-D1 is an increase in the density of housing proposed alongside that road edge. This is summarised on para 6.3 of her report.

11. The Plan Change request seeks to amend the treatment of the landscaping rule by adding the following clause:

(vi) This rule shall not apply to Activity Area D1 to the west of Outlet Road where roadside landscaping within 3.5 metres of Outlet Road shall consist of:

1. *Post and rail timber fence located on the property boundary.*
2. *Griselinea Hedge located immediately behind the post and rail fence, maintained to a minimum height of 1.5 metres.*

12. I note the comments of Ms Skidmore generally supporting this approach but with reservations in regards to tree planting and the practicality of maintaining that Griselinea hedge. For clarity the 3.5m planting rule is further defined in the Zone rules as requiring 100% coverage. That coverage is described as being tree planting that consists of species that will be at least 1.5m high by maturity and planted at 5m centres. Implementation of that style of planting will not provide any screening of buildings, nor will it create any real privacy for residents. I consider that on balance, the proposed amendment to the *Landscaping and Planting* rule will result in a superior road edge treatment
13. The post and rail edge treatment is already established on the portion of Outlet Road that runs of Aubrey Road to the north, where development is now substantially complete. The Broadleaf hedge (*Griselinea littoralis*) was a recommendation made by Baxter Design as Landscape Architects to the project and was selected as an appropriate species for this location, given its hardiness, density and attractive amenity. Furthermore, the inclusion of a fence, in post and rail or any other form, protects the hedge from walkthrough and damage and is a standard approach that we take to ensuring the survival of hedging in residential areas. The obligation for on-going maintenance of the hedging is covenanted on the titles.
14. In assessing the western interface of Outlet Road, it is important to note that the form and character of that roadside differs from that established southern roadside edge of Outlet Road.
15. The proposed setback for residential dwellings from that boundary has increased from 4.5 metres to 7 metres. This, together with the absence of driveways and other breaks in the

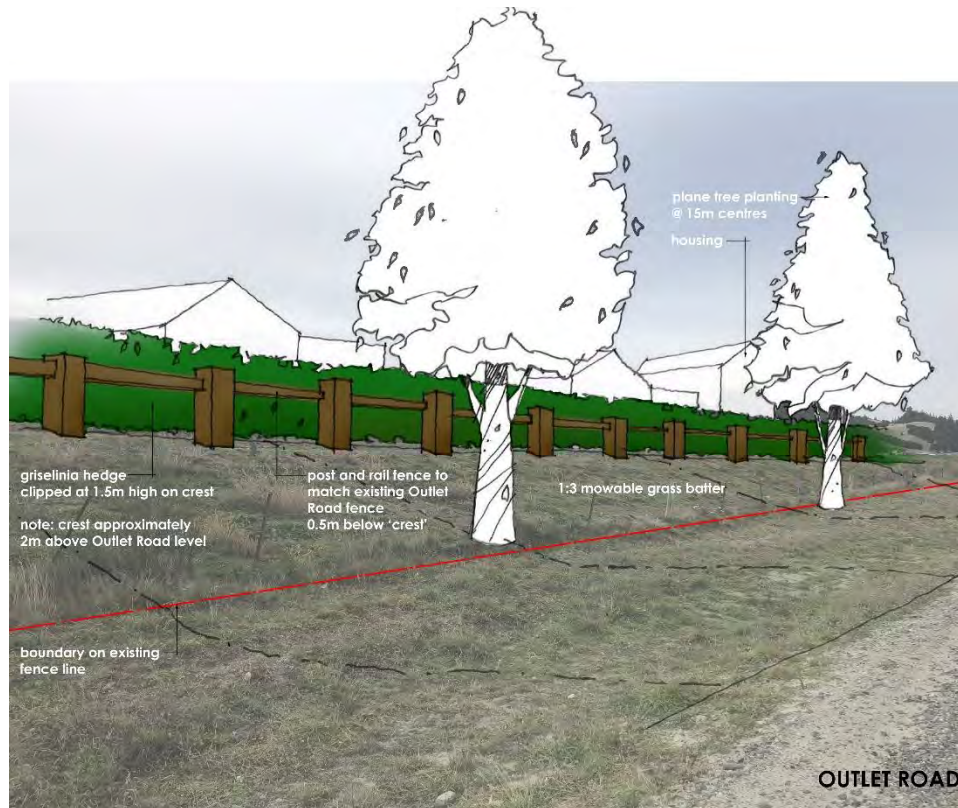
proposed edge treatment of Outlet Road, on the expanded AA (Activity Area) D1, provides a sound framework for an appropriate planting overlay.

16. An important point not included in the report prepared by Ms Skidmore is the existing change in grade that occurs between the formed roadway level of the western portion of AA-D1 and the proposed level of residential development on AA-D1. Future residential development on AA-D1 will sit approximately 1.7 - 2.0 metres above Outlet Road.



Photo taken looking west on west Outlet Road (May 2018)

17. The proposed level of development is shown on the above photograph, with the existing site boundary in the location of the existing wire fence visible in the photograph above.



Indicative sketch (over photograph) summarising proposed treatment of Outlet Road west

18. The sketch above shows an impression of the proposed treatment of the Outlet Road edge. The principal components of that landscaped edge include the following:
- (i) A 6 metre wide sloping berm from the base of the post and rail to the base of the swale adjacent to Outlet Road. The berm will be grassed and at a grade of 1:3 to allow for mowing.
 - (ii) A post and rail fence located 0.5 metres below the crest of the berm, matching that already existing on the established Outlet Road section off Aubrey Road.
 - (iii) A continuous Broadleaf hedge inside the post and rail hedge, to be clipped at 1.5 metres.
 - (iv) Street trees (London Plane – *Platanus acerifolia*), to be planted on the existing legal boundary, within the grass berm, at 15 metre centres along Outlet Road.
 - (vi) Indicative residential dwellings setback 7m from the boundary.

