Section 32 Evaluation Report

Variation 1 - Arrowtown Design Guidelines, 2016

Contents

Section 32 Evaluation Report: Variation 1 - Arrowtown Design Guidelines, 2016 (ADG, 2016)

1. Strategic Context

The purpose of the Act requires an integrated planning approach and direction, as reflected below:

> *5 Purpose*
>
> *(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.*
> *(2) In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—*
> *(a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
> *(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
> *(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

The remaining provisions in Part 2 of the Act, particularly section 6, provide a framework upon which objectives to achieve the purpose of the Act and provisions (in this case, policies and rules) to achieve the objectives can be built. Section 6 (abbreviated below) is relevant to this chapter. In that respect, the following matters must be recognised and provided for when assessing a proposed planning instrument, or part of an instrument against the Act's sustainable management purpose:

> *(b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:*
> *(e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:*
> *(f) the protection of historic heritage from inappropriate subdivision, use, and development:*

Other matters
In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall have particular regard to the matters listed in section 7 (abbreviated below)—

> *"(a) kaitiakitanga:*
> *(aa) the ethic of stewardship:*
> *(c) the maintenance and enhancement of amenity values:*
> *(f) maintenance and enhancement of the quality of the environment:.."*

Section 7(a) (Kaitiakitanga) and (aa) (the ethic of stewardship) are matters raised through the manner in which the tourism and important heritage areas of Arrowtown are developed and whether the development rights they afford are advanced in a sustainable and responsible manner..

The maintenance and enhancement of amenity values, noted under section 7(c), is a matter raised by the development of the Arrowtown Residential Historic Management Zone ('**ARHMZ**'), particularly where this zone adjoins the proposed Medium Density Residential Zone ('**proposed MDRZ**').

The ARHMZ is based upon the Residential Arrowtown Historic Management Zone set out in the Operative District Plan. It has the potential to be adversely affected by the development contained within the proposed MDRZ. Further, maintenance and enhancement of the quality of the environment is key in considering the appropriateness of future development in the proposed MDRZ to maintain and enhance the established historical development of the ARHMZ.

8 Treaty of Waitangi
In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

Section 31 RMA is relevant as it describes the functions of territorial authorities, and states;

> *(1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:*
>
> *(a) the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district*
>
> *Including provisions for the recognition and protection of historic heritage helps to achieve integrated management through:*
>
> - *Acknowledging the long term benefits from the preservation of heritage buildings and features.*
> - *Encouraging the longevity of heritage buildings through maintenance and adaptive reuse.*
> - *Accepting that the historic environment is part of the overall development sphere.*

The remaining provisions in Part 2 of the Act provide a framework within which objectives are required to achieve the purpose of the Act and provisions are required to achieve the relevant objectives.

The assessment contained within this report considers the appropriateness of the existing Arrowtown Design Guidelines 2006 ('existing **ADG**'), and the need to updated the existing ADG to accommodate changes to the zoning within the Arrowtown Urban boundary, including the proposed MDRZ.

Amongst other matters, a key issue is whether the existing ADG are able to respond to development intensification within the New Town[1] area of Arrowtown and whether future development within the proposed MDRZ will maintain the historic character of the ARHMZ.

The ARHMZ seeks to support the Strategic Direction and Urban Development framework of the Proposed District Plan by retaining the residential land supply while protecting the important heritage resource. Similarly, the proposed MDRZ, which immediately adjoins the ARHMZ, provides for residential intensification within the Arrowtown Urban Boundary.

Section 31 of the Act outlines the function of a territorial authority in giving effect to the purpose of the Act:

> *31 Functions of territorial authorities under this Act*
> *(1) Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:*
> *(a) the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources of the district*

Section 31 provides the basis for those objectives, policies, and methods within a District Plan that seek to, amongst other things, manage the effects of development. More specifically, and with respect to the proposed MDRZ, the provisions outlined in this report have been developed in accordance with QLDC's function under Section 31 to manage the potential adverse effects of urban intensification and development on the historic character of Arrowtown's old town residential area (encapsulated within the ARHMZ) and the adjoining Arrowtown Town Centre.

2.2 Local Government Act 2002

Sections 14(c), (g) and (h) of the Local Government Act 2002 ('**the LGA**') are also of relevance in terms of policy development and decision making:

> *(c) when making a decision, a local authority should take account of—*
> *(i) the diversity of the community, and the community's interests, within its district or region; and*
> *(ii) the interests of future as well as current communities; and*

[1] encompassing the proposed Medimum Density Residential and Low Density Residential Zones

(iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii):

(g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and

(h) in taking a sustainable development approach, a local authority should take into account—
(i) the social, economic, and cultural interests of people and communities; and
(ii) the need to maintain and enhance the quality of the environment; and
(iii) the reasonably foreseeable needs of future generations

Like Part 2 of the RMA, section 14 (sub-sections (c) and (h) in particular) of the LGA emphasises a strong intergenerational approach, where not only current environments, communities and residents are considered, but also those of the future. The provisions promote a future focussed policy approach, balanced with considering current needs and interests. The LGA reinforces the RMA's focus on more than just ecological considerations, and promotes outcomes that achieve a broad range of considerations, including social, economic and cultural outcomes.

Under Section 14(c) and (h) of the LGA, historic heritage is a wide-ranging construct, which reflects the diversity of the community and, in some instances, represents a regional, national or international relationship. Also there is a strong focus on preserving the past for the generations of the future, albeit with an approach that allows a level of development that is sustainable.

Section 14(g) is of relevance in so far as the planning approach embodied within the proposed MDRZ and LDRZ emphasises urban intensification. In the case of both zones, these are located in close proximity to the ARHMZ, which does not promote infill housing, and places emphasis on recognising the unique heritage attributes and the social and economic benefits derived from this.

2. Iwi Management Plans

When preparing or changing a district plan, Section 74(2A)(a) of the RMA states that Council's must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district.

