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Project Connect

Indicative Business Case

QUEENSTOWN LAKES DISTRICT COUNCIL

November 2017

Document Title:

Project Connect Indicative Business Case

Prepared for:

QUEENSTOWN LAKES DISTRICT COUNCIL

Quality Assurance Statement

Rationale Limited	Project Manager:	Tom Lucas
5 Arrow Lane	Prepared by:	Kath Jones / Tom Lucas
PO Box 226	Reviewed by:	Ben Smith / Kath Jones
Arrowtown 9351	Approved for issue by:	Tom Lucas
Phone: +64 3 442 1156	Job number:	J000624

Document Control History

Rev No.	Date	Revision Details	Prepared by	Reviewed by	Approved by
1.0	24 Feb 2017	First Draft	KJ	TL	TL
1.1	2 Aug 2017	Second Draft	TL		TL
2.0	19 Sep 2017	Client Draft	TL	BS	TL
3.0	17 Nov 2017	Client Draft (incl. library)	TL	MM/PH	TL
4.0	27 Nov 2017	Draft for Council	TL	MM	TL
5.0	28 Nov 2017	Draft for Council	TL	MM/PH	TL

Current Version

Rev No.	Date	Revision Details	Prepared by	Reviewed by	Approved by
6.0	29 Nov 2017	Draft for Council	TL		TL

File path: https://rationaleltd.sharepoint.com/Shared Documents1/Clients/QLDC/Jobs/J000624 - One Office Indicative Business Case/5 Draft Report/One Office IBC_v6.0.docx

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1 Executive Summary

The Need for Investment

For the last two years, QLDC has been telling the story of a growing QLDC staff working across four offices impacting negatively on customer service. It has been consulting with the community through the previous two Annual Plans on its intention to create a one office accommodation solution. Since 1989 consecutive Councils have been discussing, planning and designing a single office solution in the Queenstown CBD but no, one solution that meets the needs of the current and future community has been delivered.

The offices are now in four different corners of the town. Only two of the buildings are community-owned, the others are leased. This situation means the community isn't receiving the service it deserves, its creating huge time inefficiencies and affecting Council's culture. On average 30 members of the public a day are now being redirected from Gorge Road to Shotover Street or vice versa (a 7.5-minute walk) or by car a location either way with limited convenient parking. Further issues have been defined in the following problem statements:

Problem 1	**Workplace strategy is limited and reactive, leading to ineffective and uncertain accommodation requirements (40%)**
Problem 2	Geographical separation causes inefficiencies, community confusion and frustration (30%)
Problem 3	Facilities are not fit for purpose, leading to inefficiency and impacting staff and customer satisfaction (15%)
Problem 4	Market forces are creating a risk of reduced community relevance of the town centre (15%)

Notably on the 26 August 2015 the Council made the following resolution that the Gorge Street offices were not fit for purpose: *note that the current Gorge Road premises do not meet the current and future needs of the Council.* This position has been met with full support from the new (2016) Council.

Recent work on the Queenstown Town Centre Masterplan has identified the existing Gorge Road office as being potentially on the preferred route of the new Town Centre Arterials, creating another driver for the need to invest in a new office accommodation solution.

The Case for Change

Council wants to improve the way it works and to create incentives to work and visit the town centre. This has led to QLDC developing a workplace strategy across the entire organisation and the investigation of accommodation options for Queenstown based staff. The benefits sought from these two initiatives are outlined below with service delivery being critical.

Investment Objective One	**Effective & efficient service delivery, both internally and to ratepayers and customers (60%)**
Investment Objective Two	Improved staff culture, satisfaction and retention (25%)
Investment Objective Three	To encourage a diverse, vibrant and resilient town centre (15%)

With existing leases expiring on 30 September 2020 and lease costs in 2017 now in excess of $600,000 (including parking leases) an ambitious target of having any new accommodation options available by this date has been set.

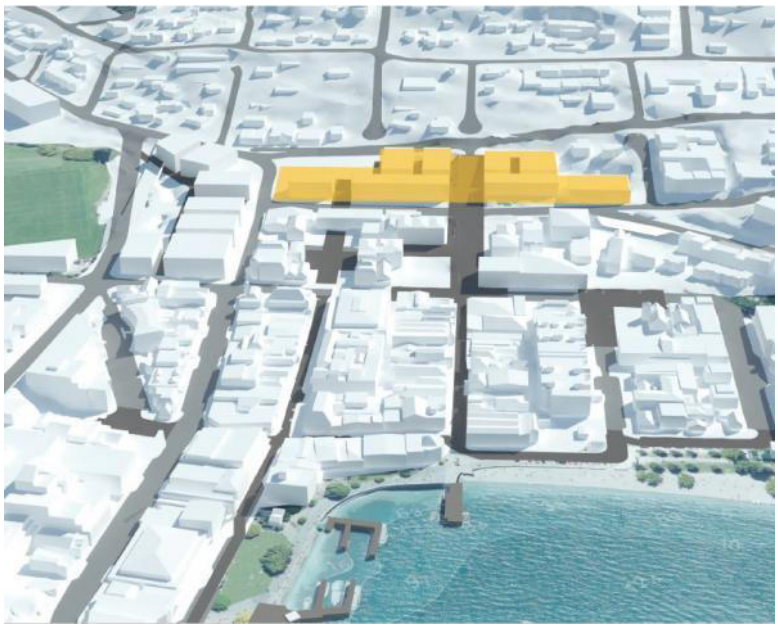
The Preferred Way Forward

Delivering better service for the community is a priority. Additionally, locating the organisation in one place will create huge time efficiencies and an injection to Council's culture. The mandate is to create this space in the town centre, contributing to the authenticity by keeping local people in town. It ensures any investment in the local lifeblood of the town centre is enduring.

Prominence within the town centre is important – it would allow a more open feeling to the day-to-day interactions with the community in an easier to access location. This is in line with the 24 February 2016 resolution of Council that confirmed: the Council's preferred location be the Queenstown CBD. Furthermore, the same resolution mandated that council-owned be the preferred model (see page 7).

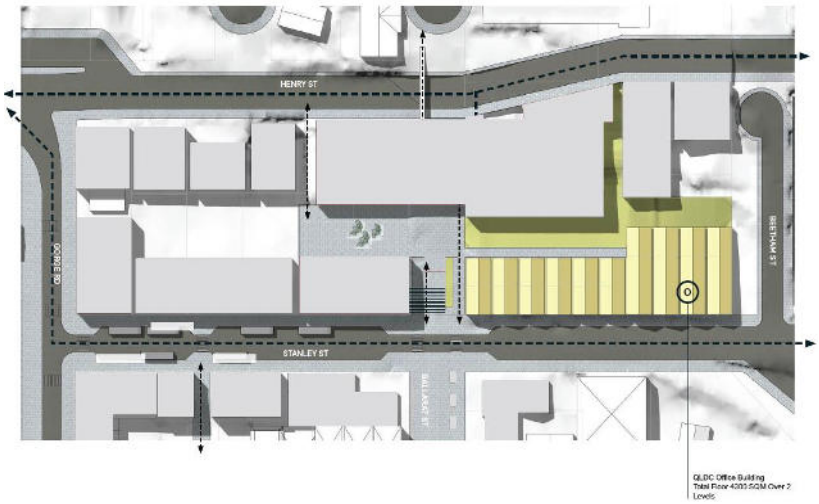
Right now, there is a great opportunity to take a special site at the heart of the Queenstown Town Centre and turn it into something that draws Queenstown together and expresses the community's identity. The idea of re-establishing a community heart has come through strongly, both through the project work and early community engagement where QLDC was told that more community and cultural activities are needed in town.

Preferred Location



The yellow block shows the preferred location for a community heart. There is an opportunity to consider community spaces that could interface with the Council office development, in a staged approach.

The Stanley Street site has been short-listed as the preferred location for a combined Council office and community heart, with the Ballarat Street carpark being identified as the preferred site for Project Connect. Although it should be noted that other options, particularly Lakeview continue to be viable.



The yellow block shows a potential layout of the office building on the preferred site along with other possible community heart buildings.

Building Size and Quality

This is a once in a generation move, and to ensure the office is appropriately sized to allow for growth and a changing workplace strategy, a floor area of 4,150 m^2 has been settled on as the most appropriate. This along with a high quality of build will provide the necessary flexibility and functionality to future proof this build for at least the next 20 years. It is important to note the building will need to respond to the principles of the QLDC Disability Policy, particularly in terms of functionality and accessibility.

This long overdue investment will be realised with loan funding of $41.5m set to be included in the 10 Year Plan to build a new council office. Note this is intended to be offset by the sale of 10 Gorge Road.

Library Options

Under the 2015 Library Strategy a Frankton Library Hub and Shopfront Library solution for Queenstown were identified. The more recent Queenstown Master Plan development points to an aspiration for a destination library in Queenstown. The Council has now determined that a short-term library could be established within Project Connect, potentially using space anticipated for growth.

Outlining the Commercial Case

To support the development of a detailed business case and to ensure it is a robust piece of work it is recommended that the following professional services are engaged.

- Commercial advice on alternative funding options.
- Legal services – to confirm the path to use options and preferred way forward.
- Planning services – to understand and plan for resource consent application.
- Design services
    - Concept Design – lodge Project Information Memorandum (PIM) to establish if resource consent is required.

Outlining the Financial Case

A traditional 'Council Build' option has been modelled as shown below in line with the 'council-owned' mandate. However, with competing funding challenges facing council in the development of the 2018 10 Year Plan, alternative procurement scenarios have been considered, but could be investigated further.

Year	1	2	3	4	5	Yrs 0-10
	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Preferred Way Forward: Council Build						
Capital	5,729,000	21,434,000	14,289,000	0	0	41,452,000
Operating	0	286,000	1,358,000	3,128,000	3,128,000	23,540,000

This scenario does not include the potential of incorporating a library as part of Project Connect. Based on an indicative floor area of 650m² this could add another $0.4m - $4.2m to the project costs (less if it occupies capacity or more if it is treated as additional space). There may be some budget from the $5.3m for a Frankton Library that could be redirected towards Queenstown.

Outlining the Management Case

With a key principle being to 'move forward with pace' it is proposed that funding is brought forward to engage a dedicated project manager and drive the next steps prior to budgets being approved via the 2018 10 Year Plan consultation in March 2018.

The following key milestones have been identified:

- Land tenure secured – 2018
- Scope/integration confirmed – 2018
- Delivery model confirmed – 2018
- Programme confirmed – 2018

2 Introduction

This Indicative Business Case seeks formal approval to invest $41.5 million in 2018/19 to 2020/21 to progress and build a new office building to accommodate the elected members and Queenstown based staff of the Queenstown Lakes District Council.

The business case process is organised around a five-case structure designed to systematically ascertain that the investment proposal:

- is supported by a compelling case for change - the 'strategic case'
- optimises value for money - the 'economic case'
- is commercially viable - the 'commercial case'
- is financially affordable - the 'financial case'
- is achievable - the 'management case'.

The purpose of this indicative business case is to:

- confirm the strategic context and fit of the proposed investment
- confirm the need to invest and the case for change
- identify a wide range of potential options
- recommend a preferred way forward for further development of the investment proposal, supported by a limited number of shortlisted options for further analysis
- seek the early approval of Council to develop a Detailed Business Case, based on a preferred way forward
- to seek agreement to approach the market for professional services.

This indicative business case has been developed with the Project Control Group (PCG) made up of the following members:

- Internal:
    - Project Sponsor - Meaghan Miller
    - Project Director – Paul Speedy
    - Members – Peter Hansby, Richard Pope, Ryan Clements, Michelle Morss, Gaynor Webb, Michelle Poole, Cheska Hawksford
- External:
    - Architect – Trevor Watt (Athfield Architects)
    - Business Case Lead – Tom Lucas (Rationale)

3 The Strategic Case – Making the Case for Change

This part of the strategic case confirms the strategic context for the investment proposal and makes a compelling case for change.