19. The proposed landscape treatment will provide continuous screening of the bulk of the lower portion of the future dwellings adjacent to Outlet Road on the expanded AA – D1. On all lots, given the depth of the proposed lots (up to 30 metres), there will be adequate setbacks between those dwellings and the proposed hedge, further screening those dwellings from Outlet Road views. The proposed street tree planting will also provide intermittent screening above that achieved by elevation and hedge planting.
20. Taking the above into account the proposed landscape treatment will provide a cohesive and quality edge treatment of users of Outlet Road and sun, privacy and outlook for future occupiers of those dwellings.
21. Embankment Treatment between amended boundary for proposed AA-D1 and AA-B3: The proposed embankment straddling the boundary along AA-B3 and AA-D1 will vary in height between 2.5 and 4.5 metres in height, decreasing in height towards the southern end of the embankment. Lots on the AA-B3 side of that embankment (west side) will vary in size between 450 and 650 square metres.
22. The western boundary of the lots in AA-D1 is at the top of the embankment. As with other lots in a similar situation in D1, already completed, I note that many owners there have retained or terraced the rear portions of those lots, landscaping them appropriately as their primary outdoor spaces within those lots, both separated from the road and private. The batter grade will be 1:3, a grade which is easily workable.
23. I do not consider it appropriate to require a specific landscape treatment for that embankment as that embankment will be landscaped according to the requirements and aspirations of individual lots along that embankment. The embankment is not a large feature and will be substantially screened by dwellings and landscaping from roading immediately adjacent to the lots. Furthermore, this embankment will not be visible from Outlet Road west, given the landscape treatment proposed on that road (described earlier). The scale and mass of housing between Outlet Road and the embankment will fully screen the embankment from those views.
24. Treatment of Facades in Activity Area D1 for Non- Residential Uses: The Plan Change seeks to enable a single retail activity up to 1250m² in size. I understand that the current rules allow for retail activities up to 200m² in size. In addition, the existing rules for D1 also enable consideration of a commercial or community building with a much larger footprint (no actual footprint limit) than the proposed supermarket through a Restricted Discretionary consent process. For example the

multi-tenanted building approved under RM161230 is 1,100m² . The framework of policy and assessment matters was effective in the Council's assessment of that application.

25. I agree with Ms. Skidmore that the existing matters of discretion and the assessment matters are appropriate to ensure good urban design outcomes for larger footprint buildings in D1. However, I recognise that the policies could be improved upon in respect of the design and appearance of non-residential buildings.

26. I consider that it is appropriate that the policy framework is amended to provide for subsequent resource consent applications to be considered, as described in Mr. Edmonds evidence:

2.8 *Ensure the design and appearance of non-residential buildings is compatible with the character of the wider neighbourhood and considers variation in form, articulation, colour, texture and landscaping to add variety, moderate scale and provide visual interest, especially where facades front streets and public spaces.*

PJ Baxter

18 May 2018

APPLICANT'S TRAFFIC ENGINEERING EVIDENCE

BEFORE COMMISSIONERS APPOINTED BY QUEENTOWN LAKES DISTRICT COUNCIL

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of a private plan change (PC53 -
Northlake)

STATEMENT OF EVIDENCE OF ANDY CARR

DATED 17 MAY 2018

1. Introduction

- 1.1 My full name is Andrew (Andy) David Carr.
- 1.2 I am a Chartered Professional Engineer and an International Professional Engineer (New Zealand section of the register). I hold a Masters degree in Transport Engineering and Operations and also a Masters degree in Business Administration.
- 1.3 I served on the national committee of the Resource Management Law Association between 2013-14 and 2015-17, and I am a past Chair of the Canterbury branch of the organisation. I am also a Chartered Member of Engineering New Zealand (formerly the Institution of Professional Engineers New Zealand), and an Associate Member of the New Zealand Planning Institute.
- 1.4 I have more than 28 years' experience in traffic engineering, over which time I have been responsible for investigating and evaluating the traffic and transportation impacts of a wide range of land use developments, both in New Zealand and the United Kingdom.
- 1.5 I am presently a director of Carriageway Consulting Ltd, a specialist traffic engineering and transport planning consultancy which I founded in early 2014. My role primarily involves undertaking and reviewing traffic analyses for both resource consent applications and proposed plan changes for a variety of different development types, for both local authorities and private organisations. I am also a Hearings Commissioner and have acted in that role for Greater Wellington Regional Council, Ashburton District Council, Waimakariri District Council and Christchurch City Council.
- 1.6 Prior to forming Carriageway Consulting Ltd I was employed by traffic engineering consultancies where I had senior roles in developing the business, undertaking technical work and supervising project teams primarily within the South Island.
- 1.7 I have been involved in a number of proposals which have assessed the traffic generation and effects of the activities sought under the plan change request. With regard to retirement villages, my experience includes providing access and parking layout advice, and assessing the transportation effects, of:
 - a. the 'Diana Isaac' retirement village in Christchurch, with 260 apartments/villas, 84 assisted living suites and 120 care beds;

- b. the 'Beckenham Courts' retirement village in Christchurch, with 26 assisted living suites and 96 care beds;
 - c. the 'Yvette Williams' retirement village in Dunedin, with 120 rooms, assisted living suites and a dementia care facility;
 - d. various design elements for the Aspiring Lifestyle Retirement Village in Wanaka
 - e. the due diligence process for a potential retirement complex in Rangiora; and
 - f. the 'Observatory' retirement village in Oamaru, with 21 apartments/villas, 24 assisted living suites and 80 care beds.
- 1.8 With regard to retail developments, my experience includes providing access and parking layout advice and assessing the transportation effects of:
- a. local shopping centres in Rolleston and Prestons (north Christchurch) for CDL Land Limited;
 - b. various proposed supermarkets in Dunedin and Christchurch for both Progressive Enterprises Limited and Foodstuffs (South Island) Limited, as well as undertaking peer reviews on behalf of local authorities;
 - c. a local retail hub in Timaru.
- 1.9 I have also provided transportation advice for more than 50 private plan change requests for a range of different activities.
- 1.10 As a result of my experience, I consider that I am fully familiar with the particular traffic-related issues associated with proposals of this nature.
- 1.11 I have read the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2014. This evidence has been prepared in accordance with it and I agree to comply with it. The matters addressed in this Statement of Evidence are within my area of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

2. Scope of Evidence

- 2.1 In this matter, I have been asked by the applicant, Northlake Investments Limited, to comment on the submissions received in respect of their private plan change request (PC53) and the Council's s42a report prepared by the Council's senior planner, Mr Craig Barr.
- 2.2 I have been involved with this proposal since July 2017, and I produced a letter report (dated 12 October 2017) which addressed matters relating to the activities sought under the plan change in some detail. I then produced a response to a Request for Further Information (dated 20 March 2018).
- 2.3 I adopt these reports as the primary part of my evidence, and accordingly, have not replicated much of the detail of the letters within this evidence, other than what is relevant by way of background.

3. Response to Submissions

- 3.1 I have reviewed the submissions have been received and identified those that raise transportation matters. I respond to these below. For clarity, the matters are not set out in any particular order, and I have consolidated submissions where the same matter has been raised.