The following iwi management plans are relevant to the Queenstown Lakes District:

The Cry of the People, Te Tangi a Tauira: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 (MNRMP 2008)

Section 3.4, Takitimu Me Ona Uri: High Country and Foothills includes the upper Queenstown/Wanaka catchment including lakes and mountains between Whakatipu-Waitai (Lake McKerrow) and extends across to the eastern boundary of the Matau (Clutha) River. This section of the Iwi Management Plan contains the a range of policies that are applicable to the Queenstown area, however are targeted as management of effects within the high country areas and sensitive receiving environments such as the District's lakes and rivers. The Iwi Management Plan identifies no specific sites of importance to iwi around the Arrowtown area and as a consequence, the issues raised as part of the amendments to the Arrowtown Guidelines do not raise any specific issues identified within this aspect of the Iwi Management Plan.

Käi Tahu ki Otago Natural Resource Management Plan 2005 (KTKO NRMP 2005)

Part 10: Clutha/Mata-au Catchments *Te Riu o Mata-au* outlines the issues, and policies for the Clutha/Mata-au Catchments. Included within this chapter is a description of some of the Käi Tahu ki Otago values associated with the Clutha/Mata-au Catchments. Generic issues, objectives and policies for all catchments across the Otago Region are recorded in Chapter 5 Otago Region.

The following policies are of relevance:

Land Use 10.2.3 Wai Mäori Policies in the Clutha/Mata-au Catchment

9. *To encourage the adoption of sound environmental practices, adopted where land use intensification occurs.*
10. *To promote sustainable land use in the Clutha/Mata-au Catchment.*
11. *To encourage all consents related to subdivision and lifestyle blocks are applied for at the same time including, land use consents, water consents, and discharge consents.*
12. *To require reticulated community sewerage schemes that have the capacity to accommodate future population growth.*

Most of the policy responses set out in the KTKO NRM under Land Use 10.2.3 are relevant to the consideration of development within the Clutha/Mata-au Catchments, and while this includes the Arrowtown area, most of the issues raised relate to ensuring service infrastructure does not adversely impact upon the Clutha/Mata-au receiving environment. While this is relevant to the future development of these areas, it is not directly relevant to the consideration of historic heritage contained within the Arrowtown development zones.

To this end, while regard has been had to the policy direction provided for within these respective Iwi Management Plans, as part of the formulation of this section 32 analysis, none of the issues raised as a consequence of this ADG are considered to offend the relevant policy outcomes within these Iwi Management Plans.

3. Otago Regional Policy Statement 1998 (RPS, 1998)

Section 74 of the Act requires that a district plan prepared by a territorial authority must "*give effect to*" any operative Regional Policy Statement. The operative *Otago Regional Policy Statement 1998* (RPS, 1998), is the relevant regional policy statement to be given effect to within the District Plan.

The operative RPS 1998 contains a number of objectives and policies that are relevant to this Variation, namely:

Operative RPS 1998 Objective	**Objectives**	**Policies**	**Relevance to the Variation 1**
To protect Otago's outstanding natural features and landscapes from inappropriate subdivision, use and development	5.4.3	5.5.6	The Arrowtown Town Centre Zone and ARHMZ has a unique character that is renowned internationally. The ADG has been amended to respond to the important heritage values of these areas, and seeks to ensure that development within both the MDRZ and LDRZ appropriately respond to and maintain the historic character of these adjoining zones.
Sustainable land use and minimising the effects of development on the land and water	5.4.1	5.5.4	The ADG has been amended to respond to the important heritage values contained within the ARHMZ, and seeks to ensure that development within both the MDRZ and LDRZ appropriately respond to and maintain the historic character of these adjoining zones. The amended ADG seeks to minimise the effects of development intensification within the MDRZ and LDRZ through the requirement that new development within these residential zones, appropriately responds to the historic character of the adjoining is

			therefore considered ARHMZ. Such an outcome will sustain the historic character of the ARHMZ consistent with the direction afforded the ORPS.
To promote sustainable management of the built environment and recognise and protect heritage values.	9.4.1(d)	9.5.4 and 9.5.6	The amendments to the ADG seek to ensure that effects on the ARHMZ are appropriately managed as part of the design of new development within the MDRZ and LDRZ and as a consequence, Variation 1 seeks to give effect to this objective.

In addition, Method 9.6.8 of the RPS 1998 is relevant. It states:

'*Utilise means to identify and protect regionally significant heritage sites within their district'*.

The issues raised within this report and methods proposed to respond to these are considered to accord with the protection of regionally significant heritage sites within the District.

Proposed Otago Regional Policy Statement 2015

Section 74 of the Act requires that a District Plan must "*have regard to*" any proposed regional policy statement.

The Proposed RPS was released for formal public notification on 23 May 2015, and contains the following objectives and policies relevant to the ARHMZ:

Objective	**Objectives**	**Policies**	**Relevance to Variation 1**
Otago's significant and highly-valued natural resources are identified, and protected or enhanced.	2.2	2.2.4	Arrowtown is located amidst natural resources and the amended ADG seeks to ensure that views and outlooks to these ONLs and ONFs are appropriately responded to at the design stage for development within the Arrowtown Town Centre Zone and ARHMZ, as well as neighbourhood areas covering the LDRZ and proposed MDRZ.
Urban areas are well designed, sustainable and reflect local character.	3.7	3.7.1, 3.7.2, 3.7.4	The ADG has been amended to respond to the important heritage values contained within the ARHMZ, and seeks to ensure that development intensification within both the proposed MDRZ and LDRZ appropriately respond to and maintain the historic character of this adjoining zone.
Urban growth is well designed and integrates effectively with adjoining urban and rural environments	3.8	3.8.1, 3.8.2	Amendments to the ADG seek to ensure that future development intensification in the proposed MDRZ is well designed and responds to the heritage sensitivity of the ARHMZ.
Historic Heritage resources are recognised	4.2	4.2.1,	The ARHMZ contains extensive

and contribute to the region's character and sense of identity.		4.2.2, 4.2.3	built heritage containing important historic heritage values. The amendments to the ADG recognise the importance of maintaining these values by ensuring that development intensification within the proposed MDRZ and LDRZ accord with the historic character of the adjoining ARHMZ.