3.1 Strategic Context

The strategic context provides an overview of the organisation and the outcomes that it is seeking to achieve, or contribute to, through its operations.

Organisational overview

Queenstown Lakes District Council (QLDC) is responsible for administering the Queenstown Lakes District, which extends from Queenstown as far as Makarora to the north-east, Glenorchy to the north-west and Kingston to the south. The Queenstown Lakes district is one of the fastest-growing in New Zealand and is expected to grow faster than Auckland over the period 2006-2031.The district's permanent population was 32,400 in 2015 and is forecast to be 41,700 by 2025, 60,500 by 2045 and 70,000 by 2055.[1]

QLDC employs 250 FTE staff (headcount of 300), has annual expenditure of $104m and owns/manages numerous assets including an international airport, property, sports facilities, water assets and roading assets.

The needs placed upon QLDC are many and varied. The core services of QLDC include the management of airports, libraries, halls, sports facilities, cemeteries, emergency management, animal control, environmental health, parking, sustainable environment, transport and water services.

Added to this, QLDC has a responsibility to shape its services to deal with a very high number of visitors to the district. Strong growth year-on-year in the number of visitors choosing the Queenstown Lakes district as a destination brings pressure to services and infrastructure, including increasing levels of congestion in the CBD.

Rapid growth in housing stock is affecting the geographical spread of residential areas, with more properties being built away from the CBD. These changes raise the question of whether the current provision of Council services from numerous offices in the Queenstown CBD is appropriate to the needs of its staff and the community, both today and into the future.

Planning for the future needs of the community will require sound judgement - balancing the risk of over-investing with the planning and infrastructure risks of under-investing. Tourism is a major contributor to the Queenstown Lakes economy; however, tourists can be fickle and a major event such as an earthquake could instantly cut off the flow of tourists wanting to visit the region. On the other hand, lack of adequate resources and infrastructure could also result in the area becoming increasingly less attractive, which would have the same effect.

The Local Government Act (LGA)

The LGA (2002) shows a clear desire for communities and their councils to engage with one another, not only for the needs of today's community, but also to make sound decisions for the future.

It gives guidance for local councils as follows:

- To enable democratic local decision-making and action by, and on behalf of, communities.
- To meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses. (Local Government Act 2002, section 10 (1)).
- The role of local authorities is to lead and represent their communities. They must engage with their communities and encourage community participation in decision-making, while considering the needs of people currently living in communities and those who will live there in the future.

[1] *QLDC Growth Projections 2015 to 2055*, prepared by Rationale Ltd (Dec 2015)

Local Government Purpose
The one office accommodation Project Connect purpose is to expressively improve the delivery of effective and efficient services for the community, which is expressed as a key benefit in the Investment Logic Map (Figure 6: ILM results).

Section 77
In February 2016, the Council considered a report on office space for Council staff.

The February Report appropriately referred to the Queenstown Town Centre Strategy 2009. The Town Centre Strategy's vision statement refers to Queenstown's town centre being the thriving civic heart of Queenstown. One of the objectives of the Town Centre Strategy is that the town centre retains key civic and community functions that underpin its relevance to the local community.

The February Report identified two options for assessment under s77 of the LGA: doing nothing, or developing 'one office' accommodation in the Queenstown CBD. It is evident that a Frankton location, although referred to in the preceding sections of the report, was not considered a 'reasonably practicable option' and was therefore not considered under s77.

The Council's Mission
"To enhance the quality of life for all people within the District:

- By further developing services and facilities.
- By carrying out sound social, physical and economic planning.
- By ensuring the provision of cost effective services is responsive to community needs."[2]

This mission statement balances the need for embracing growth and modernisation, alongside a duty to allocate resources responsibly. There is a focus on responsiveness to community needs and, with the pace of change the Queenstown Lakes district is currently experiencing, this is particularly relevant.

QLDC's 10 Year Plan
The long-term plan (10 Year Plan) puts structure around dealing with the future needs of the community. As mentioned above, the need to engage with and encourage community participation is a key part of the responsibilities laid down in the LGA.

Accordingly, one of the short-term priorities contained within QLDC's 10 Year Plan is:

Modernising the way the community engages with the Council and accesses Council services.

"The challenge of the Council's physical accommodation has meant that staff are spread across multiple sites. Work to explore options for accommodating as many staff as possible in one building in both Queenstown and Wanaka is under consideration. The intent is to better align related functions and improve internal communication channels, for example it would be advantageous to have all customer-facing activities (customer services, libraries, regulatory and consenting) in one location so as to provide a seamless front-facing service to customers." (page 99) [3]

Current Direction

Queenstown Office(s)
A report by Colliers International Queenstown in February 2016 states that "QLDC currently occupies three buildings in central Queenstown. The only Council owned building on Gorge Road accommodates the Council's main reception, council chambers, executive offices and administrative offices." (page 5).[4]

[2] http://www.qldc.govt.nz/your-council/our-mission/

[3] http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Ten-Year-Plans/2015-2025-TYP-VOL1.pdf

[4] http://www.qldc.govt.nz/assets/Uploads/Council-Documents/Full-Council-Agendas/2016/24-February-2016/Item-1/1a-Accommodation-Project-Colliers-report.pdf

Figure 1: Current QLDC Accommodation

	Leased Area	Workstations (incl. Offices)	Workstations/psm
Gorge Road (Excluding Library)	556 sqm	57	9.75
Council Chamber	132 sqm		
74 Shotover Street – Level 1	654 sqm	61	10.85
7-11 Church Street	587 sqm	55	10.67

After consideration of the current situation and its fit for purpose in terms of provision of services to the community, staff well-being, work efficiencies, and cost efficiencies, Colliers' recommendation was as follows:

> "We are therefore of the opinion QLDC must plan the development of a new office accommodation solution contained within one building to be available for occupation by October 2018 coinciding with the opportunity to exit existing lease agreements at no penalty cost." (page 25).

On 24 February 2016, QLDC held an ordinary meeting of the Council. The minutes of the meeting note an intention to develop a plan for 'one office' with a preference for a site within the CBD:

- "Agree that the Council considers a proposal to develop a 'one office' Council office accommodation by 2018 and support the provision of $250,000 in the 2016/17 Annual Plan (as a maximum placeholder) for project investigation, planning and design;
- Confirm that the Council's preferred location for a future Council office building is the Queenstown CBD, in accordance with the Queenstown Town Centre Strategy 2009 (section 8.1), subject to an assessment of any consenting, designation or similar issues;
- Confirm that any proposal would require:
    - The proposed building be constructed on a Council-owned site.
    - Further consideration of the merits or legality of a joint venture versus a Council-owned option.
    - The proposed building being capable of accommodating all Queenstown-based Council office staff with an acceptable provision for growth.
    - Further consideration of the 2020 Frankton Library Hub as included in the current 10 Year Plan with potential to either bring the 2020 proposal forward or develop an interim library solution for implementation in 2018.
    - Consultation on the proposal detail and options in the 2017/18 Annual Plan. noting this as an amendment to the 10 Year Plan [Local Government Act 2002 Section 93(4)] "

Queenstown Library

In 2014, a public consultation process and the subsequent development of a Strategic Review of Library Services Report reinforced the projection that a Frankton Library would be necessary in the long term. In 2015 Council consulted on the development of a Frankton Library Hub and included funding of $5.3m in 2020 in the 10 Year Plan. This funding and the strategy assumed that the Queenstown Library presence would be reduced to become a 'shop front' presence ostensibly for the return and pick up of books for CBD workers.

In 2017 two things have informed a shift in this approach. Frankton and environs (Bridesdale, Lake Hayes Estate, Shotover Country, Retirement Village, Jacks Point etc) have experienced significant residential growth in addition to the relocation of schools. As such, there has been some demand from the community to accelerate the Frankton Library proposal.

To this end, a trial 'pop up' library has been established at the Queenstown Event Centre which has proved to be overwhelmingly successful. The 'pop up' library has been open since 11 August 2017 and has already doubled its circulation (number of books, magazines etc that have been checked out) with one book issued every two minutes (September 2017). A decision was made on 28 September 2017 that Council seek an Expression of Interest to enter into a short-term lease for a Frankton Community Library. The proposal creates an opportunity to focus on the creation of a flexible, technologically enabled, light and modern environment which would encourage the community to use the space for other purposes, such as performances and meetings. This could potentially build upon initiatives already finding success at other

library locations in the district, such as wheeled shelving and hosting of events. It therefore could contribute significantly to the cultural, artistic and literary landscape of the wider Frankton area.

Secondly the Queenstown Town Centre Masterplan identified that an aspirational, destination library should also be considered for the Queenstown CBD. This position was supported through the public engagement.

The Queenstown Town Centre Masterplan work, states "…demonstrated that a more significant library presence is not only desirable but appropriate for the CBD. This would be in addition to a Frankton Library."

Although there is no additional budget proposed for a Queenstown Library in the 10 Year Plan, an interim solution for a Queenstown Library is now being considered to sit within Project Connect, until such time as the additional built in capacity for growth is required. Therefore, a moderate library (initially larger than the current Queenstown Library space of 450 square metres) has now been considered as part of the scope for the development of Project Connect.

Other Background

Related reports	Date	Points of note
QLDC Future Accommodation Options Report	Feb 2013	Reiterated problems with current office accommodation situation including: multiple and confusing points of contact, non-competitive rental arrangements, quality of working space sub-standard.
Organisational Review[5]	Apr 2013	Discussed the culture of performance at QLDC and concluded that silos could be the result of a physically fragmented work place.
Maxwell Associates Report[6]	Mar 2014	Set goals, strategies and outcomes for strategic library services (page 61).
QLDC Offices and Library Detailed Seismic Assessment[7]	Oct 2014	Advised that QLDC was required to re-address storage of any critical records and the civil defence headquarters due to seismic rating of Gorge Road site.
McDermott Miller Report[8]	Nov 2014	Discussed the case for zoning additional commercial space in Queenstown Town Centre (QTC) under Plan Change 50.
QLDC Meeting Minutes	Aug 2015	On 26 Aug 2015, a motion was made that directed the Chief Executive to conclude negotiations to meet the immediate accommodation space requirement for the next 2-5 years in the Queenstown CBD.
Annual Plan 2016/17 2017/18	June 2017	Consultation on the intention for inclusion of the One Accommodation Project in the 2018 10 Year Plan.

Alignment to existing strategies

The investment proposal has the potential to align to the town strategy developed in 2009 and the downtown commercial strategy, in which there are strong arguments for council services to remain in the CBD. Given

[5] http://www.qldc.govt.nz/assets/OldImages/Organisational%20review/QLDC_Organisational_Review_Final_Report.pdf

[6] http://www.qldc.govt.nz/assets/OldImages/Files/2014_Full_Council_Agendas/27_March_2014/4a_-_Library_consultant_report.pdf

[7] http://www.qldc.govt.nz/assets/Uploads/Council-Documents/2015-Full-Council-Agendas/3-Jun-2015/Item-9/9a-Att-A-Holmes-Consulting-Structural-Assessment.pdf

[8] http://www.qldc.govt.nz/assets/Uploads/Planning/District-Plan-Changes/50/PC-50-Council-Evidence/Evidence-04-Phil-McDermott-Economics.pdf

the age of the town centre strategy and the speed with which Queenstown and its surrounding areas are evolving, some consideration must be given to the relevance of its message today.

Queenstown Town Centre Strategy (Dec 2009)
In alignment with this strategy, the Council resolved to consider alternative accommodation options in Queenstown's CBD. The Queenstown Town Centre Study (2009) states in section 8.1 that Queenstown is the 'civic heart' of the district. The strategy reinforces that it is appropriate for Council offices to be located in the town centre. Objective 5 of the strategy states that: "The town centre retains key civic and community functions that underpin its relevance to the local community." (page 5).

This strategy argues that a diverse mixture of activities in the town centre is essential to create an interesting and exciting urban environment. The presence of community services and facilities that help underpin other businesses relevant to the local community are important to maintain a diversity of economy in the town centre.