Submitter concern: The development permitted under the plan change will result in increased traffic flows

- 3.2 As set out in my review letters, the traffic generation of the development facilitated by the plan change will mean that at peak times, the supermarket could result in an additional 76 vehicle movements (two-way) on Aubrey Road, with 38 vehicle movements (two-way) approaching from the east and 38 vehicle movements (two-way) approaching from the west.
- 3.3 I therefore confirm that there would be an increase in traffic flows arising from the development facilitate by the plan change. However the peak hour volumes are such that:
 - a. If the vehicles were to use the three potential routes of Outlet Road, Mt Linton Road or Northburn Road, the increase would equate to an average of one additional vehicle movement every 2.4 minutes. In my view this is unlikely to be perceptible; and

- b. If the vehicles were to use only one of the potential routes (in this case this would be Outlet Road as set out below), the increase would equate to an average of one additional vehicle movement every 48 seconds. This is well within the capacity of the road, and will not lead to any adverse outcomes in terms of queues and delays.

Submitter concern: Customers travelling to/from the supermarket should use Outlet Road

- 3.4 Drivers typically select their routes to minimise their travel times. For vehicles approaching from the east, the shortest route is to use Outlet Road because:
 - a. The operating speed on Outlet Road is faster than on either Mt Linton Road or Northburn Road due to a reduced potential to encounter drivers turning to/from driveways;
 - b. There are fewer intersections to negotiate if travelling on Outlet Road; and
 - c. The distance is slightly shorter via Outlet Road.
- 3.5 As such, I consider that the natural tendency of drivers travelling to/from the east will be to use Outlet Road in preference to Mount Linton Road or Northburn Road.
- 3.6 My measurements show that each potential route for vehicles approaching from the west (Northburn Road, Mt Linton Avenue and Outlet Road) is approximately the same in terms of the journey length. Hence on this basis, no route is more favourable than the others. However it is likely that the route via Outlet Road will remain the quicker for the reasons set out above.
- 3.7 Because of this, I do not consider that drivers will have a strong reason to use Northburn Road or Mt Linton Avenue rather than Outlet Road. In other words, if drivers were to use Outlet Road then they would not experience such significant disadvantages that they would be tempted to use Northburn Road or Mt Linton Avenue instead.
- 3.8 As a result, I do not consider that any measures to dissuade drivers from using Northburn Road and Mt Linton Avenue need to be considerable or significant, but rather, in my view, ensuring that the Outlet Road route is clearly signed will be sufficient. As such, I consider it is appropriate that no signage for the supermarket should be located at either the Aubrey Road / Northburn Road or Aubrey Road / Mt Linton Avenue intersections.

- 3.9 The erection of signage within the road reserve is a matter for the road controlling authority and so there can be certainty in respect of this outcome. I note that the Council's planner, Mr Barr, has advised the Council's infrastructure team of this matter (s42a report, paragraph 11.14)

Submitter concern: Traffic calming should be included on roads within the Northlake subdivision

- 3.10 Traffic calming is a technique that is used to slow down drivers on particular routes and thereby encourage them to use alternative routes which are quicker.
- 3.11 As I noted previously, the Outlet Road route is already the fastest of the three options for drivers travelling from Aubrey Road and therefore it would be of little benefit to install traffic calming on either Mt Linton Road or Northburn Road.
- 3.12 Conversely, there will be some drivers travelling from within the wider Northlake subdivision who will only be able to use Mt Linton Road and/or Northburn Road, and for whom the installation of traffic calming measures on those roads would not present a deterrent.
- 3.13 On this basis, I do not consider that there is any need to install traffic calming measures on these roads.

Submitter concern: The catchment of the supermarket permitted under the plan change does not take into account a supermarket within Three Parks

- 3.14 In my letter report of 12 October 2017, I set out the likely catchment of the supermarket from locations outside Northlake (page 6 of that letter). I confirm that this did not take into account any supermarket within Three Parks, and so I have revisited the analysis with this in mind.
- 3.15 The process I have again followed is to identify those locations which would be closer to the supermarket facilitated by the plan change request based on a crow-fly distance, but allowing for the Three Parks supermarket. However based on this, I find that the vast majority of locations are unaffected. From a transportation perspective, the critical matter relates to the proportions of vehicles travelling to the potential supermarket on Aubrey Road from the east and west, but this is unchanged. As such, the analyses of transportation outcomes presented in my previous letter reports remains appropriate.

Submitter concern: Construction traffic should not use Mt Linton Avenue to travel to/from the plan change area and should stipulate Outlet Road instead

- 3.16 Mt Linton Avenue is a Local Road with direct property accesses, and as such in my view, its use by construction traffic should not be promoted. Rather, I concur that the better route is via Outlet Road and Northlake Drive, since these are Collector Roads and therefore more suited under the Council's roading hierarchy to through traffic movements.
- 3.17 In my experience, this is not a matter which can be addressed through a plan change request. However, a separate document (and process) is the Code of Practice for Temporary Traffic Management (**CoPTTM**) which has been developed by NZTA to "*meet the statutory duty of road controlling authorities to ensure so far as reasonably practical the safe and efficient operation of the roading network under their authority*" (CoPTTM Preface, and s 353 of the Local Government Act 1974). In this regard CoPTTM applies to "*any activity that varies the normal conditions of any road*" (CoPTTM Preface).
- 3.18 In practice, this means that when some activity is being undertaken (such as a large construction project) where the normal conditions of a road are varied (such as would occur with a greater number of construction vehicles) then CoPTTM applies and there is a requirement to have a Temporary Traffic Management Plan (**TTMP**) approved by the Council before any construction vehicles can use the roads. To reiterate, this is a process that occurs separately to the Resource Management Act.
- 3.19 One part of any TTMP is ensuring that the anticipated construction traffic volumes are known and the routes which they can use are specified. As such, and given the prevailing road hierarchy, I anticipate that the TTMP will specify the Outlet Road / Northlake Drive route. It is also able to specify routes that will not be used, which in this case would be Mt Linton Road.
- 3.20 It is a requirement that the approved TTMP is implemented by the contractor and therefore in my experience there can be certainty that it will be adhered to.

4. Response to Council Officers Report

- 4.1 I have read the report of Mr Craig Barr, Council's senior planner, and reviewed it for those matters which relate to transportation issues. In this regard, I note

that Mr Barr relies on advice give to him by Mr Dave Smith, a consultant transportation engineer.

4.2 Overall, Mr Smith considers that any cumulative effects arising from activities sought by PC53 and states that "*they are unlikely to be perceptible on the network*". He further notes that development facilitated by PC53 will have only a "*small*" impact on the transport network and on the timing of any future upgrade of the Aubrey Road / Anderson Road intersection. I agree with his views.