4. Resource Management Issues

The issues identified are set out as follows:

- The protection of the historic heritage resources contained within Arrowtown Town Centre Zone, and the ARHMZ;
- Adequacy of the existing ADG given development undertaken since they were prepared in 2006 and the ability of the Guidelines to control effects of development intensification within the proposed MDRZ and the LDRZ;
- The need to amend reference to the ADG 2006 in the Urban Development, Arrowtown Town Centre Zone, the ARHMZ, the proposed MDRZ and LDRZ Chapters of the Proposed District Plan to accommodate reference to the amended Arrowtown Design Guidelines 2016.

The resource management issues set out in this section have been identified from the following sources:

Monitoring Reports

- Monitoring Report: Residential Arrowtown, November 2011 (included the monitoring of the Arrowtown Residential Zones as part of the District Plan Review);

Guidelines

- Arrowtown Design Guidelines 2006;

Strategies

- Heritage Strategy, 2010 (comprising a non-statutory strategy aimed at protecting and managing heritage resources in the Queenstown Lakes District).

Consultation

The ADG 2016 has been prepared in consultation with the Arrowtown Planning Advisory Group ('**APAG**').

The key issues are:

Issue 1: Protection of Historic Heritage Values

A key consideration for any resource consent application within both the Arrowtown Town Centre and the ARHMZ is considering issues around building and site design. The existing ADG is strongly focused on providing direction on how new development can integrate effectively into the Arrowtown Town Centre and the ARHMZ with a strong focus on the heritage and character elements.

The existing ADG provides guidance on new development within the New Town Area (largely encompassing the LDRZ), and the Monitoring Report: Residential Arrowtown, November 2011 identified that the Operative District Plan provisions had worked well to enhanced the open space and amenity of the residential parts of Arrowtown.[2]

[2] Particularly the height, setback, site density, tree protection and building coverage rules.

The Monitoring Report: Residential Arrowtown, November 2011 identified that the Operative District Plan provisions for the ARHMZ and Arrowtown Town Centre Zone, combined with the consultative process with the Arrowtown Planning Advisory Group and the guidance provided in the Arrowtown Design Guidelines (2006) have resulted in the protection of the historical resource within the ARHMZ. The recommendations of the Monitoring Report, sought to include the ADG 2006 into the Proposed District Plan. This outcome has been adopted into the proposed Urban Development, ARHMZ, LDR, proposed MDR and Arrowtown Town Centre Chapters of the Proposed District Plan.

While the existing ADG reference the need for development within the New Town area (encompassing the LDRZ), to respond to and address historic character values of the adjoining ARHMZ, a key weakness in the existing ADG is that the Guidance were originally prepared approximately 10 years ago when urban intensification was limited to development within the LDRZ. The development intensification to be advanced within the proposed MDRZ will exceed both the LDRZ and the historical development patterns of the ARHMZ.

One method to address this is to advance changes to the existing ADG to ensure that any future development within the New Town area of Arrowtown (which includes both the proposed MDRZ and the LDRZ), is able to provide a more effective design response to the development intensification within these zones.

Issue 2: Inadequacy of the existing ADG given development undertaken since they were prepared in 2006 and to control effects of development intensification within the proposed MDRZ and the LDRZ;

In its present form, the existing ADG would be inadequate to protect the historical development patterns of the ARHMZ, due to the increase in density envisaged within the proposed MDRZ.

While urban intensification is not anticipated within the ARHMZ, a more intensive residential density is provided for within the proposed MDRZ. Fundamentally, this intensification, if not appropriately designed to respond to the sensitivity of the adjoining ARHMZ has the potential to significantly erode the historic character and high amenity values of the ARHMZ, in particular.

The urban intensification provided for within the proposed MDRZ (advanced under the Proposed District Plan), greatly exceeds the density of development within close proximity to the adjoining ARHMZ. The proposed MDRZ density provides for one residential unit or dwelling per 250m^2 net site area under the proposed MDRZ (versus 650m^2 in the ARHMZ) and as a consequence this has the potential to result in site layouts and density that is markedly different to the historical development patterns of the adjoining ARHMZ.

One method to address this is to advance changes to the existing ADG to ensure that any future development within the New Town area of Arrowtown (which includes both the proposed MDRZ and the LDRZ), is able to provide a more effective design response to the development intensification within these zones.

Issue 3: Arrowtown Design Guidelines Incorporated by Reference and Require Variation

The Arrowtown Design Guidelines 2006 were specially identified in the new provisions and are incorporated by reference under section 34, Schedule 1 RMA. The ADG 2006 are specifically referenced in the Urban Development, ARHMZ, LDR, MDR and Arrowtown Town Centre Chapters of the Proposed District Plan.

Policy 4.2.5.2 of the Urban Development Chapter seeks to *"[e]nsure that development within the Arrowtown Urban Growth Boundary:*

- *an urban form that is sympathetic to the character of Arrowtown, including its scale, density, layout and legibility in accordance with the Arrowtown Design Guidelines 2006 (and any adopted updates).*
- *opportunity for sensitively designed medium density infill development in a contained area closer to the town centre, so as to provide more housing diversity and choice and to help reduce future pressure for urban development adjacent or close to Arrowtown's Urban Growth Boundary."*

A legal opinion has previously been obtained by the Council that has identified that it is not lawful to include "and any subsequent amendments" or words to that effect (as is referenced in proposed Policy 4.2.5.2 to the Urban Development Chapter). To remedy this wording, however, requires a formal Variation to the

Proposed District Plan, given that any document that is incorporated by reference becomes part of the Proposed District Plan. Consequently, to make any significant change to that reference requires a Plan Change (or in this case requires any proposed amendments to be advanced as a Variation, which must follow the process in Schedule 1, RMA, including notification).

One method to address this is to advance a formal Variation to the Proposed District Plan that seeks to delete reference to "and any adopted updates" in Policy 4.2.5.2 and through the Variation introduce reference to the updated ADG.