One of the issues it highlighted is the risk that the town centre is becoming less relevant to the local community. Regardless of the importance of Queenstown to the visitor industry, above all else it should remain the community's town centre and retain key civic and community functions that underpin its relevance to the local community and provide a variety of reasons to visit the town centre.

Ultimately, this strategy recommended that Council offices be located within the Queenstown town centre.

Queenstown Downtown Commercial Strategy (Jan 2017)
This strategy seeks to maintain connection and engagement between local residents and businesses by achieving a necessary balance between tourism and community. Its aims include:

- Commercial Reliance – Advocate for the importance and value to surrounding businesses of having QLDC's primary offices located in Queenstown.
- Community Centricity - Further develop civic amenities centred on the Town Centre – such as arts, culture, libraries and customer service facilities.
- Stemming Attrition – Promote the benefits of locating professional and creative offices in Queenstown's characterful, collaborative Town Centre.

There is continued concern from Queenstown residents that the town centre could become weighted too heavily toward tourists as traditional businesses and cultures make way for changing markets and demographics.

Council offices and nearby amenities are a key anchor for the town centre. They employ a relatively large number of people and their proximity benefits a range of supporting businesses such as solicitors, planners, architects and accountants.

The Downtown area also has several community-based cultural activities such as the Queenstown Arts Centre and Memorial Theatre. Ensuring these facilities remain and can grow in the town centre is vital for continued local and commercial community relevance.

The strategy also discusses an opportunity to co-locate a transport hub with new Council facilities to create an integrated civic amenity.

Queenstown Town Centre Masterplan (Due to be completed in 2017)
A review of strategic documents, including the Town Centre Strategy (2009), Transport Strategy (2016) and Inner Links project (2014), showed that they have often been created in isolation from land use development and wider strategic goals, and that they usually address one prime focus rather than seeking multiple integrated strategic benefits.

The masterplan seeks to weave together various project work streams and offers a great opportunity to integrate plans for inner links, a public transport hub, parking and a single point of contact for Council. Deliberately combining these elements into one overall plan will allow the projects to be developed in a complementary manner and to a timeline that offers the best chance of success / cost-efficiency.

It's crucial that our town centre delivers an attractive experience to locals and visitors. QLDC know that they need to make a shift and be more ambitious about their future planning. Thus, the masterplan has arrived at the following vision and subsequent benefit statements.

Vision:

- Supporting a thriving heart to Queenstown, now and in the future

Figure 2: Town Centre Masterplan Benefit Statements

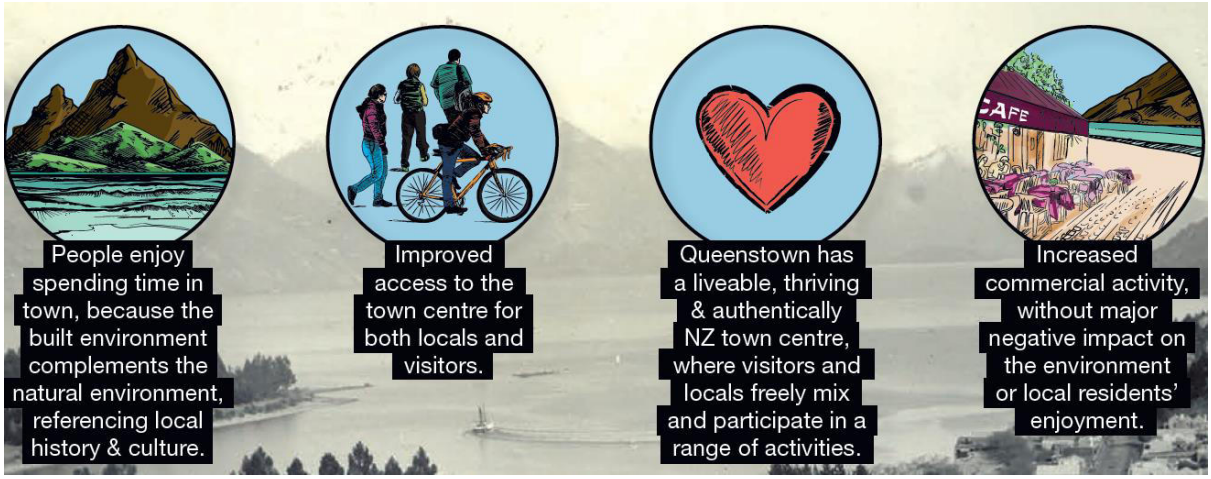


Figure 3: Town Centre Masterplan Objectives

A LIVEABLE TOWN CENTRE SHOULD BE

COMPACT
High density and mixed land use promotes a resilient, diverse and multi-functional economy. Great for local business, living and culture.

WALKABLE AND CONNECTED
Promotes walking and cycling as the primary way to move around, improving health and wellbeing.

DIVERSE
Provides a mix of retail, civic, arts, entertainment and cultural experiences for locals and visitors.

HUMAN SCALE
Buildings that are easy to interact with and provide a good quality of life.

SMART
Improving local and visitor experiences through world leading technology and information.

AUTHENTIC
Enhancing the unique landscape, social and cultural heritage for locals and visitors.

MAGNETIC
Draws people in to experience the cultural, entertainment and landscape offering.

ACCESSIBLE
Offers a range of easy to use and affordable transport choices.

SUSTAINABLE
Designed with consideration of environmental impact.

PLACE
A dynamic, well-designed and constantly evolving destination, celebrating local character.

Key messages from this for Project Connect are:

Queenstown has a liveable, thriving & authentically NZ town centre, where visitors and locals freely mix.

- **COMPACT** High density and mixed land use promotes a resilient, diverse and multi-functional economy. Great for local business, living and culture.
- **DIVERSE** Provides a mix of retail, civic, arts, entertainment and cultural experiences for locals and visitors.

3.2 The Need for Investment

During the months of February and March 2017 the Project Connect PCG workshopped through all the issues that had been identified and settled on four problem statements. These are shown below and the full list of issues and opportunities are contained in Appendix 1.

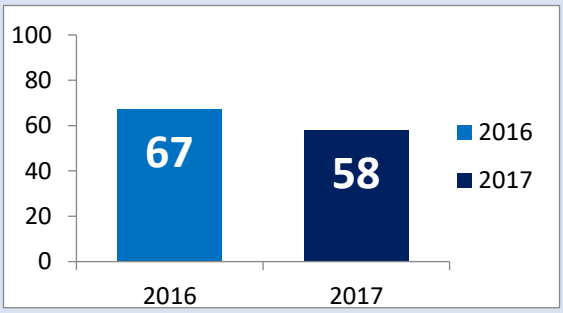
Since these workshops the Queenstown Masterplan has identified the Gorge Road office site as being on the preferred route of the new Town Centre Arterials, creating another driver for the need to invest in a new office accommodation solution.

Table 1: Summary of identified problems

Problem 1	**Workplace strategy is limited and reactive, leading to ineffective and uncertain accommodation requirements (40%)**
Evidence	There is no workplace strategy in place but there is a strong desire for staff to work smarter.
	Leasing of current space and its utilisation and fit-out has been largely reactive. Recent consolidation from 6 leases down to 2 leases resulted in $350k p.a. savings. This still leaves 4 office buildings and is not considered optimal.
	The 2015 Staff Questionnaire[9] identified the desire for more quiet rooms, breakout areas, meeting rooms, Councillor workstations, file storage space, secure bike shed, changing rooms and showers.
	The work environment has the potential to impact recruitment and selection.

Problem 2	**Geographical separation causes inefficiencies, community confusion and frustration (30%)**
Evidence	Time lost through walking between offices for meetings (see Figure 4 below for the distances involved).
	Frustration from community that all services are not in one location. As of November 2017, on average 15 members of the community, per day, (our valued customers), are told at the Gorge Road Office that they will need to walk approximately 7.5 minutes down the road to the Shotover Street Office where Planning and Building are located. There is little likelihood for those customers, having found a carpark to visit Gorge Road, to then find another close to the Shotover Street office. Additionally, external meetings with Council staff regularly see the individual or individuals arrive at the wrong location

[9] Queenstown Lakes District Council Accommodation Project, Colliers International Queenstown, 2015.

	given the four options. This is likewise now a daily and frustrating occurrence for all concerned
	Significant management, organisational and culture engagement challenges have been experienced.
	Increased information and communications technology (ICT) network costs and complexity. Duplicated printing services have recently been consolidated resulting in savings of $75k p.a.
	The organisation was lacking the 'around the water cooler chat' which can be very useful when 'letting the left hand know what the right hand is doing'[9]
Problem 3	**Facilities are not fit for purpose, leading to inefficiency and impacting staff and customer satisfaction (15%)**
Evidence	Structural assessment advised seismic rating of some buildings leaves them unfit for some purposes. This includes the storage of critical records and the location of civil defence headquarters. The following is from an assessment of the Gorge Road office building. "The results of our assessment indicate that the structure of this building achieves approximately 55% NBS (IL2) in terms of the performance for life safety. This building is therefore considered 'moderate risk' or grade 'C' as per the NZSEE grading scheme. The assessed seismic rating is above the earthquake prone threshold of 33% NBS, therefore the building does not legally require strengthening to meet the requirements of the Building Act 2004."
	The satisfaction with 'my' physical work environment amongst staff has plummeted – Annual Staff Engagement Survey 2017. 

	There is no suitable engagement or working environment for elected members.
	Over-crowding, use of meeting rooms as general workspace.
	The 2015 Staff Questionnaire[10] identified the following concerns; building safety; sub-standard and under provided for ablution facilities; tired workplace; worn carpets; needs redecoration; space is cramped; highly ineffective air conditioning/heating, natural ventilation, meeting rooms, layout, storage, carparking and flexibility to change workstation layout.
	Current buildings don't encourage or recognise the need for health and wellbeing e.g. showers, locker rooms, bike parks, etc.
Problem 4	**Market forces are creating a risk of reduced community relevance of the town centre (15%)**
Evidence	The McDermott Miller report indicates that the town centre is used mostly by visitors and that Frankton is used mostly by residents. This is based on the origin of money spent at each location: overseas / NZ resident / district resident.
	There is growing concern that professional offices are moving out to the cheaper rents on offer in Frankton.
	As the Masterplan process, has been worked through, the idea of re-establishing a community heart has come through strongly, both through the project work and the early community engagement where they told us that more community and cultural activities are needed in town.

Figure 4: Location of offices and the distances between them

Figure 4 highlights the geographical separation of council offices in Queenstown. This separation reduces the effective and efficient working between council teams which may ultimately be a key factor in the reduced satisfaction with Council as shown below in Figure 5 from the QLDC 2016 Resident and Ratepayers Survey.

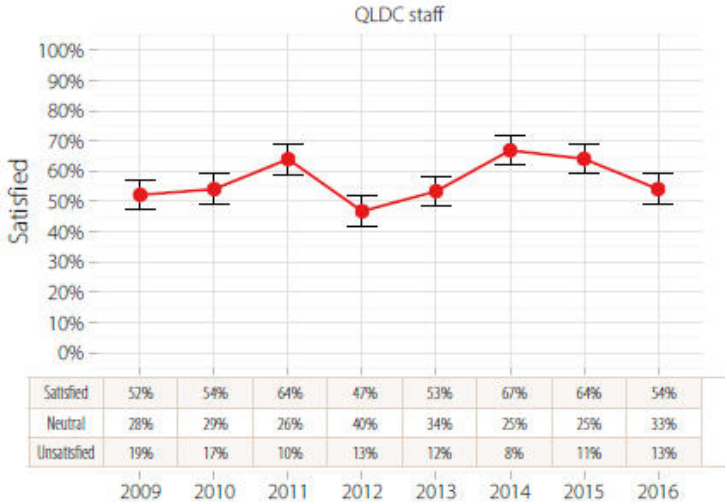
[10] Queenstown Lakes District Council Accommodation Project, Colliers International Queenstown, 2015.