4.3 Mr Barr concurs that the transportation effects will be acceptable.

Andy Carr

Carriageway Consulting Ltd

17 May 2018

APPLICANT'S ECONOMIC EVIDENCE

Before the Queenstown Lakes District
Council

In the matter of The Resource Management Act 1991

And Request for a Private Plan Change by Northlake Investments
Limited (PC53)

SUMMARY EVIDENCE OF JOHN DANIELL POLKINGHORNE FOR

Northlake Investments Limited

Dated 17 May 2018

INTRODUCTION AND QUALIFICATIONS

- 1 My full name is John Daniell Polkinghorne.
- 2 I am an associate director of RCG Limited, with responsibility for the company's research and analytics work. I have been employed by RCG Limited since February 2008, initially working as a research analyst and economist.
- 3 I hold a Master of Commerce degree from the University of Auckland, majoring in economics.
- 4 I have been involved in a range of projects in the Queenstown Lakes District, and I am familiar with the retail offerings in Queenstown and Wanaka.
- 5 In 2009, I authored an RCG report titled "Wanaka Market Analysis – 2009 Update", prepared in support of PC16 (Three Parks Zone). Mr John Long, one of RCG's directors, gave evidence on behalf of Willowridge Developments.
- 6 In 2011, I carried out a retail modelling exercise for Queenstown in support of PC19 (Frankton Flats B). Mr Long gave evidence on behalf of the applicant.
- 7 In 2014 and 2015, Mr Long gave evidence for PC45 (Northlake) on behalf of MW Meehan. I prepared the research appendices to his evidence.
- 8 In 2016 and 2017, I gave evidence during the District Plan Review hearings on behalf of the Gordon Family Trust. My evidence, which focused on the Trust's Cardrona Valley Rd site, included modelling current and future retail demand in Wanaka.
- 9 I have complied with the Code of Conduct for Expert Witnesses contained in the Environment Court Consolidated Practice Note 2014. This evidence is within my area of expertise, except where I state that I am relying on another person, and I have not omitted to consider any material facts known to me that might alter or detract from the opinions I express.

SUMMARY

- 10 My evidence is largely predicated on the report by RCG Limited titled "Northlake Special Zone Assessment of Retail Economic Effects", dated October 2017. I refer to this as "the RCG report" in my evidence below.
- 11 I continue to endorse the conclusions in the RCG report, and adopt the report as my evidence, with some minor qualifications. Firstly, I comment on various data updates and new information which was not available when the report was

prepared; and secondly, Market Economics' peer review has identified some changes that I agree should be made, although this does not affect my conclusions.

- 12 The RCG report provides an overview of the following matters:
 - (a) The original Plan Change 45 process which led to Northlake being zoned, the further changes which are now proposed (from a retail perspective), and RCG's previous work in Wanaka.
 - (b) Various data for Wanaka and the Queenstown-Lakes District: their population, tourism, and retail offering;
 - (c) RCG's Retail Sales Model, which is used to look at retail sales and spending power in Wanaka, now and into the future;
 - (d) Results from the Retail Sales Model, including "floor space demand" projections.
 - (e) An assessment of the retail economic effects from PC53.
- 13 The key conclusions of the RCG report, which continue to form the main conclusions of my evidence, are:
 - (a) The proposed increase in Northlake's retail offering will promote sustainable and efficient outcomes, and not "undermine" higher order centres;
 - (b) The retail offering will help to support higher housing densities in Northlake (and vice versa). It provides amenity for local residents, and opportunities for local shopping and recreation;
 - (c) Other 'Northern Wanaka' residents will also be able to satisfy some everyday needs locally, without needing to drive across town to the CBD or Three Parks;
 - (d) This will assist the Wanaka CBD in maintaining an attractive, pedestrian-focused environment while promoting visitor spending growth.
- 14 My evidence provides some additional updates and comments on the RCG report, as well as commenting on the Market Economics peer review, the s42A report, and submissions.
- 15 I understand that the applicant now proposes that the 1,250 square metre tenancy sought under PC 53 be limited to a 'food retailing' store. As such, my evidence assumes that this will be the case, whereas the RCG report only

noted that the tenancy was “likely to be a food retailer, i.e. a small supermarket or large grocery store”.

- 16 Large format retail, or LFR, is a term commonly used by retail economic consultants. We draw a distinction between small and large shops in our modelling work, with the cut-off typically at 300-400 square metres.¹
- 17 Planning definitions for large format retail differ between jurisdictions, although again a cut-off of 300-400 square metres is common.
- 18 Supermarkets, of course, are much larger than 400 square metres, although various other food retailers can also exceed this size – butchers or fruit & vegetable stores, and specialist grocers such as Farro Fresh, Raeward Fresh, or Moore Wilson's. As noted in the RCG report, a store of 1,250 square metres might be considered “a small supermarket or [a] large grocery store”. An average-sized supermarket would be 3,000 square metres GFA or more, although sizes vary widely.

New Information Relevant to My Evidence

- 19 I note the following information which has become available to me since the RCG report was completed.
- 20 I understand from Northlake Investments Ltd that development continues at Northlake, with some 300 sections sold and being progressively titled. One block within the village centre area is now under construction, including a restaurant, early childcare centre and a building for “commercial businesses”, likely to include retail tenancies. As noted in the RCG report, consent has also been granted for a health centre, but this is not yet under construction.
- 21 I understand that a resource consent application for a New World supermarket at Three Parks was lodged in January 2018, although I am not aware if it has been granted.
- 22 As noted in the RCG report, 2.7 ha of land within a site owned by the Gordon Family Trust was proposed to be rezoned as Local Shopping Centre Zone under the Proposed District Plan as notified. I gave evidence in support of this.
- 23 Decisions on stage 1 of the Proposed District Plan were notified on 7 May 2018. Under the Decisions Version, the Cardrona Valley Rd Local Shopping Centre Zone, is proposed to be 1.25 ha rather than 2.7 ha, with a limit on combined

¹ Some store types (e.g. food & beverage) are assumed to be ‘small format’ regardless of their actual size.

retail and office activities of 3,000 sqm and discretionary status for these activities thereafter. It is possible that this decision could be appealed.

- 24 Section 5.2 of the RCG report notes: “for the purposes of our ‘economic effects assessment’, we assume that the Cardrona Valley Rd site is indeed rezoned as a [Local Shopping Centre Zone] of 2.7 hectares with no cap on retail and office activities”. I consider this to be a conservative approach for the purposes of assessing PC 53.