5. Purpose and Options

The existing ADG have been developed to provide assistance to the community, landowners, developers, designers, planners, Council and decision makers where restoration, alteration, development or redevelopment is proposed within Arrowtown, including the Arrowtown Town Centre, the ARHMZ and New Town area.

The purpose of the Guidelines is to ensure that development undertaken within these more sensitive areas such as the Arrowtown Town Centre and the ARHMZ is advanced in a manner that will protect and enhance the historic characteristics of Arrowtown, including the retention of the early subdivision pattern and streetscape, and ensure future development is at a scale and design sympathetic to the present character.

Strategic Directions
The following goal, objective and policies from the Strategic Directions chapter of the Proposed District Plan are relevant to this assessment:

Goal 3.2.3: A quality built environment taking into account the character of individual communities

Objective 3.2.3.2	***Development is sympathetic to the District's cultural heritage values.***[3]
Policy 3.2.3.2.1	*Identify heritage items and ensure they are protected from inappropriate development*

Further, the following objective and policy from the from the Strategic Directions chapter of the Proposed District Plan are relevant to this assessment:

4.2.7 Objective - Manage the scale and location of urban growth in the Arrowtown Urban Growth Boundary.

Policy 4.2.7.2 seeks to ensure that development within the Arrowtown Urban Growth Boundary provides:

- *an urban form that is sympathetic to the character of Arrowtown, including its scale, density, layout and legibility in accordance with the Arrowtown Design Guidelines 2006 (and any adopted updates).*
- *opportunity for sensitively designed medium density infill development in a contained area closer to the town centre, so as to provide more housing diversity and choice and to help reduce future pressure for urban development adjacent or close to Arrowtown's Urban Growth Boundary.* [4]

In general terms, and within the context of this variation, these goals and objectives are met by:

- Providing an appropriate policy framework for activities within the zone.
- Creating efficiencies in the administration of the District Plan and reducing costs for the community;
- Ensuring that development intensification advanced within the proposed MDRZ is designed to protect the historic heritage and amenity values of the ARHMZ and Arrowtown Town Centre.

Determining the most appropriate methods to resolve the issues highlighted for these areas will enable the provisions to give effect to relevant parts of the Strategic Directions chapter, and ultimately meet the purpose of the RMA.

[3] Section 42a Officer right of reply to Hearing Stream 1B to the Proposed District Plan Review.
[4] Section 42a Officer right of reply to Hearing Stream 1B to the Proposed District Plan Review.

As required by section 32(1)(b) RMA, the following section considers various broad options considered to address each issue, and makes recommendations as to the most appropriate course of action in each case.

Broad options considered to address issues

As required by section 32(1)(b) RMA, the following section considers various broad options considered to address each issue and makes recommendations as to the most appropriate course of action in each case.

Option 1: Retain the current Arrowtown Design Guidelines 2006 and retain reference to the notified version of the Proposed District Plan (status quo)

Option 1 would involve simply retaining the existing Arrowtown Design Guidelines 2006 in their entirety and retaining the existing version of the Proposed District Plan as notified that references to the existing ADG.

Option 2: Refine and improve (Recommended)

Option 2 involves undertaking amendments to the Arrowtown Design Guidelines in order so that they better respond to the proposed MDRZ that forms part of the Proposed District Plan and that is promoted as a keystone to promoting greater housing choice and to help reduce future pressure for urban development adjacent or close to Arrowtown's Urban Growth Boundary. This option does not recommend fundamental changes to the existing Arrowtown Design Guidelines, however seeks to amend the Guidelines to address the issues identified.

Option 3: Delete Arrowtown Design Guidelines

Option 3 would involve the deletion of the Arrowtown Design Guidelines and placing reliance on the Proposed District Plan bulk and location standards to manage Arrowtown's historic heritage resources.

	Option 1: Status quo	Option 2: Refine and Improve	Option 3: Delete Arrowtown Guidelines
Costs	• The retention of the existing ADG would not fully protect the historical development patterns of the ARHMZ from development intensification within the proposed MDRZ. • Cost to the community of retaining the unlawful reference "and any subsequent amendments" or words to that effect (as is referenced in proposed Policy 4.2.5.2 to the Urban Development Chapter) if successfully challenged.	• Costs associated with upgrading the ADG, consulting with the Arrowtown Planning Advisory Group and general public and formal notification of the Variation to integrate into the Proposed District Plan. • Costs to the community trying to integrate reference to the ADG into the Proposed District Plan and this outcome being successfully challenged.	• The Operative District Plan provisions for the Arrowtown Residential Historic Management zone, combined with the consultative process with the Arrowtown Planning Advisory Group and the guidance provided in the Arrowtown Design Guidelines (2006) were identified as part of the Monitoring Report to the Arrowtown Residential area as resulting in the protection of the historical resource within this zone. Deleting the ADG could result in poorer quality development across Arrowtown and could erode the historic heritage values and high amenity values of the Arrowtown Town Centre and the Old Town Residential area. • Any adverse effects on the historic heritage values found in the Arrowtown Town Centre Zone and the ARHMZ could adversely impact upon the social, economic and cultural wellbeing of Arrowtown community, which is reliant upon tourism, linked to Arrowtown's existing heritage fabric.
Benefits	• Retains the established approach which parties are familiar with. • Retaining the ADG 2006 would avoid additional costs to the community borne through having to update the Guidelines.	• Maintains similar level of intervention and management with development in the zone. • Maintains the important historic heritage and high amenity values. • Removes, by way of Variation, those unlawful references already notified within the Proposed District Plan (in proposed Policy 4.2.5.2 to the Urban Development	• Direct benefits to developers who would not have to directly respond to the outcomes expressed within the ADG.