Although attention is paid to ensuring meetings are located appropriately. A lack of meeting space and the need for staff to meet from differing departments means a staff member walking between Shotover and Church Streets and Gorge Road, a journey of approximately 7.5 minutes and returning means that is 15 minutes of lost productivity time. This can be a daily or in some cases twice daily occurrence. No work has been done to fully quantify this cost but over the passage of years, the productivity loss is considerable.

Resident and Ratepayer Satisfaction

Figure 5 on the following page shows a decline in satisfaction with QLDC staff. Although a new Council elected in 2016 has seen this figure improve in 2017, arguably the poor customer service delivered through multiple offices in the Queenstown CBD contributes to a negative experience for thousands of ratepayers.

Figure 5: 2016 Resident and Ratepayers Survey - The Big Picture: How satisfied are you with the performance of QLDC staff?



3.3 The Case for Change

Investment Objectives

An Investment Logic Mapping workshop was held with the PCG on 3 February 2017 to identify the investment objectives and to gain a better understanding of the business needs. The PCG identified and agreed what the problems are with the current situation and what the desired benefits of change are, along with how those benefits could be measured (KPIs). The output from the ILM workshop is shown in full on the next page.

Two key strategic responses were identified by the PCG to address the problems and benefits, these were:

1. Improve the way QLDC works.
2. Create incentives to work in and visit the town centre.

The changes identified to action these strategic responses were:

1. Develop a new QLDC workplace strategy, including a review of Queenstown QLDC accommodation.
2. Retain council services in the town centre.

This business case primarily focuses on the review of Queenstown QLDC accommodation, but is cognisant of the other workstreams running in parallel, such as the workplace strategy development and the Town Centre Masterplan programme.

Investment Logic Map

Figure 6 on the following page maps out how the organisation can deliver improved services for the community, which is the key benefit in the map.

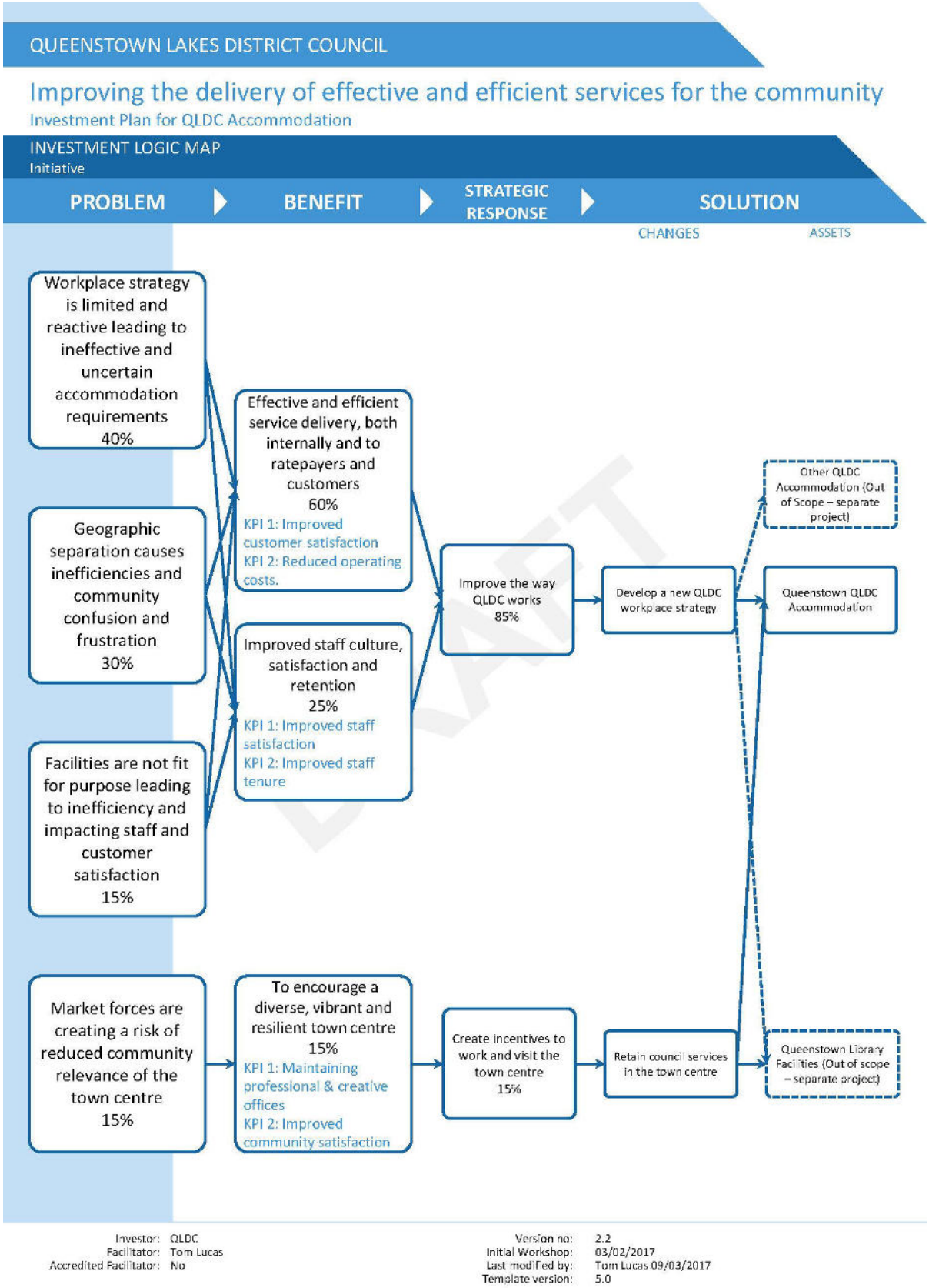


Figure 6: ILM results

Existing Arrangements and Business Needs

Table 2: Summary of the existing arrangements and business needs

Investment Objective One	Effective & efficient service delivery, both internally and to ratepayers and customers (60%)
Existing Arrangements	Service is delivered from three separate sites in the Queenstown CBD. Fragmented service delivery causes inefficiencies and community confusion and frustration. The current facilities are not fit for purpose leading to missed opportunities and poor customer satisfaction. There are financial inefficiencies because of operating from less modern buildings and multiple sites. .
Business Needs	A single point of customer-facing contact that the community can rely on to meet Council-related needs.
KPIs	KPI 1 – customer satisfaction. KPI 2 – operating costs.

Investment Objective Two	Improved staff culture, satisfaction and retention (25%)
Existing Arrangements	The current organisational structure of physical accommodation has created separation within teams and between teams. With buildings geographically separated and deemed not fit for purpose, the satisfaction with 'my' physical work environment amongst staff has plummeted.
Business Needs	One united workplace/base for staff that encourages an increased sense of team and purpose, in turn improving workplace culture and staff satisfaction.
KPIs	KPI 1 – staff satisfaction. KPI 2 – staff tenure.

Investment Objective Three	To encourage a diverse, vibrant and resilient town centre (15%)
Existing Arrangements	Market forces, such as increased levels of tourist activity, are creating a risk of reduced community relevance of the town centre.
Business Needs	A diverse mixture of activities in the town centre to create an interesting and exciting urban environment for residents and visitors alike.
KPIs	KPI 1 – Maintaining professional and creative offices. KPI 2 – Community satisfaction.

3.4 Potential Business Scope and Key Service Requirements

The potential business scope and key service requirements were identified and assessed by the PCG at workshops held in February 2017.

Please note that further scope refinement will be undertaken once the workplace strategy has been devised.

Table 3: Potential business scope and key service requirements

Service Requirements (in decreasing order of relevance compared to the investment objectives)	Scope Assessment			
	Minimum Scope	Intermediate Scope	Maximum Scope	Out of Scope
Workplace Strategy	Queenstown operations.	Queenstown and Frankton operations.	Whole of Council operations.	Council contractors.
Office Space	Existing Queenstown staff numbers (CEO & Corporate Services, Finance, Planning & Development, Property & Infrastructure, Regulatory).	Existing staff numbers + growth.	Existing staff numbers + Destination Queenstown staff + Economic development unit + growth.	Wanaka staff. Queenstown Events Centre staff. Horticulture team.
Mayor & Councillor Space	Council chambers.	Mayor's office.	Councillor office retreat.	Individual Councillor offices.
Staff Amenities (to be refined through workplace strategy)	Meeting rooms; lunch room; toilets;	Meeting rooms; lunch room; toilets; + Quiet rooms; changing room; circulation & breakout space		
Public Amenities (to be refined through workplace strategy)	Public reception and arrival area	Public reception and arrival area + Public toilets		
Services (to be refined through workplace strategy)	Computer room/storage	Computer room/storage + Printer rooms; rubbish room, file rooms.		

Parking	No parking (to be provided elsewhere)	Visitor parks only.	Visitor + District Plan parking requirements. Co-locating with general public parking.	General public parking.
Library	Existing Queenstown library (411 sqm).	Existing Queenstown library + new Frankton library.	New Queenstown library and new Frankton library.	Libraries outside of Queenstown and Frankton.
Emergency Management	Back up servers and controls.	Back up servers and controls + Emergency Operations Centre.		
Arts & Culture	None	Community space to occupy provision for growth in short-term.	Permanent community space.	Performing arts venue. Museum.
Commercial Space	None	To occupy growth areas in the short-term.	To occupy growth areas in the short-term + Café.	Long-term office space. Convention centre.

3.5 Main Benefits

The PCG identified the following benefits at the facilitated workshop on 03 February 2017.

- Effective and efficient service delivery both internally and to ratepayers and customers (60%).
  - KPI 1 – improved customer satisfaction.
  - KPI 2 – reduced operating costs.
- Improved staff culture, satisfaction and retention (25%).
  - KPI 1 – improved staff satisfaction.
  - KPI 2 – improved staff tenure.
- To encourage a diverse, vibrant and resilient town centre (15%)
  - KPI 1 - maintaining professional and creative offices.
  - KPI 2 – improved community satisfaction.

Table 4: Main benefits

Main Benefits	KPI	Measure	Description	Baseline
Effective and efficient service delivery both internally and to ratepayers and customers	Improved customer satisfaction	The Big Picture: How satisfied are you with the performance of QLDC staff?	Current measure in the annual Ratepayers & Residents Survey.	54% satisfied

Main Benefits	KPI	Measure	Description	Baseline
	Reduced operating costs	Cost-efficiency of operating costs per FTE.	Via QLDC internal finance metrics (annually).	$6,900 per FTE
Improved staff culture, satisfaction and retention	Improved staff satisfaction	Satisfaction with 'my' physical work environment	Via annual Staff Engagement Surveys.	58
	Improved staff tenure	Levels of staff turnover.	Via QLDC HR metrics (monthly).	New Measure
To encourage a diverse, vibrant and resilient town centre	Maintaining professional and creative offices	Number of professional/creative offices in CBD.	Via census data (5-yearly).	New Measure
	Improved community satisfaction	Satisfaction with the town centre.	Via annual Ratepayers & Residents' survey.	New Measure

3.6 Main Risks

Risks result from uncertain events that either improve or undermine the achievement of benefits. The main risks that might create, enhance, prevent, degrade, accelerate or delay the achievement of the investment objectives are identified and analysed below.

Table 5: Initial risk analysis

Main Risks	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Low level of political and community appetite/support	High	Medium	Create a good communications plan and roll it out early.
Scope management	Medium	Medium	Use BBC and develop a workplace strategy.
Funding availability	High	Medium	Develop strong strategic case.
Staff attrition	Medium	Medium	Staff engagement plan.
Poor project management	High	Medium	Engage a dedicated project manager.
Poor governance	High	Medium	PCG and external support.
Deliverability	Medium	Low	Use BBC with good optioneering.

Main Risks	Consequence (H/M/L)	Likelihood (H/M/L)	Comments and Risk Management Strategies
Internal capacity to deliver	Medium	Medium	Use external support.
Capability to deliver	Medium	Medium	Use external support.
Market conditions change	Medium	Low	Develop a procurement plan.
Reputation	Medium	Low	Develop communication and engagement plan.
LGA reform	High	Medium	Develop a business case that will stand up in any environment.