Data Updates Relevant to My Evidence

- 25 As noted in section 3.2 of the RCG report, household projections for the Queenstown-Lakes District were out of date at the time the report was prepared. Updated projections have now been released. As expected, given that they align with updated population projections which were available and discussed in the RCG report, these show a higher level of growth.
- 26 These support the view in section 3.2 of the RCG report that Rationale’s projections, used as my “preferred” projections, are broadly in line with the Statistics New Zealand ‘medium’ projection and somewhat lower than the ‘high’ projection.
- 27 Building consents in the Queenstown-Lakes District have increased still further from the “record levels” noted in the RCG report. From more than 1,000 homes a year on a moving annual total basis, consents have now risen to more than 1,200 homes a year. I have not been able to obtain updated Wanaka-specific consent figures, but assume that Wanaka continues to make up a sizeable share of total consenting activity.
- 28 Average house prices in the Wanaka ward have continued to rise, reaching \$822,000 in the year to December 2017.² Other housing market indicators, such as section prices and rents, have also experienced rapid growth.
- 29 Tourism growth in Wanaka has been extremely strong.
- 30 The Commercial Accommodation Monitor shows that guest nights in Wanaka (and Queenstown), which were at record levels in mid-2017, have continued to grow still further. Guest nights in Wanaka rose by 13.3% in the year to March 2018, with similar growth for both international and domestic guests.
- 31 By comparison, guest nights in Queenstown are also at record levels, but have grown at a slower rate, 3.0% in the year to March 2018. Queenstown

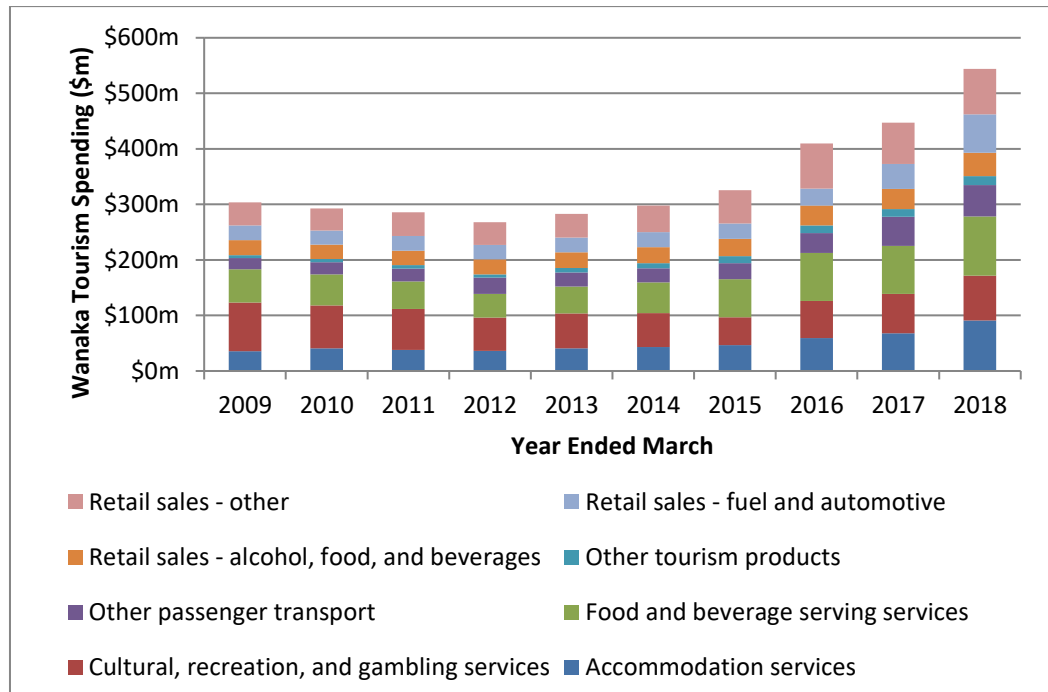
² <https://mbienz.shinyapps.io/urban-development-capacity/>

accommodation now has very high occupancy rates, limiting the sector's ability to grow further without new capacity being added.

- 32 As a result of the very high occupancy in Queenstown (and the ensuing high prices), it appears that more growth is being directed to Wanaka.
- 33 A November 2017 report from Infometrics estimated that 147,000 'guest nights' were stayed in Airbnb properties in Wanaka in the year to September 2017, compared to 860,338 guest nights in commercial accommodation.³
- 34 This suggests that Airbnb is more popular than previously thought – or it may reflect the platform's rapid growth in the last year or so.
- 35 Infometrics argue that the popularity of Airbnb will be causing some landlords to remove their properties from the long-term rental 'pool'. This will be true to some extent, but with Wanaka and Queenstown always having had a large share of 'holiday homes', it is likely that many of the Airbnb homes would have previously been holiday homes and not available for long-term rental.
- 36 In fact, the number of Airbnb listings in Wanaka (1,142 according to Infometrics, with 74% of these being a "whole house/ unit") is comparable to the number of rented homes in Wanaka (957 "households in rented occupied private dwellings", according to the 2013 census).
- 37 Monthly Regional Tourism Estimates, published by MBIE, are the most useful indicator of tourism activity in my view. This is because they directly relate to tourism spending, and cover essentially the whole tourism market (rather than just visitors staying in commercial accommodation, etc).
- 38 The latest data shows that tourism spending in Wanaka reached \$554 million in the year to March 2018, up 22% on the year to March 2017. This was the highest growth rate in the country. Spending has risen by 83% in the last four years, i.e. compared with the year to March 2014.⁴

³ <https://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan/PDP-Stage-2/Section-32-Stage-2/Updated-Infometrics-Report-Measuring-Airbnb-in-Queenstown-Lakes-District.pdf>

⁴ <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/monthly-regional-tourism-estimates>



- 39 MBIE updated their New Zealand-level tourism forecasts in May 2018.⁵ The forecasts now show international tourism spending growing by 4.9% per annum over 2018-2024. These numbers are lower than used in previous forecasts, although they still show appreciable growth.
- 40 Nationally, the tourism industry appears to be sceptical of International Visitor Survey results which show a slowdown in spending growth. The survey is now being reviewed. The IVS is a major data source for the tourism forecasts (and for Monthly Regional Tourism Estimates), and the forecasts may be coloured somewhat by this.

Additional Comments on my Modelling Results

- 41 Section 6 of the RCG report outlines the approach used in my modelling work, and section 7 explores the results.
- 42 I continue to support my demand modelling results (as qualified below), and consider that they reflect a reasonable and conservative view of Wanaka's growth prospects.