		Chapter), which reduces the potential for legal challenge on this provision. • Allows the ADG to be updated to reflect development that has occurred since 2006.	
Ranking	**2**	**1**	**3**

The principle aims of the District Plan review are to simplify the plan where appropriate and to provide greater clarity and certainty around development matters in the District. In this regard, Option 2 is considered the most practicable option, on the basis that it will remove an existing unlawful reference in the existing Proposed District Plan and by Variation provide for an updated version of the ADG to be integrated within the notified version of the Proposed District Plan. Importantly, Option 2 is considered to best respond to the social, economic and cultural wellbeing of Arrowtown community, which is reliant upon tourism, linked to Arrowtown's existing heritage fabric, by ensuring that the ADG are updated and correctly referenced within the Proposed District Plan.

6. Scale and Significance Evaluation

The level of detailed analysis undertaken for the evaluation of the proposed objectives and provisions has been determined by an assessment of the scale and significance of the variation and amendments to the reference to the ADG 2016. In making this assessment, regard has been had to the following, namely whether the objectives and provisions:

- Have effects on matters of national importance.
- Adversely affect those with specific interests, e.g., Residents, the Arrowtown Planning Advisory Group.
- Involve effects that have been considered implicitly or explicitly by higher order documents.
- Impose increased costs or restrictions on individuals, communities or businesses.

The level of detail of analysis in this report is moderate. There are not significant changes proposed to the Urban Development, ARHMZ, LDR, proposed MDR and Arrowtown Town Centre Chapters, other than to delete specific reference to the Arrowtown Design Guidelines 2006 and replace this with the amended Arrowtown Design Guidelines 2016.

Where changes are proposed the detail of analysis is moderate and is linked to those existing policies and rules which reference to the Arrowtown Design Guidelines 2006.

7. Evaluation of proposed Objectives Section 32 (1) (a)

Proposed Objective	*Appropriateness*
10.2.1 Objective – Ensure development retains or enhances the character of the zone, which is characterised by larger section sizes, low scale and single storey buildings, the strong presence of trees and vegetation and limited hard paving.	The proposed Objective 10.2.1 already notified as part of the Arrowtown Residential Historic Management Zone under the Proposed District Plan is the most appropriate way to meet the purpose of the RMA because it provides for the protection and management of the important historic heritage resource within the ARHMZ. The Objective meets the purpose of Section 5 and Section 31 of the RMA through managing development within the ARHMZ by avoiding, remedying, or mitigating any adverse effects of activities on the environment, through appropriate design responses that are required to be adopted for development that requires resource consent within the ARHMZ. The objective is consistent with Objective 3.2.3.2 of the Strategic Direction Chapter: Development is sympathetic to the District's cultural heritage values. Gives effect to Operative RPS objective 5.4.3, 5.4.1, 9.4.1 Gives effect to RPS policies 5.5.4, 5.5.6, 9.5.4 and 9.5.6 Gives effect to Proposed RPS objective 3.7 and 3.8 and supporting policies 3.7.1, 3.7.2, 3.7.4, 3.8.1, 3.8.2 and Objective 4.2 and supporting policies 4.2.1, 4.2.2, 4.2.3.
7.2.5 Objective - In Arrowtown residential development responds sensitively to the town's character.	The proposed Objective 7.2.5 already notified as part of the Low Density Residential Chapter under the Proposed District Plan is the most appropriate way to meet the purpose of the RMA because it recognises need for residential development within the Arrowtown LDRZ to respond to the heritage character of the town. The objective meets the sustainable management of Section 5 and the functions of the Council through Section 31 of the RMA through providing residential housing, while avoiding, remedying, or mitigating any adverse effects of activities on sensitive areas such as the ARHMZ. The objective is consistent with Objective 3.2.3.2 of the Strategic Direction Chapter: Development is sympathetic to the District's cultural heritage values. Gives effect to Operative RPS objective 5.4.3, 5.4.1, 9.4.1 Gives effect to RPS policies 5.5.4, 5.5.6, 9.5.4 and 9.5.6 Gives effect to Proposed RPS objective 3.7 and 3.8 and supporting policies 3.7.1, 3.7.2, 3.7.4, 3.8.1, 3.8.2 and Objective 4.2 and supporting policies 4.2.1, 4.2.2, 4.2.3.
14.2.1 Objective - New development celebrates the town's historic character and is sympathetic	The proposed Objective 14.2.1 already notified as part of the Arrowtown Town Centre Chapter under the Proposed District Plan is the most appropriate way to meet the purpose of the RMA because it recognises need for new development to be sympathetic to the historic character of the Town Centre.

	to its environmental setting.	Supports 5(2) of the RMA through ensuring development enables people and communities to provide for their social, economic and cultural wellbeing. Gives effect to Operative RPS objective 5.4.3, 5.4.1, 9.4.1 Gives effect to RPS policies 5.5.4, 5.5.6, 9.5.4 and 9.5.6 Gives effect to Proposed RPS objective 3.7 and 3.8 and supporting policies 3.7.1, 3.7.2, 3.7.4, 3.8.1, 3.8.2 and Objective 4.2 and supporting policies 4.2.1, 4.2.2, 4.2.3.
8.2.2	**Objective - Development provides a positive contribution to the environment through quality urban design solutions, which complement and enhance local character, heritage and identity.**	The proposed Objective 8.2.2 already notified as part of the Medium Density Residential Chapter under the Proposed District Plan is the most appropriate way to meet the purpose of the RMA because it requires development to positively contribute to, complement and enhance local character, heritage and identify. In the context of the proposed MDRZ in Arrowtown, the outcomes of this objective recognise and provide for the enhancement of historic heritage values within the adjoining ARHMZ. The objective meets the sustainable management of Section 5 and the functions of the Council through Section 31 of the RMA through providing residential housing, while avoiding, remedying, or mitigating any adverse effects of activities on sensitive areas such as the ARHMZ. The proposed objective also gives effect to Operative RPS objective 5.4.3, 5.4.1, 9.4.1 and to RPS policies 5.5.4, 5.5.6, 9.5.4 and 9.5.6. Gives effect to Proposed RPS objective 3.7 and 3.8 and supporting policies 3.7.1, 3.7.2, 3.7.4, 3.8.1, 3.8.2 and Objective 4.2 and supporting policies 4.2.1, 4.2.2, 4.2.3.