A further, more detailed risk assessment was undertaken as part of the Town Centre Master Plan project and those risks identified for Project Connect are shown below.

Table 6: Project Connect Risks from Town Centre Master Plan Risk Workshop

Causal Factor – Probable Cause	Consequence	Mitigation in place	Intended Mitigation
Risk Event – Description	Perception that the timing of funding could impact the application for Central Government's support for the Masterplan Project		
▪ **Pressure on Council funds to deliver the whole programme.** ▪ **Staging may undermine the programme.** ▪ **Deferring Project Connect may impact the Masterplan programme.**	▪ Central Government pressure to defer Project Connect. ▪ Lack of political support. ▪ Deferral of Project Connect results in space shortage for Council staff if arterial progress earlier.	▪ Engaged economic expert to evaluate local, regional and national benefits of wider masterplan projects to support funding options (including Central Government lobbyist). ▪ Community engagement underway. ▪ Options include an alternative option for Private Sector to deliver solution. ▪ Long list options include Frankton.	▪ **Consider interim option to house approx. 65 staff, Council chambers and library in CBD or Frankton.** ▪ **Develop and implement a communications plan for Project Connect specifically.** ▪ **Further analyse option for private sector delivery.**

Causal Factor – Probable Cause	Consequence	Mitigation in place	Intended Mitigation
Risk Event – Description	Risk of legal challenge to decision to locate office in CBD		
▪ **Stakeholders own commercial interests.**	▪ Legal costs ▪ Delay ▪ Community complaints and negative media	Legal advice received regarding whether Frankton should be considered	**Target a delivery solution that is as cost neutral as possible**
Risk Event – Description	There is a threat that underlying landownership and related designations precludes use of preferred land activities.		
▪ **Legal ramifications of land ownership (tenure).** ▪ **Failure to understand the underlying restrictions/opportunities of the land use**	▪ The preferred option is not feasible. ▪ Best location for offices is not provided. ▪ Loss of integration with other spatial plan elements ▪ Delay to the programme.	Review of ownership and legal implications completed.	**Detailed review of masterplan with public engagement results to be completed to understand uses of site, ownership implications and delivery approach.**
Risk Event – Description	There is a threat that the delivery of the project is constrained by the timing/delivery of the other Masterplan projects.		
▪ **Delays in consenting of other Projects.** ▪ **Design issues.** ▪ **Landowner issues (compulsory purchase).** ▪ **Existing use rights.** ▪ **Failure to create an integrated programme of works.** ▪ **Funding issues.**	▪ Project delays. ▪ Ongoing impact on QLDC staff.	Constraints and dependencies being identified and managed through the Masterplan PBC	**Identifying a site with delivery independence.**
Risk Event – Description	There is a threat that the size of the preferred option doesn't adequately allow for growth/change.		
▪ **We have not understood how people will work in the future (technology, staff culture.)** ▪ **FTE growth projections are not correctly anticipated.** ▪ **Work place strategy does not anticipate adequate technology changes.** ▪ **Organisational change – more in-house delivery**	▪ A space which does not meet the future needs of the organisation. ▪ Unbudgeted future accommodation costs.	▪ Allowing for significant FTE growth. ▪ Following Central Government Workplace Standards and Guidelines for office space	**Developing a workplace strategy**

Causal Factor – Probable Cause	Consequence	Mitigation in place	Intended Mitigation
Risk Event – Description	There is a threat the project may be compromised by competing workload demands.		
▪ **A large number of projects inside and outside of Queenstown.** ▪ **There are not enough consultants and contractors in the region.** ▪ **Key staff are operating under pressure**	▪ Project delay. ▪ Higher cost of labour if labour is required to be sourced from other regions. ▪ Compromised outcomes – benefits not realised	Early engagement with the private sector	▪ **Further analyse option for private sector delivery.** ▪ **Dedicated project manager.**
Risk Event – Description	There is a threat that the funding for Project Connect is not perceived as a priority by the public.		
▪ **Scope is decreased through the design phase.** ▪ **Community appetite for Project Connect sways political appetite for build solution** ▪ **Private sector funding cannot be secured.**	▪ The preferred option does not meet with community approval. ▪ Public perception of unnecessary use of rate payer funding. ▪ Funding is not approved for Project Connect. ▪ Impact on QLDC staff.	▪ Early engagement with the private sector. ▪ Community engagement through the Masterplan ▪ Ongoing briefings to elected members.	▪ **Further analyse option for private sector delivery.** ▪ **Develop and implement a communications plan for Project Connect specifically**
Risk Event – Description	There is a threat that the build cost increases beyond the original budget.		
▪ **The cost of building has increased.** ▪ **Scope creep impacts our ability to deliver.**	▪ Missed opportunities. ▪ Perceived unnecessary use of ratepayer funding. ▪ Reputational damage	▪ Robust project management ▪ Quantity surveyor engaged to provide estimates	**Further analyse option for private sector delivery (sharing this risk with them)**

A risk register has been developed and will be progressively updated as more detailed analysis is undertaken.

Key Constraints and Dependencies

The proposal is subject to the following constraints and dependencies. These dependencies will be carefully monitored during the project.

With leases expiring on 30 September 2020 it is proposed to target a move in date, to any new accommodation, of 1 October 2020.

Table 7: Key constraints and dependencies

Constraints	Notes
Budget ready for LTP	Scope of project and estimated costs to be finalised in the next few months so that they can be included in Council's LTP.
Leases – roll over dates / break clauses	Colliers International Queenstown recommended that the development of a new office accommodation solution, be available for occupation by October 2018. This coincides with the opportunity to exit existing lease agreements at no penalty cost. Final lease expiries are aligned to 30/09/2020.
Financial strategy	Council is constrained by their financial strategy and their audit against this.
Consultation timeframes	The project must work within statutory consultation requirements.
Geography - accessibility	Easy access to services is an important part of the new site's success. Without adequate travel options to and from Council's one point of contact, its primary purpose of engaging with the community will be frustrated.
Dependencies	**Notes and Management Strategies**
Town centre masterplan	The masterplan is currently being developed. Its most ambitious programme option includes the development of a 'community heart' that supports and represents the local community. The vision for this includes performing/visual arts, conference facilities, a hall, and a library, all in the Queenstown CBD.
Library plan (relocations)	Council has shifted its thinking to respond to unprecedented growth and a public desire for improved library services in Queenstown CBD and Frankton which differs from the 2014 Library Strategy.

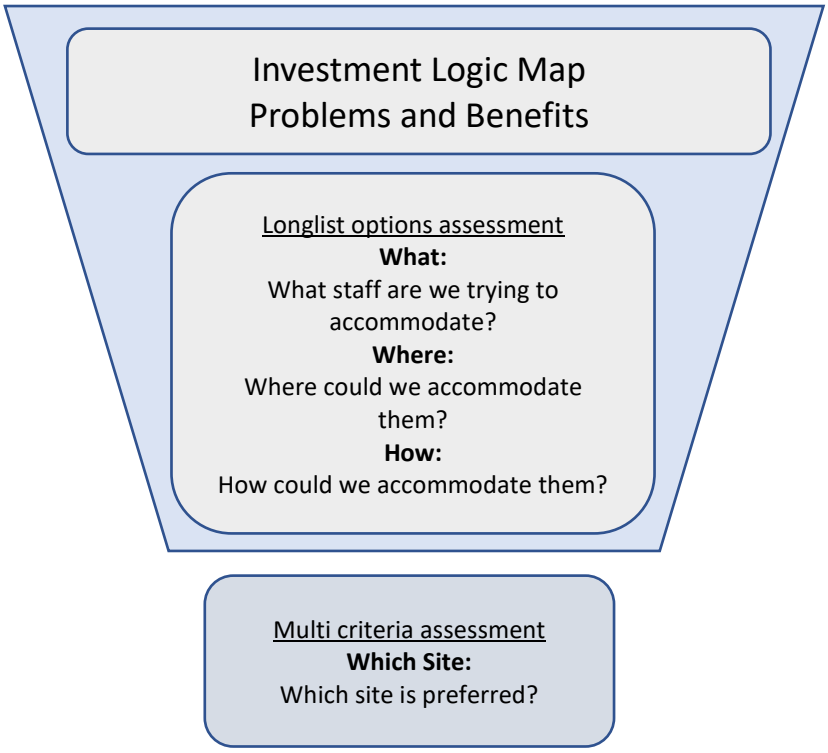
4 Economic Case – Exploring the Preferred Way Forward

The purpose of the economic case is to identify the investment option that optimises value for money. Having determined the strategic context for the investment proposal and established a robust case for change, this part of the economic case:

- identifies critical success factors
- generates a wide range of long-list options
- undertakes an initial options assessment to identify a limited number of short-listed options, and
- identifies a preferred way forward based on the short-listed options.

The following figure summarises the process that was followed to generate a wide range of options and narrow these down to a preferred site for accommodating Queenstown based QLDC staff.

Figure 7: Process overview



4.1 Critical Success Factors

When assessing options, they were firstly evaluated against how well they delivered on the investment objectives and then secondly on key critical success factors which broadly cover the 5 business case sections: strategic; economic; commercial; financial; and management. These were further defined for this project as outlined below.

Table 8: Critical success factors

Generic Critical Success Factors	Broad Description	Proposal-Specific Critical Success Factors
Strategic fit and business needs	How well the option meets the agreed investment objectives, related business needs and service requirements, and integrates with other strategies, programmes and projects.	Alignment with District Plan, Town Centre Strategy, Library Review, Workplace Strategy, Masterplan Framework, Emergency Management & Business Continuity.
Potential value for money	How well the option optimises value for money (i.e. the optimal mix of potential benefits, costs and risks).	High level assessment of whether this is the right solution, at the right time and at the right price.
Supplier capacity and capability	How well the option matches the ability of potential suppliers to deliver the required services, and is likely to result in a sustainable arrangement that optimises value for money.	Is this a sustainable arrangement, considering Council owned land and security of tenure?
Potential affordability	How well the option can be met from likely available funding, and matches other funding constraints.	Affordability for ratepayers and the resulting political appetite.
Potential achievability	How well the option is likely to be delivered given the organisations ability to respond to the changes required, and matches the level of available skills required for successful delivery.	Ability and skills to deliver considering land acquisition, consenting and staff engagement.

4.2 Longlist Options Assessment

The PCG worked through a wide range of options using the process outlined above and evaluated these against the investment objectives and critical success factors. This resulted in the following option being identified as the preferred way forward:

- All Queenstown Central Business District (CBD) staff and Elected Members (EM) to be accommodated.
- In the Queenstown CBD.
- Moving into one new building.

Should a suitable site and/or building not be identified in the CBD (this includes the Lakeview option) then it was agreed that looking at a wider Queenstown Bay or split office solution between Queenstown CBD and Frankton would also be possible. However, as there was a strong case for accommodating everyone under one roof and retaining a civic presence in the CBD, it was not considered necessary to progress these secondary options any further, at this stage. It should be noted in regards to Frankton that In February 2016 the Council considered a report on office space for Council staff as outlined. The Colliers Report considers a number of locations in Frankton and the Queenstown CBD, recognising benefits and drawbacks for both Frankton and CBD sites, before ultimately recommending the CBD as the best option.

The February Report appropriately referred to the Queenstown Town Centre Strategy 2009. The Town Centre Strategy's vision statement refers to Queenstown's town centre being the thriving civic heart of Queenstown. One of the objectives of the Town Centre Strategy is that the town centre retains key civic and community functions that underpin its relevance to the local community.

The February Report identifies two options for assessment under s77 of the LGA: doing nothing, or developing 'one office' accommodation in the Queenstown CBD. It is evident that a Frankton location,

although referred to in the preceding sections of the report, was not considered a 'reasonably practicable option' and was therefore not considered under s77.