⁵ <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-research-data/international-tourism-forecasts/2018-2024-forecasts>

- 43 The sole qualification is that the household yield for the Northern Wanaka catchment should be amended slightly, from 3,395 households shown in the RCG report to 3,231 households as identified by Market Economics.
- 44 In regards to section 6.3 of the RCG report, I note that New Zealand-level retail spending per household has continued to track at above the 1% real growth rate assumed.
- 45 Across New Zealand, real spending per household has increased by approximately 17% since 2013, the base year used in my modelling. The modelled growth of 1% per year would have only shown 5% growth over this time. As such, the modelled results for 2018 are likely to understate per-household retail spending power by at least 10%.
- 46 Wanaka has also experienced very strong tourism growth in recent years, as noted above.
- 47 As outlined in section 7.1 of the RCG report, my modelling used Wanaka tourism spending figures for the year to June 2016 (a different 'base year' to that used for households and businesses). The latest figures now available are for the year to March 2018.
- 48 Between these two time periods, spending on "food and beverage serving services" has increased by 22.0%, and spending on "retail sales – alcohol, food, and beverages" has increased by 19.1%. Spending on "retail sales – other" has been much flatter, up just 2.3%.
- 49 These figures are all in nominal dollars, so will include some degree of inflation. Based on deflators from the Retail Trade Survey, I expect price change in "food and beverage serving services" to have been around 4% over the 1.75 years, and price change in "retail sales – alcohol, food, and beverages" to have been around 3%. Any price change in "retail sales – other" is likely to have been very minor.
- 50 These price change estimates are based on NZ-level data, and it is possible that Wanaka retailers have been able to lift their prices to a larger extent, against a backdrop of much stronger demand and limited new competition.
- 51 Regardless, all the various tourism indicators are showing strong growth for Wanaka, and sales volumes for the store types most relevant to PC 53 (i.e. food-related ones) are likely to have grown much faster than the 2-3% per annum (excluding inflation) assumed in my modelling.

- 52 Overall, I conclude that the modelling results for the Wanaka catchment shown in the RCG report have been conservative to date, and are likely to be conservative at least into the short term future.
- 53 In the longer term, economic fluctuations and other unforeseen events will play a part, but my modelling assumptions are chosen with the goal of being conservative, as noted in section 6 of the RCG report.

Response to Market Economics Report

- 54 This section of my evidence responds to a report by Market Economics Limited titled "Proposed Private Plan Change 53 – Northlake, Review of Retail Economic Effects Assessment", dated 26 April 2018. I refer to this as the "Market Economics report".

Response to Market Economics Report, section 3.5.1

- 55 Pages 5 to 9 of the Market Economics report review my modelling results for the Wanaka catchment (i.e. the overall ward). I agree with their comment on page 6 that "the model is broadly appropriate for modelling resident household and employment related retail demand".
- 56 They "consider that RCG have overstated current and projected tourism retail floorspace demand in the Wanaka Ward", and that as a result – adding in the household and employment related retail demand – "total retail demand is also... slightly overstated" (page 6).
- 57 It is debatable whether tourism floor space demand is actually "overstated". Market Economics are correct that the model allocates some spending to department stores, a store type that does not currently exist in Wanaka. This reflects the intricacies of applying a nationally-calibrated model to a local area.
- 58 The 'demand' for department stores in our model is derived as a percentage of tourist spending on "retail sales - clothing and footwear" and "retail sales - other shopping".
- 59 If this demand was reallocated to the other likely store types, being "clothing, footwear and personal accessories" and "pharmaceutical and other stores", we would use a sales per square metre value of \$5,500 (excluding a small percentage of clothing which is allocated to large format stores), rather than \$3,200 as for department stores.

- 60 As Market Economics note, this change would reduce the estimated demand from tourists by around 3,500 square metres in 2016.
- 61 However, my model aims to represent 'demand', and it could be argued that tourists would indeed shop in a department store in Wanaka if it was available. It is quite likely that such a store will be developed in the future, e.g. at Three Parks. Some nuance is required here, and I do not agree with the Market Economics point that tourism floor space demand is overstated or that (as a result) overall floor space demand is overstated.
- 62 At any rate, there has been significant tourism spending growth in Wanaka since the modelled year of June 2016, and it is likely that there is some 'latent' retail demand from tourists which does not currently result in spending because the retail offering is limited (including the lack of a department store, for example). It is likely that more of this latent demand will materialise as Wanaka's retail offering grows.
- 63 Market Economics are correct that my modelled retail demand is for the total Wanaka ward, and that some demand will be satisfied outside of Wanaka itself (pp. 6-7). This includes spending in shops in smaller centres within the ward – e.g. Cardrona and Lake Hawea – but, more significantly, in Queenstown which has a much more substantial retail offering.
- 64 I note that this applies only to household/ business retail demand, not tourism demand which is based on the actual amounts being spent in the Wanaka ward.
- 65 This phenomenon, also known as "leakage", is not mentioned in my October 2017 report, although I did traverse it in more detail in my November 2016 evidence for the Gordon Family Trust.
- 66 In that instance, my evidence noted that "Queenstown will continue to fulfil some of the demand (and demand growth) from Wanaka households and businesses. It is a larger town, with a more developed retail offering. Wanaka shoppers will even travel to the larger cities for shopping occasionally, when they want goods not available in the local district... "leakage" will be lower for convenience shopping than for comparison shopping, and... the percentage of spend leaking to Queenstown and other destinations will decrease over time as Wanaka's retail offering develops".
- 67 As such, I broadly agree with Market Economics' numbered points 2 and 3 on their pages 6 and 7, although my report did not attempt to measure "the volume of retail floorspace that could be sustained locally" in the Wanaka ward. My modelling considered overall demand, and I do not believe that a more detailed leakage study is necessary for PC 53.