Of note is that the objectives discussed in section 7 of this report are contained within those proposed chapters that contain specific reference to the existing ADG 2006 in the Proposed District Plan. The objectives while not being amended as a consequence of this Variation are considered to be the most appropriate methods of achieving the purpose of the Act, as they identify and give direction as to the how the specific issues that pertain to development within Arrowtown to are addressed.

8. Evaluation of the proposed provisions Section 32 (1) (b)

The following table considers whether the proposed provisions (amended by way of this Variation) are the most appropriate way to achieve the relevant objectives. In doing so, it considers the costs and benefits of the proposed provisions and whether they are effective and efficient.

Issue 1: Protection of Historic Heritage Values
Inadequacy of the existing ADG to control effects of development intensification within the proposed MDRZ and the LDRZ

Objective 10.2.1 Ensure development retains or enhances the character of the zone, which is characterised by larger section sizes, low scale and single storey buildings, the strong presence of trees and vegetation and limited hard paving.
Objective 7.2.5 In Arrowtown residential development responds sensitively to the town's character.
Objective 14.2.1 New development celebrates the town's historic character and is sympathetic to its environmental setting.
Objective 8.2.2 Development provides a positive contribution to the environment through quality urban design solutions, which complement and enhance local character, heritage and identity.

Summary of proposed provisions that give effect to these objectives and as amended by this Variation include:

- **Chapter 10. Arrowtown Residential Historic Management**
  1. Amend Policy 10.2.1.2 "Ensure that any buildings are located and designed in a manner that complements and respects the character of the area and are consistent with the outcomes sought by the Arrowtown Design Guidelines ~~2006~~ 2016."
  2. Amend Rule 10.4.4 "(The Construction or alteration of any buildings).
     With the exception of Minor Alterations and Additions to a Building.
     Discretion is restricted to all of the following:
     - The external appearance and finish of the building to ensure a harmonious blend and positive contribution to the heritage character of the residential area.
     - Building form, including the height to the eaves and ridge and primary elements.
     - Roof shape and pitch.
     - Exterior materials and colour.
     - Any fencing greater than 1.2m high.
     - Consideration of these matters shall be guided by the Arrowtown Design Guidelines ~~2006~~ 2016."

- **Chapter 8. Medium Density Residential**
  3. Amend the Zone Purpose at the fifth paragraph of Section 8.1, where it reads "In Arrowtown, particular consideration will need to be given to the town's special character, and the design criteria identified by the Arrowtown Design Guidelines ~~2006~~ 2016."
  4. Amendments to Policy 8.2.6.1 "Notwithstanding the higher density of development anticipated in the zone, development is of a form that is sympathetic to the character of Arrowtown, including its building design and form, scale, layout, and materials in accordance with the Arrowtown Design Guidelines ~~2006~~ 2016."
  5. Amend Rule 8.4.11.1 Dwelling, Residential Unit, Residential Flat, Two (2) or more per site in Arrowtown, amend the fourth bullet point as follows:
     "In Arrowtown, the extent to which the development responds positively to Arrowtown's character, utilising the Arrowtown Design Guidelines ~~2006~~ 2016 as a guide."

- **Chapter 7. Low Density Residential**
  6. Amend Policy 7.2.5.1 "Development is of a form that is sympathetic to the character of Arrowtown, including its building design, scale, layout and building form in accordance with the Arrowtown Design Guidelines 2006. ~~2006~~ 2016."
  7. Amend Rule 7.4.10.1 - Dwelling, Residential Unit, Residential Flat, Two (2) or more per site in Arrowtown, amend the third bullet point under as follows:

"In Arrowtown, the extent to which the development responds positively to Arrowtown's character, utilising the Arrowtown Design Guidelines ~~2006~~ 2016 as a guide"

- **Chapter 14. Arrowtown Town Centre**

  8. Amend Policy 14.2.1.2 "Ensure that any additions or alterations to buildings are undertaken in a manner that complements and respects the historic character and is consistent with the outcomes sought by the Arrowtown Design Guidelines ~~2006~~ 2016."
  9. Amend Rule 14.4.2 (Verandas), "in respect of: design, appearance, materials, impact on and relationship to adjoining verandas (to be guided by the Arrowtown Design Guidelines ~~2006~~ 2016) to avoid, remedy or mitigate adverse effects on:.."
  10. Amend Rule 14.4.4 Buildings (including external alterations to existing buildings), amend the sixth bullet point as follows:
      "relationship to heritage values (to be guided by the Arrowtown Design Guidelines ~~2006~~ 2016);.."
  11. Amend Rule 14.5.1 (Building Coverage): Maximum building coverage 90%, amend first bullet point as follows:
      "consistency with the Arrowtown Design Guidelines ~~2006~~ 2016;…"
  12. Amend Rule 14.5.2 (Setback from internal boundaries:): There shall be a minimum setback of 3m from any rear boundary, amend first bullet point as follows:
      "consistency with the Arrowtown Design Guidelines ~~2006~~ 2016;…"

- **Chapter 4. Urban Development**
  13. Amend Policy 4.2.7.2 "Ensure that development within the Arrowtown Urban Growth Boundary provides:
      - an urban form that is sympathetic to the character of Arrowtown, including its scale, density, layout and legibility in accordance with the Arrowtown Design Guidelines ~~2006~~ 2016 ~~(and any adopted updates).~~
      - opportunity for sensitively designed medium density infill development in a contained area closer to the town centre, so as to provide more housing diversity and choice and to help reduce future pressure for urban development adjacent or close to Arrowtown's Urban Growth Boundary. [5]

Proposed amended provisions	***Costs***	***Benefits***	***Effectiveness & Efficiency***
Arrowtown Town Centre Zone **Policies:** Amended Policy 14.2.1.2 **Rules:** Amend Rules 14.4.2, 14.4.4, 14.5.1,	***Environmental*** The amendments proposed as part of the Variation will not place a greater environmental cost than the Proposed District Plan provisions (both Policy 14.2.1.2 and Rules 14.4.2, 14.4.4, 14.5.1, 14.5.2) that already reference to the ADG 2006. ***Economic*** The amended provisions will place a greater	***Environmental*** Maintains the emphasis to enhance historic heritage and high levels of amenity when advancing development within the Town Centre Zone. Ensures that new development within the Town Centre is designed to be sympathetic to the historic character of the Town Centre.	The amended provisions reference the updated Arrowtown Design Guidelines 2016, which has been amended to respond to the existing level of new development that has occurred within the Town Centre over the last 10 years. It is considered both effective and efficient for future development within the Arrowtown Town Centre to be guided by the guidelines specified within the ADG 2016

[5] Section 42a Officer right of reply to Hearing Stream 1B to the Proposed District Plan Review.