Table 9: Summary of longlist options assessment

Dimension	Do Minimum	Intermediate			Bigger Change
What: What staff are we trying to accommodate?	Status Quo - Do Nothing	Some Queenstown CBD staff / Elected Members	All Queenstown CBD staff / Elected Members	All Queenstown CBD staff / Elected Members + other organisations	All Queenstown staff / Elected Members
	Continued for VFM	Discount	Preferred	Possible	Discount

Where: Where could we accommodate them?	Status Quo – Queenstown CBD	Wider Queenstown Bay	Queenstown CBD + Frankton	Frankton	
	Preferred	Possible	Possible	Discount	

How: How could we accommodate them?	Improvements to existing building/s	Consolidate to two existing buildings	Consolidate to one existing building	Existing building/s + new building/s	Move to multiple new buildings	Move to one new building
	Discount	Discount	Discount	Possible	Possible	Preferred

Discounted Options

During the longlist options assessment, several options within each dimension were discounted, the following table summarises the key justification for the discounting of these options.

Table 10: Discounted options summary

Dimension	Option	Key reasons for discounting each option
What: What staff are we trying to accommodate?	Some Queenstown CBD staff / Elected Members	Only improving the accommodation arrangements for part of the organisation was considered to not significantly address the staff culture, satisfaction and retention problems. In fact, it may even be detrimental.
	All Queenstown staff / Elected Members	Impractical to include all field and venue staff. i.e. horticulture team, QEC staff etc.
Where: Where could we accommodate them?	Frankton	Relocating the office to Frankton would contravene the 2009 Town Centre Strategy, 2017 Queenstown Downtown Commercial Strategy and 2017 Queenstown Town Centre Masterplan, all of which support the QLDC offices being in the town centre to encourage a diverse, vibrant and resilient town centre.

How: How could we accommodate them?	Improvements to existing building/s	This option failed on the value for money assessment as it is a relatively expensive option that does not address the underlying problems of geographic separation between offices and the lack of security of tenure.
	Consolidate to two existing buildings	Again, this option does little to address the geographic separation of offices and the security of tenure. The business needs (floor area required) are also unlikely to be met by this option.
	Consolidate to one existing building	Since the Gorge Road office cannot meet the business needs (floor area required) then this option failed on the security of tenure requirement. It is also unlikely that any of the existing leased offices can meet the business needs on their own accord.

4.3 The Shortlisted Options

Status Quo – Do Nothing Option

Description

Assumes that no change is made and Queenstown based staff and elected members continue to operate in their current accommodation. This includes the three main offices (Gorge Road, Shotover Street and Church Street) along with the Stanley Street office. See Figure 4 for their location and current number of desks and people.

Advantages

The main advantages to this option are:

- No disruption to staff and customers.
- Leaves financial headroom for other council priorities.

Disadvantages

The main disadvantages of this option are:

- No improvement in the effective and efficient delivery of services.
- No improvement in staff culture, satisfaction and retention.
- Lost opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.
- Limited security in tenure of current leased accommodation at Church Street and Shotover Street.

Do Minimum Option - Consolidation

Description

This option assumes that all the Queenstown CBD based staff and elected members are considered in the scope. It also assumes that they should be located in the CBD as per the status quo. However, the do minimum option is accommodating these people in a consolidated mix of existing and new buildings. For example, this option could see one office being retained and a new office building accommodating the remainder of staff.

Advantages

The main advantages to this option are:

- Limited disruption to staff and customers.
- May leave more financial headroom for other council priorities.
- Can focus in on key areas of the organization that are most in need of change.

Disadvantages
The main disadvantages of this option are:

- Limited improvement in the effective and efficient delivery of services.
- Limited improvement in staff culture, satisfaction and retention.
- Lost opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.
- Could potentially create more tension affecting staff satisfaction levels.

Less Ambitious – Wider Queenstown Bay One Office

Description
This option assumes that all the Queenstown CBD based staff and elected members are considered in the scope. It assumes that they could be located outside of the CBD in the wider Queenstown Bay area in a new building. This option is considered a fall-back position should a suitable site not be identified in the preferred CBD location for all staff and elected members.

Advantages
The main advantages to this option are:

- Potential availability of more sites of sufficient size to accommodate QLDC's requirements.
- Improvement in the effective and efficient delivery of services through accommodating all staff in one office.
- Improved staff culture, satisfaction and retention expected through improved facilities and a more effective and efficient way of working.

Disadvantages
The main disadvantages of this option are:

- Lost opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.
- Reduced opportunity to efficiently connect with other commercial activities in the town centre.
- Reduced opportunity to efficiently connect with key transport initiatives, such as arterials, public transport and parking.

Less Ambitious – Split CBD and Frankton Offices

Description
This option assumes that all the Queenstown CBD based staff and elected members are considered in the scope. It assumes that the accommodation requirements could be met by splitting the staff between the CBD and Frankton based on requirements. This would obviously mean a new building is required in Frankton, but offices could be consolidated in the CBD or moved into a new building. This option is considered a fall-back position should a suitable site not be identified in the preferred CBD location for all staff and elected members.

Advantages
The main advantages to this option are:

- Potential availability of more sites of sufficient size to accommodate QLDC's requirements.
- Staff and departments can be in the best location to meet their requirements.
- Potentially a lower cost solution.

Disadvantages
The main disadvantages of this option are:

- Reduced opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.

- Reduced opportunity to efficiently connect with other commercial activities in the town centre.
- Reduced opportunity to improve on the effective and efficient service delivery to its internal and external customers.

Preferred – CBD One Office

Description

This option assumes that all the Queenstown CBD based staff and elected members are considered in the scope. It assumes that they would be accommodated in one office located in the CBD. This would mean a new building is required.

Advantages

The main advantages to this option are:

- Improvement in the effective and efficient delivery of services through accommodating all staff in one office.
- Improved staff culture, satisfaction and retention expected through improved facilities and a more effective and efficient way of working.
- Improved opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.

Disadvantages

The main disadvantages of this option are:

- Limited availability of sites of sufficient size to accommodate QLDC's requirements.
- Higher land values and development costs associated with a CBD location.
- Higher transportation and parking costs for staff and visitors to a CBD location.

More Ambitious – CBD One Office + Other Tenants/Activities

Description

This option assumes that all the Queenstown CBD based staff and elected members are considered in the scope along with other tenants and/or activities, such as a library, that could co-locate with QLDC on a temporary basis, making way for growth over time, or permanently. It assumes that they would be accommodated in one office located in the CBD. This would mean a new building is required of a larger footprint than the preferred option.

Advantages

The main advantages to this option are:

- Improvement in the effective and efficient delivery of services through accommodating all staff in one office.
- Improved staff culture, satisfaction and retention expected through improved facilities and a more effective and efficient way of working.
- Improved opportunity to create a community heart and encourage a diverse, vibrant and resilient town centre.
- Future proofing to enable more growth in QLDC staff numbers into the future.
- Creating a livelier, more engaging and welcoming work environment.

Disadvantages

The main disadvantages of this option are:

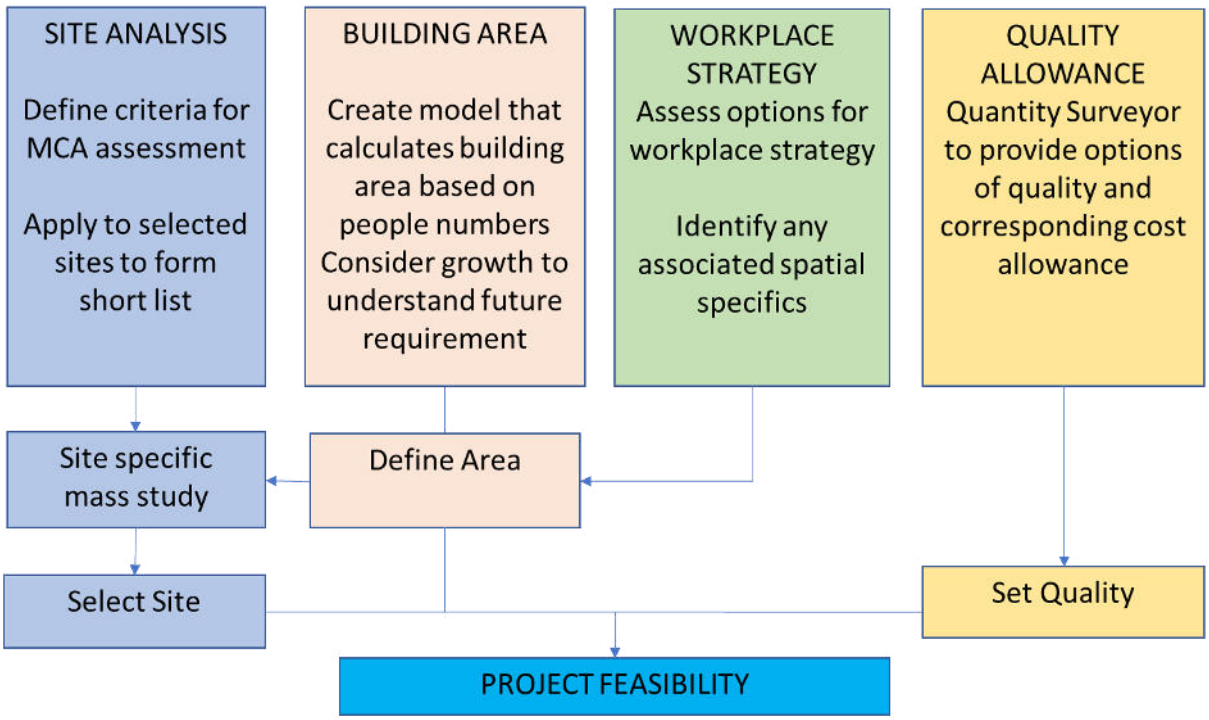
- Limited availability of sites of sufficient size to accommodate QLDC's requirements.
- Higher land values and development costs associated with a CBD location.
- Higher transportation and parking costs for staff and visitors to a CBD location.

- More complication in identifying, accommodating and ongoing management of other tenants and activities.

4.4 Selecting the Preferred Site

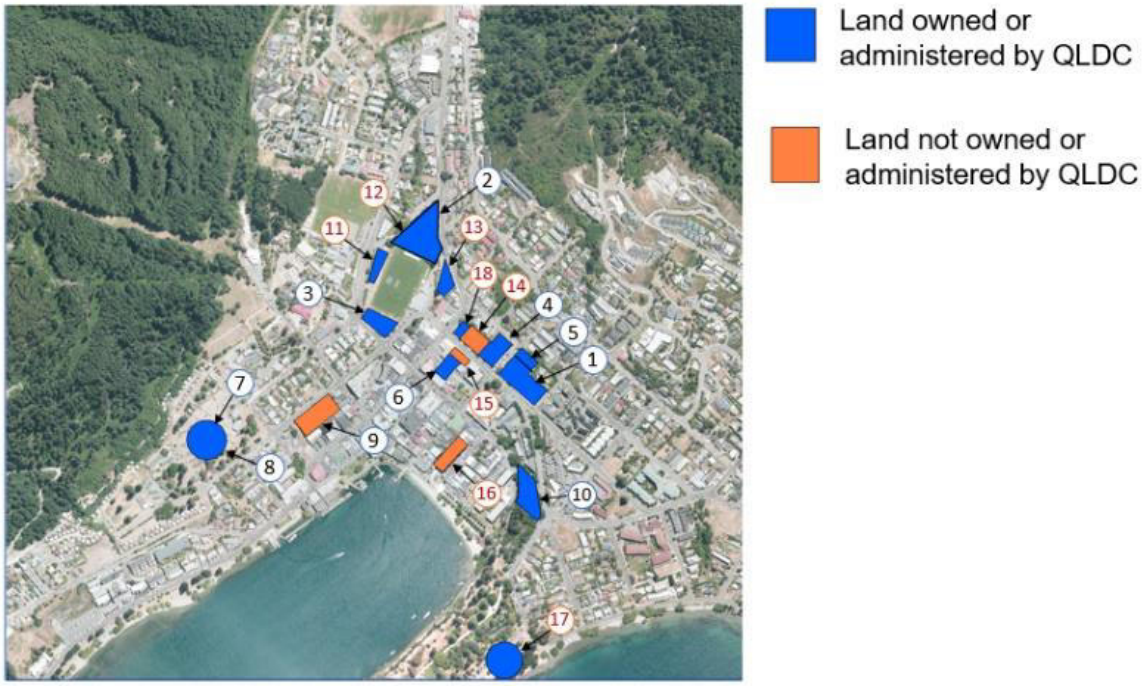
The clear political and strategic mandate informed the determination to locate one office in the CBD, therefore the way forward was agreed by the PCG to focus on finding a suitable site in the CBD, which met the 'council-owned' preference as per the resolution of 26 November 2015. If a suitable site could not be identified, then further investigation would be undertaken on the other shortlisted options.