- 68 Similarly to the above, the RCG report and the 2007 'supply' study to which it referred did not attempt to measure retail floor space outside of Wanaka itself. I agree that this "slightly [under-reports] supply of retail in the Wanaka Ward".
- 69 Regarding Market Economics' numbered point 4 (page 7), online shopping is not directly addressed in RCG's Retail Sales Model, although online shopping is excluded where possible (i.e. the "non-store and commission-based retailing" category). I indirectly allow for the potential for online shopping to take a share of sales growth through adopting a conservative sales growth multiplier (see section 6.3 of the RCG report).
- 70 Market Economics' comments on page 8 have identified an error in the RCG report, in regards to liquor retailing. This is indeed included in the Food Retailing store type as defined in the RCG Retail Sales Model. As such, Market Economics are correct in noting that there is 792 sqm of extra food retailing space in Wanaka, based on our 2007 survey.⁶
- 71 I agree that "the Wanaka Ward is undersupplied for supermarket floorspace at present (2018)".
- 72 Assuming that the Three Parks New World is granted consent and developed, Wanaka may be briefly 'oversupplied' with LFR food retailing space when it opens. Market Economics' Figure 3.1 then shows supply and demand roughly in balance by 2023, although given the comments in my paragraphs 41 to 53, the year of 'balance' may well come sooner.
- 73 At any rate, as Market Economics note on page 9: "productivities are not constrained... supermarkets can still be viable at lower productivities... [but] a small increase in sales productivity (above what has been modelled) could easily absorb additional demand".
- 74 I agree that a range of productivities are possible, and the modelling should not be seen as fixed but as illustrating 'average' levels of store performance. Furthermore, my modelling assumes sales of \$14,000/ sqm for LFR food retailing, but \$7,000/ sqm for small format food retailing.
- 75 Smaller supermarkets, or those in smaller towns, or stores that are not under the three main supermarket banners, tend to have lower sales performance than the \$14,000/ sqm average.
- 76 Another factor specific to Wanaka and the Queenstown-Lakes District is the very high volume of food & beverage services. This creates a significant food

⁶ This error arose because liquor retailing was treated as a distinct store type in our 2007 survey of retail space. This was a reflection of the different store type classifications used in our modelling at that time.

wholesale opportunity, in addition to the food retail opportunity. While not likely to be significant for Northlake, it would help to support the activity of larger supermarkets (and their parent organisations) in the Queenstown-Lakes District.

- 77 I return to the supermarket discussion below, but first discuss Market Economics' comments on my modelling for Northern Wanaka.

Response to Market Economics Report, section 3.5.2

- 78 As noted in paragraph 43 above, I agree with Market Economics that it is more appropriate to use a figure of 3,231 dwellings/ households than the 3,395 used in the RCG report.
- 79 As such, I consider that the results shown by Market Economics in their Figure 3.2 (page 12) represent a realistic view of the floor space demand arising from the Northern Wanaka catchment, based on the "revised dwellings" numbers.
- 80 I do not agree that the demand estimates "overstate retail demand" as a result of the assumption that "all dwellings in the catchment are occupied full-time by resident households".
- 81 This assumption is used to keep the modelling exercise for Northern Wanaka simple. As noted on page 43 of the RCG report, "some homes [in Northern Wanaka] will be used as holiday homes, although of course tourists (and businesses/ employees) will also contribute to spending".
- 82 Effectively, the assumption is that the level of spending from tourists and employees (which was not modelled) is roughly equivalent to the level of spending that would be generated from unoccupied homes if they were instead occupied by households.
- 83 I consider that this is a reasonable assumption, noting that "holiday homes", Airbnb and the like would all contribute to tourism spending; and that tourism is a major influence in all Wanaka retailing.
- 84 I agree with Market Economics' comments on their pages 13-14 under the heading "Share of Demand Captured by the Northlake Village", with the exception of the last paragraph. A supermarket at Northlake is likely to trade at lower levels than the \$14,000/ sqm assumed in RCG's model, but could be viable regardless.
- 85 Market Economics' last paragraph under this heading relates to Auckland centres (page 14, including the footnotes), and given the differences between

Auckland and Wanaka – including the much greater array of shopping options in Auckland – I consider it to have limited relevance here.

Response to Market Economics Report, section 4

- 86 In section 4.1 of their report (page 15), Market Economics comment that “the proposed LFR tenancy is the reason that the centre’s catchment shifts from being the Northlake Special Zone and immediate surrounds... to the much wider ‘northern Wanaka’ catchment”.
- 87 I disagree in part with this statement. The non-retail uses at Northlake which were enabled by PC 45 and have been consented – some of which are already under construction – are likely to draw customers from beyond the Northlake Special Zone. These activities will contribute to the “critical mass” and help Northlake retailers to attract a wider customer base.
- 88 However, I agree that the LFR tenancy will also boost Northlake’s critical mass, and give further assistance to retailers there in attracting shoppers from the wider Northern Wanaka catchment.
- 89 In section 4.2 of their report (pages 16-18), Market Economics suggest that my “justification for the increase in retail capacity, including allowance of one LFR tenant” is based on four factors, to which they respond in turn. I discuss these four factors below, and also add one additional factor to the list.
- 90 I disagree with Market Economics’ interpretation of Mr Long’s and my work under the “Higher Growth Projections in Wanaka” heading.
- 91 Mr. John Long’s evidence in 2014 aimed to answer a particular question: whether 1,000 sqm of small shops within a wider plan change area at Northlake could be supported. He noted that it could, “for local lifestyle and amenity reasons in the expectation that this will have no significant offsite retail effects”.
- 92 The RCG report of October 2017, and my current evidence, aims to answer a different question: whether 2,500 sqm of shops, including a 1,250 sqm grocery/supermarket, can be supported on economic grounds.
- 93 Since smaller centres typically require less detailed study of their economic effects, Mr Long’s evidence in 2014 was brief. A retail modelling exercise was seen as unnecessary by Mr Long and myself at that time.
- 94 I consider that the Wanaka environment has changed and grown in many ways since 2014, with tourism growth, population growth house prices, construction and development all being indicators of this. Furthermore, the Northlake commercial opportunity has improved since that time, with various other non-

retail uses establishing or likely to establish. The outlook for Northlake and Wanaka generally has improved significantly since 2014.

- 95 Ultimately, though, Mr Long and I were answering different questions, relating to the two different plan changes.
- 96 Moving on to the Market Economics heading “A Shortfall in Supply” (page 17), I am unclear as to what is meant by “capacity”. This may refer to either retail floor space or land that is zoned to allow for retail activity. Both are discussed, to some extent, in Market Economics’ NPS-UDC assessment, and I comment on this later in my evidence.
- 97 In terms of LFR food retailing supply, I have addressed this above in paragraphs 71 to 74.
- 98 Since the RCG report was completed, consent has been lodged for a new supermarket. If this consent is granted and implemented, then Wanaka will nominally have ‘enough food retailing space’ for at least the next few years.
- 99 However, the entirety of the LFR food retailing space will be in two New World supermarkets, trading under the same banner and both supplied by Foodstuffs. The existing Four Square is also supplied by Foodstuffs, with Mediterranean Market (owned by wholesaler Bidvest) providing the main competitive constraint.
- 100 As such, the “shortfall in supply” could become more of a shortfall in competition. While consumers will benefit from the wider range of goods available under one roof at a larger New World, the development will strengthen Foodstuffs’ position in Wanaka.
- 101 The inclusion of a supermarket/ grocery tenancy within Northlake will promote healthy competition and allow for more consumer choice in Wanaka. I consider this to be a positive economic effect, which will enable Wanaka residents and visitors to better provide for their economic wellbeing.
- 102 Moving on to the Market Economics heading “Positive Effects on the CBD” (page 18), my comments apply to both Three Parks and Northlake – with Three Parks, of course, likely to become a much larger “pressure release valve” as it develops.
- 103 My comments should be viewed against a context of an uncertain Three Parks development timeframe (in October 2017, and also now in May 2018 to some extent), strong and sustained retail demand growth, and the likelihood of the Wanaka CBD continuing to intensify and shift towards higher value uses, including tourism-oriented retail, increased accommodation capacity, etc.