14.5.2.	level of scrutiny to all new development and exterior alterations to buildings in the town centre (as provided for under Rule 14.4.4). As with the existing ADG referenced within the Proposed District Plan, this will likely add costs to developers who will be required to place a greater level of input to ensuring new development responds to the heritage sensitivity of the heritage precinct covering the Town Centre. ***Social & Cultural*** The updating of the ADG to better acknowledge new development that has occurred over the last 10 years may have the potential to reduce the social wellbeing associated with constraining the ability of some property owners to fully develop their sites, especially where adjoining development integrates public thoroughfares or alley ways from the street.	***Economic*** The provisions provide more certainty for the Council and persons contemplating activities in the Town Centre Zone that the ADG 2016 applies to. Referencing the Arrowtown Design Guidelines in the Plan gives it statutory weight, thereby enabling it to be applied to all new development and exterior alterations to buildings in the town centre. Updating the ADG to respond to existing development that occurred over the last 10 years in the Town Centre reinforces the importance of this document in maintaining the integrity of the centre's built form and being able to acknowledge both good and bad practice that has occurred since the ADG 2006 was first adopted. ***Social & Cultural*** Maintaining the unique and valued heritage and amenity resources of the Arrowtown Centre Zone provides for the Arrowtown Community inhabitants, district and visitors social wellbeing. Maintains the cultural and historic heritage values.	and which champions those developments that have positively added to the heritage precinct governing the Arrowtown Town Centre area.
Chapter 8. Medium Density Residential **Policies:** Amended Policy 8.2.6.1 **Rules:** Amend Rule 8.4.11.1	***Environmental*** The amendments proposed as part of the Variation will not place a greater environmental cost than the Proposed District Plan provisions that already reference to the ADG 2006. ***Economic*** The amended provisions will place a greater level of scrutiny on residential activity within the proposed MDRZ than the current ADG	***Environmental*** Maintains the emphasis to enhance historic heritage and high levels of amenity when advancing development within the proposed MDRZ and LDRZ and responding to the sensitivity of the ARHMZ. Ensures that new development within the MDRZ is designed to be sympathetic to the historic character of the adjoining ARHMZ.	The amended provisions reference the updated Arrowtown Design Guidelines 2016, which has been amended to better respond to the newly proposed MDRZ and other changes within the built environment of Arrowtown since the ADG 2006 were adopted. It is considered both effective and efficient for future development within the proposed MDRZ to be guided by the guidelines specified within the ADG 2016

	2006 and as a consequence this will likely add costs to developers who will be required to place a greater level of input to ensuring HDR development responds to the adjoining ARHMZ. ***Social & Cultural*** The strengthening of design guidelines to respond to proposed MDR development may have the potential to reduce the social wellbeing associated with constraining the ability of some property owners to fully develop their sites, particularly where these sites immediately adjoin the ARHMZ.	***Economic*** The provisions provide more certainty for the Council and persons contemplating activities in the respective zones that the ADG 2016 applies to. ***Social & Cultural*** Maintaining the unique and valued heritage and amenity resources of the ARHMZ provides for the Arrowtown Community inhabitants, district and visitors social wellbeing. Maintains the cultural and historic heritage values.	and referenced within amended Policy 8.2.6.1 and amended Rule 8.4.11.1.
Arrowtown Residential Historic Management Zone **Policies:** Amended Policy 10.2.1.2 **Rules:** Amend Rule 10.4.4	***Environmental*** The amendments proposed as part of the Variation will not place a greater environmental cost than the Proposed District Plan provisions that already reference to the ADG 2006. ***Economic*** The amended provisions will place a similar level of scrutiny and costs to developers advancing new development within the ARHMZ (compared against the Proposed District Plan provisions that already reference to the ADG 2006). ***Social & Cultural*** There is the potential to reduce the social wellbeing associated with constraining the ability of some property owners to fully develop their sites, especially where new development within the ARHMZ was to erode the established historical development pattern within this area. It is noted, however, that similar social and cultural costs exist under the Proposed District Plan provisions.	***Environmental*** Maintains the emphasis to enhance historic heritage and high levels of amenity when advancing development within the proposed MDRZ and LDRZ and responding to the sensitivity of the ARHMZ. Ensures that new development within the Town Centre is designed to be sympathetic to the historic character of the Town Centre. ***Economic*** The provisions provide more certainty for the Council and persons contemplating activities in the respective zones that the ADG 2016 applies to. ***Social & Cultural*** Maintaining the unique and valued heritage and amenity resources of the ARHMZ provides for the Arrowtown Community inhabitants, district and visitors social wellbeing. Maintains the cultural and historic heritage	The amended provisions reference the updated Arrowtown Design Guidelines 2016, which has been strengthened to better reflect changes that have occurred over the last 10 years within ARHMZ and to respond to the newly proposed MDRZ. It is considered both effective and efficient for future development within the ARHMZ to be guided by the guidelines specified within the ADG 2016 and referenced within amended Policy 10.2.1.2 and amended Rule 10.4.4.