Figure 8: Project feasibility process



The consultant team engaged for the Queenstown Town Centre Masterplan were briefed on helping to identify potential sites in the CBD and evaluating their suitability against a range of different assessment criteria. They identified the following sites as potentials for evaluation.

Figure 9: Site options within the Queenstown CBD



Building Area

One of the first filters applied to the potential sites was:

- Can it accommodate current and future staff numbers?

The Central Government Workplace Standards and Guidelines (CGWSG) for office space recommend an occupancy density goal of between 12m² and 16m² per full time equivalent (FTE). These guidelines have been used to define the building area required for QLDC's needs. Please note that the business case will need to reflect a review of the CGWSG in 2017 with occupancy density set to reduce to 14m². Council will want to review the floor space requirement on this basis and in line with the development of the Work Place Strategy which is likely to point towards more flexible working solutions and this is anticipated by 2030.

Table 11: Floor area requirements

Year	FTEs	Occupancy Density (m²/FTE)	Floor Area Required (m²)	Council Chambers (m²)	Total Area Required (m²)
2017	210*	16	3,360	150	3,510
2020	250	16	4,000	150	4,150
2030	330	12	3,960	150	4,110

*210 FTE at Queenstown does not reflect current vacancies

It was agreed with the PCG on 8 May to work on a building area of 4,150 m² for the site analysis. This would be sufficient to cater for 2020 projected growth at a density of 16 m²/FTE and allow for growth beyond that, to around 330 FTEs, through a revised workplace strategy that targeted a density of 12 m²/FTE.

Best practise suggests fewer but larger floors reduce the duplication of infrastructure that is characteristic of sites with multiple small floor plates. Therefore, it was agreed that the preferred site should be able to accommodate the area required over a maximum of two floors.

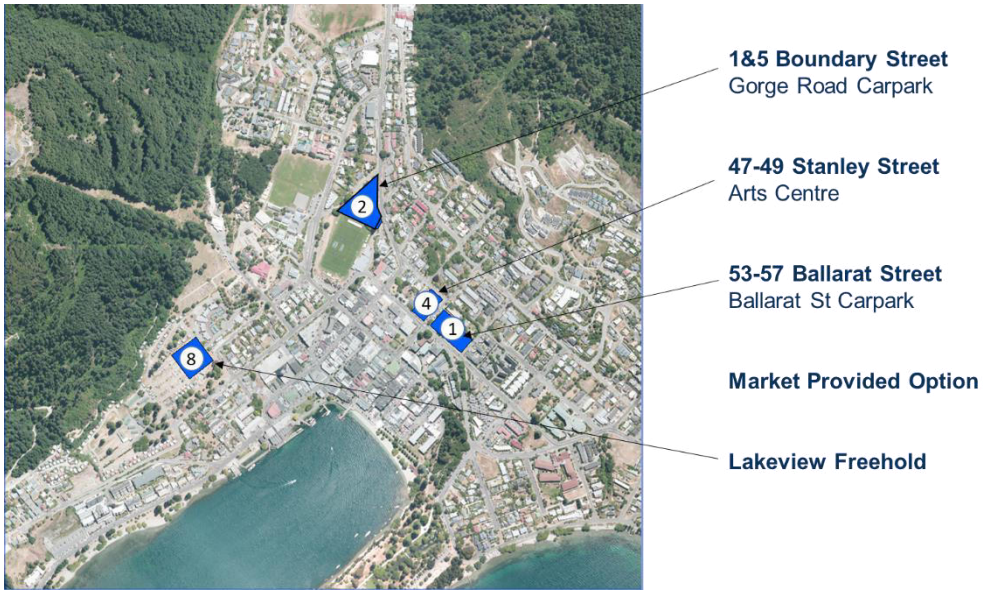
Path to Use

To enable the targeted move in date to be achievable the land use planning requirements (path to use) will need to be quick and efficient. Those sites requiring difficult changes to use through the Reserves Act, because of their current reserves status, have been discounted from further evaluation.

Shortlisted Sites

The potential sites identified in Figure 9 were narrowed down on the building size and path to use requirements discussed above to arrive at the following shortlist of sites for detailed assessment.

Figure 10: Shortlisted sites within the Queenstown CBD



Multi Criteria Assessment

The shortlisted sites where then evaluated against several business need considerations, implementability/risk factors, time and costs. This assessment highlighted that all the options performed well in some areas but had different strengths and weaknesses, making it hard to pick a clear winner. The full assessment can be found in Appendix 3.

Table 12: Summary of multi criteria assessment

Criteria	Option 1 Ballarat St Carpark	Option 2 Gorge Rd Carpark	Option 4 Arts Centre	Option 8 Lakeview Freehold
Benefits Delivered	100%	94%	100%	100%
Land Value ($/m²)	$2,500.00	$350.00	$1,920.00	$1,270.00
Site Coverage	50%	79%	82%	53%
Land Use Potential	Poor (Difficult)	Good (Easy)	Poor (Difficult)	Good (Easy)
Time to Consent	1-3 yrs	1 yr	1-3 yrs	2 yrs
Spatial Framework Fit	Good	Poor	Good	Poor
Accessibility/connection	Good	Good	Good	Poor
Disruption to community activities	Neutral	Neutral	High	Neutral
Rank	1	2	4	2

Town Centre Masterplan – Creating a Community Heart

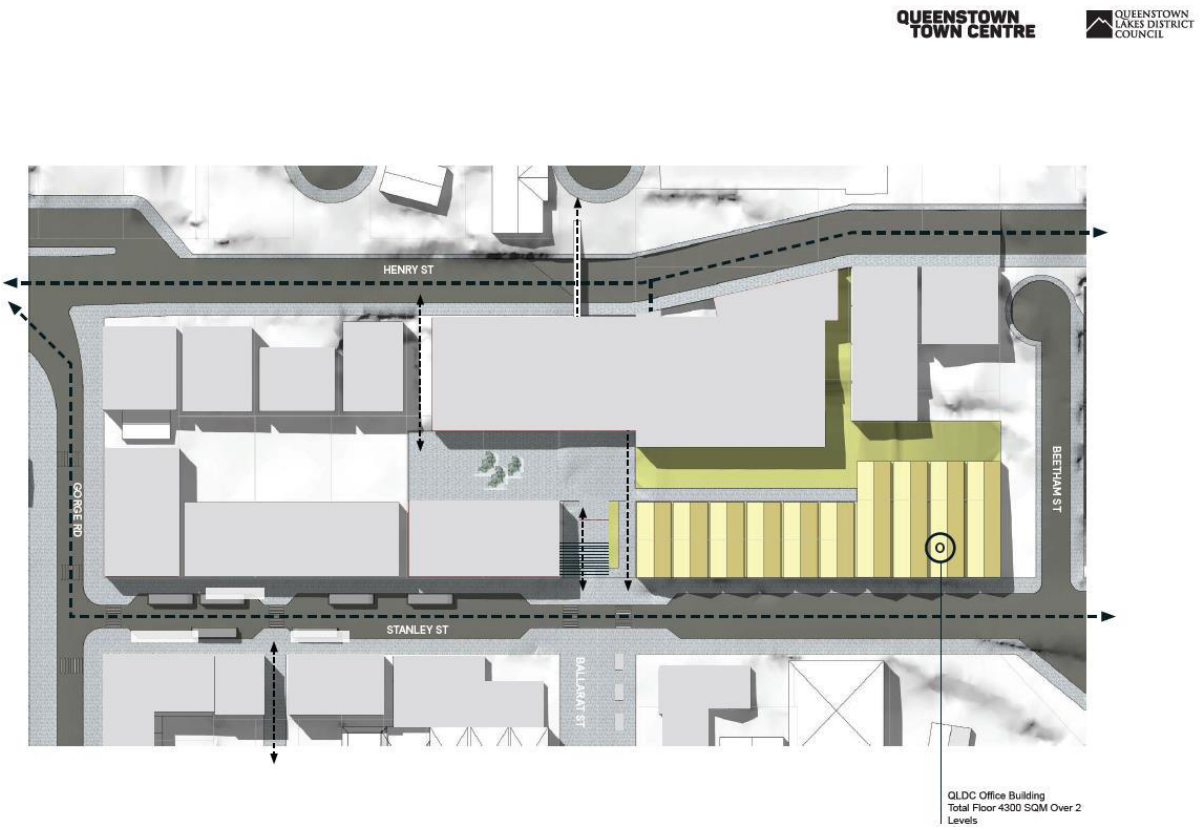
These sites were fed into the Queenstown Town Centre Masterplan project to check which one had the best alignment with the overall vision for the Town Centre.

The idea of re-establishing a community heart has come through strongly, both through the project work and the early community engagement where QLDC were told that more community and cultural activities are needed in town. Queenstown has a rich history but doesn't tell its local stories. Historically, the Council offices and library were located on Stanley Street - a shift back to that location provides a strong connection to our past. This is a key reason that a Stanley Street site is preferred for Project Connect and the community heart.

Another concept that is being developed in the masterplan is that of 'active frontages', defined as street frontages where there is an active visual engagement between those in the street and those on the ground floors of buildings. This suggests that the ground floor of Project Connect would be better for public access community space.

The following site plan shows a potential future layout for the community heart with a potential location for Project Connect shown in yellow.

Figure 11: Site Planning - Community Heart



4.5 The Preferred Way Forward

Of the two sites in the proposed community heart, options 1 and 4, Option 1 – Ballarat St Carpark is considered the easiest to develop, has the strongest connections with the civic access and good opportunities to co-locate with a proposed parking building.

With a preferred site now identified, consideration needs to be made for what quality of build is required to meet the business needs and community expectations.

A quantity surveyor was engaged to develop a generic cost model around two build options on the Ballarat St Carpark.

1. Office building only of 4,150 m² (gross floor area).
2. Office building of 4,150 m² (gross floor area) and 83 car park spaces.

The district plan requires 1 car park for every 50 m² which equates to the 83 car parks for an office of 4,150 m². With the opportunity to co-locate with a new parking building it was considered appropriate to understand the difference between building the required car parks or leasing them from the new parking building.

The cost model provided 'order of costs' with a range from low, medium and high order costs. These are summarised below.

Table 13: Summary of build quality options

Components	Low	Medium	Med-High	High
Build costs	$19,910,000	$22,920,000	$26,620,000	$28,970,000
Build costs ($/m²)	$4,800	$5,500	$6,400	$7,000
Car parking	$0	$340,000	$340,000	$5,060,000
Other costs (site works, escalation, fees, contingency)	$8,810,000	$10,320,000	$12,520,000	$14,980,000
Total cost	$28,720,000	$33,580,000	$39,480,000	$49,010,000

Adopting the high estimate should reduce the risk of budget overruns and help improve the chances of successfully delivering on the key benefits being sought. However, it does run the risk of being seen by ratepayers as extravagant expenditure and unnecessary. Should concessions be necessary, then it was agreed by the PCG that the level of fit out and sustainability rating are the two areas where compromise is most willing to be made. It is also considered unnecessary to provide parking as part of this project when council is also considering providing parking buildings in this location, from which spaces could be leased.

Being a project with such a long-term outcome it is considered important to "do it once and do it right", hence a budget in the range of $40m - $50m is preferred. A final budget of $41.5m has been included in the draft 2018 10 Year Plan. The full assessment of the build quality options is included in Appendix 4.