- 104 Finally, the Market Economics heading “Lack of Adverse Effects on the CBD and Three Parks”. It is common ground between the Market Economics and RCG reports that there will not be adverse economic effects on the CBD or Three Parks.
- 105 I disagree, however, that “the RCG report does not adequately justify the increase in retail capacity, including the addition of a LFR store, or the need for the Northlake Village to serve a larger catchment than originally intended”. These points are picked up at various other parts of my evidence.
- 106 A fifth factor in my support for PC 53 is outlined in my paragraphs 86 to 88. The establishment of a cluster of non-retail activities, still on a much smaller scale and with a much smaller range than that of the CBD or Three Parks, will support a larger retail offering. This cluster is more likely to be economically viable, and to provide good amenity, than was envisaged in 2014. A larger food retailing tenancy will support this.

Response to Market Economics Report, section 5.3

- 107 Pages 21 and 22 of the Market Economics report refer to their NPS-UDC work for the Queenstown-Lakes District Council. I have briefly reviewed this analysis.
- 108 I acknowledge the usefulness of NPS-UDC capacity assessments generally, in allowing to councils to plan for the future. However, I consider that the assessment has limited relevance to the economic issues in PC 53. Market Economics touch on this in their footnote (page 22), noting that the report “does not help inform the sufficiency of retail capacity in specific sub-catchments of the Wanaka Ward or for specific retail store types”.
- 109 I consider that my retail modelling results are more applicable for answering questions of retail demand and supply, and for the specific issues in PC 53.
- 110 The economic issues for PC 53 relate to the proposal for a supermarket tenancy. The question is not one of capacity – although this is also relevant – but one of effects. The aim is to determine the effects of this specific proposal on Northern Wanaka or the wider Wanaka catchment.
- 111 Market Economics note (page 23) that “the operative [Northlake] provisions... provide potential for a number of food retailers to be included in the Village that could fulfil a convenience role. For example, the Village could include a small-scale butcher, bakery, deli, grocery store, liquor store and a fruit and vegetable retailer. These would deliver substantial functional amenity to the surrounding community and be consistent with the policies of the Northlake Special Zone”.

- 112 A small supermarket, which I agree is likely to trade at lower sales levels than the \$14,000/ sqm assumed in RCG's model, could also "deliver substantial functional amenity to the surrounding community" in my view.
- 113 A small supermarket would have a generally similar offering to a combination of the above small stores. However, it would be more convenient to consumers, and would likely be a more efficient and effective business – with the potential for lower overheads and less replication of facilities, and better supply chain management. I consider that a small supermarket is more likely to be viable, and therefore has more potential to benefit the community.

Response to Market Economics Report – Overall Summary

- 114 In summary, Market Economics' peer review has identified two changes which I accept should be made to the RCG report – the inclusion of liquor stores within food retailing, and the potential household yield in Northern Wanaka.
- 115 These changes are relatively minor ones, and they do not affect my overall conclusions as expressed in the RCG report or in this evidence.

Response to the s42A Report

- 116 I have read the s42A report prepared by Mr Craig Barr and dated 3 May 2018.
- 117 The s42A report relies on the Market Economics report and summarises its key points on pages 26-28. I have responded to these points more fully above.
- 118 The s42A report "[considers] that it is marginal whether there is a necessity for a supermarket with a GFA of 1,250m² at Northlake, however nor [does it] consider there to be a sufficiently compelling reason in terms of adverse retail effects (other than trade competition effects) to recommend that this be rejected" (paragraph 9.43). Regardless of whether it is deemed a "necessity", my opinion is that the proposed supermarket is desirable, and I agree that there are no adverse retail effects which should lead it to be rejected.
- 119 I do not agree with the statement at paragraph 9.43 that "the scale of retail activity at Northlake would mean that it serves more than the local community". In my view, the Northern Wanaka catchment defined in the RCG report, which covers most of the northern half of Wanaka but excludes the southern half and outlying areas of the Wanaka Ward, can be considered "local".

Response to Submissions

- 120 I have read various submissions and further submissions on PC53 as directed, in particular submissions 02, 03, 05, 06, 07, and 10, along with further submissions FS-15, FS-16 and FS-17. I consider that, to the extent these submissions raise economic issues, I have taken account of them in my evidence above.
- 121 I note that submission 06, by Willowridge Development Limited, notes that “As business and industrial activity moves to alternative locations, retail and commercial activity may increase at Anderson Heights”. I agree that this is a possibility, but I do not expect that retail activity at Anderson Heights will increase significantly from current levels.
- 122 On a similar note, I disagree with the comment in submission 07, by Central Land Holdings Limited, that “the proposed rezoning of Anderson Heights will create sufficient retail land to service the Northlake area and therefore there is no need for additional retail floorspace at Northlake”.
- 123 Most properties at Anderson Heights are already developed, and while some redevelopment and intensification is likely (to various uses, potentially including retail), it is unlikely that a significant increase in retail activity will occur there. Furthermore, this has little bearing on the economic effects of PC 53 – the key influences are the much larger (and higher in the ‘hierarchy’) centres of the CBD and Three Parks.

Conclusions on the Retail Economic Effects of PC 53

- 124 I agree with Market Economics’ conclusions on pages 15-16 that the RCG report’s focus on “significant amenity effects or an ability to undermine the Wanaka CBD and/or Three Parks” is appropriate, and that the proposed changes at Northlake will not have this level of adverse effects, noting that they qualify this to “relate to a supermarket based centre scenario”.
- 125 As concluded in the RCG report and above, my opinion is that the retail and other non-residential offering at Northlake will help to better provide for the wellbeing of Wanaka residents.
- 126 Overall, I conclude that the changes proposed for retailing at Northlake under PC 53 will have positive economic effects.

Dated 17 May 2018