		values.	
Chapter 7. Low Density Residential **Policies:** Amended Policy 7.2.5.1 **Rules:** Amend Rule 7.4.10.1	***Environmental*** The amendments proposed as part of the Variation will not place a greater environmental cost than the Proposed District Plan provisions that already reference to the ADG 2006. ***Economic*** The amended provisions will place a greater level of scrutiny on residential activity within the LDRZ where this zone immediately adjoins the ARHMZ. As a consequence this will likely add costs to developers who will be required to place a greater level of input to ensuring LDR development responds to the adjoining ARHMZ. ***Social & Cultural*** The strengthening of design guidelines to respond to proposed LDR development (that is located close to the ARHMZ) may have the potential to reduce the social wellbeing associated with constraining the ability of some property owners to fully develop their sites, particularly where further development may adversely affect the historical development patterns of the ARHMZ.	***Environmental*** Maintains the emphasis to enhance historic heritage and high levels of amenity when advancing development within the LDRZ and responding to the sensitivity of the ARHMZ. Ensures that new development within the LDRZ is designed to be sympathetic to the historic character of the adjoining ARHMZ. ***Economic*** The provisions provide more certainty for the Council and persons contemplating activities in the respective zones that the ADG 2016 applies to. ***Social & Cultural*** Maintaining the unique and valued heritage and amenity resources of the ARHMZ provides for the Arrowtown Community inhabitants, district and visitors social wellbeing. Maintains the cultural and historic heritage values.	The amended provisions reference the updated Arrowtown Design Guidelines 2016, which has been amended to better respond to development within the LDRZ, particularly where further development may adversely affect the historical development patterns of the ARHMZ. It is considered both effective and efficient for future development within the proposed MDRZ to be guided by the guidelines specified within the ADG 2016 and referenced within amended Policy 7.2.5.1 and amended Rule 7.4.10.1.
Chapter 4. Urban Development **Policies:** Amended Policy 4.2.5.2	***Environmental*** The amendments proposed, as part of the Variation will remove the unlawful reference to “any adopted updates” within the policy, which do not have any direct environmental costs. ***Economic*** The need to remove the unlawful reference to “any adopted updates” within the policy will have direct economic costs associated	***Environmental*** The amendments proposed as part of the Variation will remove any ambiguity as to the policies meaning and will seek to better achieve the outcomes of the ADG 2016 and the guidance centred on achieving positive heritage responses for any development advanced within the proposed MDRZ. ***Economic*** The provisions provide more certainty for the	The amended provision reference the updated Arrowtown Design Guidelines 2016, which has been amended to better respond to development within the MDRZ, particularly where further development may adversely affect the historical development patterns of the ARHMZ. It is considered both effective and efficient for Policy 4.2.5.2 to be amended in the manner proposed and this appropriately responds to the unlawful

	with parties having to submit on this Variation process. ***Social & Cultural*** The need to remove the unlawful reference to "any adopted updates" within the policy will have direct social costs for the community.	Council and persons contemplating activities in the respective zones that the ADG 2016 applies to. ***Social & Cultural*** Maintaining the unique and valued heritage and amenity resources of the ARHMZ provides for the Arrowtown Community inhabitants, district and visitors social wellbeing. Maintains the cultural and historic heritage values.	reference to "any adopted updates" within the policy and better articulates the outcome sof the ADG 2016 into the policy.

9. Efficiency and effectiveness of the provisions

The provisions advanced as part of Variation 1 seek to ensure that the District Plan refers to, and cites the updated ADG 2016. The updated ADG 2016 more effectively responds to future development within the Arrowtown Town Centre, the ARHMZ, the proposed MDRZ and the LDRZ.

In broad terms the amended ADG provides clearer guidance in areas responding to:

- Development in the proposed MDR and LDR zones that trigger the need for resource consent, to ensure that they have positive effects on the historic character of the ARHMZ and Arrowtown in general;
- Where necessary, future development should take steps to incorporate elements which contribute to the character of the ARHMZ into developments within the proposed MDR and LDR zones;
- New developments within the proposed MDR and LDR zones should reflect the sense of spaciousness and simplicity seen within the ARHMZ;
- Subdivision and lot layout within the proposed MDRZ should reflect the character of the ARHMZ;
- New buildings within the proposed MDRZ, whether at the front or rear of a site, should be orientated parallel to boundary lot lines, or similar to that of historic building orientations in the vicinity of the ARHMZ.

The updated ADG 2016 is expected to provide clearer guidance as to what development can be undertaken within the New Town area and the need to recognise and provide for the enhancement of historic heritage values within the adjoining ARHMZ. The updated guidance material is also expected to assist developers in understanding how best to respond to the heritage, amenity and character values within the ARHMZ. The adoption of a design response that accords with the ADG 2016 should result in less complex resource consent process (with their associated uncertainty, risks and costs) being, at best, avoided and, at worst, minimised. Put another way, the updated ADG 2016 is expected to promote positive design outcomes (with consequential benefits to the social, economic and cultural well being of people and communities in and around Arrowtown), while also introducing efficiencies in the planning process.

Overall, the Variation and supporting amendments to the ADG are considered to be the most effective method for giving effect to the purpose of the RMA. This is particularly the case given the direction under section 6(f) of the RMA relating to the protection of historic heritage from inappropriate subdivision, use, and development.

10. The risk of not acting

Section 32(c) of the RMA requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions. It is not considered that there is uncertain or insufficient information about the subject matter of the provisions.

The issues identified and option taken forward is the most appropriate way to achieve the purpose of the RMA. If these changes were not made there is a risk the Proposed District Plan would fall short of fulfilling its functions, especially now that the ADG is formally referenced within the Proposed District Plan.

While the existing ADG referenced with the Proposed District Plan would provide some ongoing protection to the adjoining ARHMZ, the existing Guidance does not properly respond to the development intensification envisaged within the proposed MDRZ. Without updating these provisions the lack of direct guidance would make the administration of the MDRZ extremely difficult, especially for development that immediately adjoined the ARHMZ. Amending the ADG and references this into the Proposed District Plan is both effective and efficient for the ongoing management of the Arrowtown area.

References

- Arrowtown Design Guidelines - June 2006: link