It should be noted that the above options are based on an office building only split over two floors. To incorporate the 'active frontage' concept a third floor could be added with the ground floor being used for public access community space. An obvious choice for public access community space is the incorporation of a public library.

Library Options

For many, the library is an integral part of their community. As such, the role and position of a library in the Queenstown CBD will be considered closely in the process of creating a community heart.

With the rapid digitalisation of life as we know it, there is uncertainty over what the community might require of its library in 5, 10, 20 or 50 years' time. Therefore, QLDC is focussing initially on an up to 5-year temporary plan for library services for Frankton and Queenstown, which keeps long-term options flexible. This would also give time for the demand of a library hub in Frankton to be assessed alongside the needs of Queenstown CBD.

Options for library services may include keeping the status quo and having the Queenstown Library remain at its current site in (Gorge Road), or re-locating to a temporary or permanent new location. In summary, the initial options are:

1. Remain at Gorge Road site (status quo)
2. Incorporate within Project Connect (existing building plans).
3. Incorporate within Project Connect (extended building plans).
4. Move to a space outside Project Connect.

Remain at Gorge Road site

The viability of this option will depend largely on how changes to town centre arterials impact the site. It may be that the new roading layout runs through the Gorge Road building, which would need to be demolished to make room.

Advantages

- Retaining of existing services.
- Potential for expansion into vacated office space.
- Low cost solution.

Disadvantages

- Risk that the Gorge Road building will be demolished to make way for the new arterials.
- Lost opportunity of property sale through disposal of the Gorge Road property.

Incorporate within Project Connect (existing building plans)

Combining council chambers alongside library services on the ground floor of Project Connect would lead to a library floor area of around 650 m² (Project Connect has a proposed floor area of 4,150 m²). Office demand projections for QLDC suggest that the current building plans would be sufficient to house the library for up to 3 years where a workplace strategy based around 12 m²/FTE is used. See the summary table below.

Library size	@16 m²/FTE	@14 m²/FTE	@12 m²/FTE
750m²	0 yr	0 yr	< 2 yrs
650m²	0 yr	0 yr	< 3 yrs
550m²	0 yr	0 yr	< 4 yrs
450m²	0 yr	0 yr	< 5 yrs

For this option, the 'base build' costs/rates are expected to be about the same (or very similar) for a library space versus an office space. The cost difference would lie primarily within the 'fit out' works. Typically, a library fit out is more expensive than an office due to the need for enhanced acoustics and greater internal decorative features, as well as a generally higher specification of services, primarily driven to meet acoustic requirements. The cost premium to go from an office space to a library space is estimated to be an extra $500/m². Any cost uplift to accommodate a library within the office building also needs to capture additional project 'on costs' i.e. consultant fees, building consent costs, contingencies and market escalation. These are all percentage calculations that can be added to the 'base' construction cost.

The cost uplift to accommodate a library within the proposed footprint could be up to an additional $0.4m.

Advantages

- Efficient use of space, allowed for office growth, in the short-term.
- Provides an active community frontage to Project Connect in the short-term.
- Enables disposal of the Gorge Road property and the resulting revenue.
- Low cost solution.

Disadvantages

- Risk that the office growth will occur before a permanent library solution is provided.
- Limited flexibility of future use unless office growth does not eventuate.

Incorporate within Project Connect (extended building plans)

Extending the proposed floor area to accommodate a library has been checked with the architects and an addition of around 650m² is achievable with little impact on the proposed 'bulk and form' location on the Ballarat St carpark site.

As with the above option, a cost premium of $500/m² has been advised by the quantity surveyor over that for an office build. This suggests that the cost of adding 650 m² for a library space could be up to an additional $4.2m.

If, after the first few years, the space is no longer required to contain library services, the area could:

- support other community uses
- be used for office expansion

Advantages

- Provides an active community frontage to Project Connect.
- Enables disposal of the Gorge Road property and the resulting revenue.
- Has the flexibility of being used for other purposes once a permanent library solution is determined.

Disadvantages

- Higher cost solution.

Move to a space outside Project Connect

To ensure a full suite of options is considered, for a possible short-term library solution in the town centre, it is important to consider other council properties that could be repurposed. One option that may be worth investigating further is 44 Stanley Street. This site is directly opposite the preferred Project Connect site (Ballarat St carpark) so has great connection to the civic axis and community heart concepts from the town centre masterplan.

Advantages

- Enables disposal of the Gorge Road property and the resulting revenue.
- Has the flexibility of being used for other purposes once a permanent library solution is determined.
- Low cost solution.

Disadvantages

- Constrained by the existing building design.
- Existing occupants would need to be re-accommodated elsewhere.

5 Outlining the Commercial Case

5.1 The Deal – What we need to buy/fund

To progress this project forward, a detailed business case is proposed that will further develop the preferred solution in the following areas:

- Incorporation of new workplace strategy
- Evaluation of co-location opportunities – including a library and parking.
- Concept designs
- Commercial/Financial/Management cases

To support the development of the detailed business case and ensure it is a robust piece of work it is recommended that the following professional services are engaged.

- Legal services – to confirm the path to use options and preferred way forward.
- Planning services – to understand and plan for resource consent application.
- Design services
    - Concept Design – lodge Project Information Memorandum (PIM) to establish if resource consent is required.

Following completion of the detailed business case and approval from decision makers to proceed the following services will be required.

- Legal services – it is expected that legal services will be required for land negotiations or challenges to land use.
- Design services
    - Preliminary Design – lodge for resource consent (if required).
    - Developed Design – documentation for tender and building consent
- Construction contractor

5.2 Procurement strategy

The procurement strategy can be discussed in two phases.

The first phase is to support the development of more detailed information to progress Project Connect to a point where QLDC can engage with the market. This first phase can follow Council's standard procurement processes, with agreed set of skills and services to be procured, as required. The following principles are proposed to guide this phase:

- Move forward at pace – favours continuing with the existing project team.
- Maximise benefits in a manner that minimizes risk to ratepayers (opportunity cost, cost neutral) – a commercial team assembled by QLDC would play a key role in considering joint venture options against traditional delivery and helping the Council to connect with the right capability in the market. An All of Government (AoG) suppliers panel exists with expertise in this area that could be used to provide services to council. Should include consideration of design, build, own, operate and transfer options.

The second phase will be to approach the market.

- Procurement strategy to be developed with commercial team once preferred delivery method has been determined.

5.3 Consenting strategy

The consenting strategy will need to be developed in coordination with the QLDC commercial team and the preferred delivery method. Key principles to be considered are:

- Land use to fit within existing Reserves Act provisions.

- Architects to lead building consent application.
- Panel suppliers to be used for resource consent application.

The preliminary planning assessment for the preferred site is included in the Project Connect Summary Report from Assembly Architects Ltd (Appendix 5).

5.4 Property acquisition strategy

QLDC currently administers the land under the Reserves Act as local purpose reserve (site for community centre and carparking). The land will continue to be used for these purposes with the inclusion of carparking and a library strengthening the administration of this site for community use. However, it will be necessary to amend the purpose to incorporate other, more general, community uses.

5.5 Implementation and contract management

With the desire to 'move forward with pace', it is proposed that design is progressed as soon as possible. However, it would be disingenuous to commence design work in detail before consultation is undertaken via the 2018 QLDC 10 Year Plan.

It is also proposed that a dedicated project manager is engaged to driver this project forward at pace.

6 Outlining the Financial Case

6.1 Indicative costs

Existing costs

The following table outlines the existing operating budgets for all Council Offices. The majority of this is made up of the Queenstown office buildings.

Table 14: Existing operating budgets for council offices

149 – Council Offices	2017/18
Depreciation + interest	130,293
Lease payments	654,484
Operational costs	441,374
	1,226,152

At this indicative stage, the following assumptions have been made in the financial analysis.

- The above depreciation + interest and lease payments costs will be avoided/replaced going forward with a new one office solution.
- These costs are representative of the Queenstown costs and those attributable to other areas haven't been removed.

Impact on financial statements

Two indicative financial models have been prepared. The first assumes that a traditional delivery method is adopted and QLDC build and fund the office from debt.

Table 15: Indicative financial analysis - Council Build

Year	1	2	3	4	5	Yrs 0-10
	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Preferred Way Forward: Council Build						
Capital	5,729,000	21,434,000	14,289,000	0	0	41,452,000
Operating	0	286,000	1,358,000	3,128,000	3,128,000	23,540,000
Funded by:						
Existing Opex	0	0	0	1,226,000	1,226,000	8,582,000
Existing Capital				9,300,000		9,300,000
Extra Revenue	0	286,000	1,358,000	1,902,000	1,902,000	14,958,000
Extra Capital	5,729,000	21,434,000	14,289,000	-9,300,000	0	32,152,000

Key assumptions in this modelling are:

- Land receipts from Gorge Road at $9.3m.
- Interest rate of 5% p.a.
- The operational costs are assumed to be $503k p.a.
- Straight line depreciation based on a standard life of 75 years.
- No allowance for a new library.

Indicative modelling shows a negative Net Present Value (NPV) of around $18.3m.. However, it is generally agreed that council due to its low cost of capital and the absence of any margins for return on investment can deliver a new office building at a lower cost than the private sector.

Library costs

Section 4.5 discussed the options of incorporating a library into Project Connect. The costs ranged from $0.4m to $4.2m (less if it occupies capacity or more if it is treated as additional space) based on a floor area of around 650m².

Funding of $5.3m was included in the 2015 10 Year Plan for a Frankton Library in 2020. At the September 2017 council meeting it was agreed to seek Expressions of Interest (EOI) for a potential Frankton Library lease. This may mean that some of the $5.3m could be redirected towards a Queenstown library facility.

6.2 Options for alternative procurement

The Council-owned funding solution is challenging in the context of the 2018 10 Year Plan in terms of debt loading. Although it is proposed the cost be included, options for alternate funding have been considered.

However, recent accounting advice regarding off balance sheet treatment versus on balance sheet treatment suggests that it may be difficult to structure a funding arrangement for Project Connect on the Ballarat St carpark site that is off balance sheet. Alternate options such as Lakeview (freehold land) however may lend themselves to a joint venture arrangement.

Key issues with alternative procurement options are:

- To ensure council has the security of tenure desired then the likely accounting treatment will require the debt to be recognised on Council's balance sheet.
- The reserve land status of the Ballarat St carpark site weakens Council's negotiation position.
- To ensure council only pays a market rent it is likely that other revenue opportunities (e.g. parking fees) will be necessary to make the investment attractive to the private sector.

Should further pressure come on regarding the overall affordability of the 2018 10 Year Plan then it would be prudent to re-test the market for a market provided solution. It is however expected that a market provided solution does not exist that will satisfy council's key objectives, which can be summarised as:

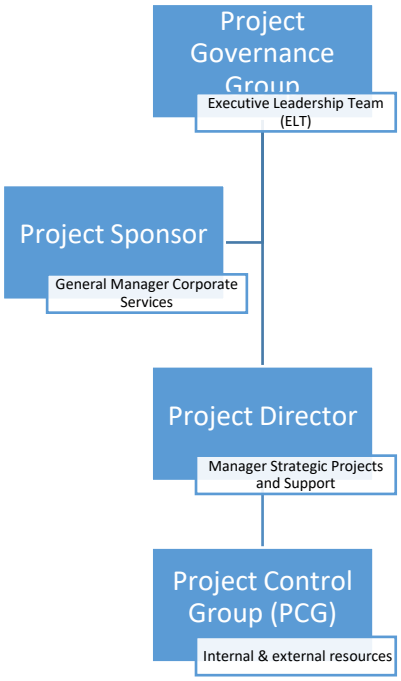
- One office
- Within the Queenstown town centre
- Providing security of tenure

7 Outlining the Management Case

7.1 Governance and reporting

The existing governance and reporting structure, shown below, is proposed to be retained into the next phase of the project.

Figure 12: Governance and reporting structure



7.2 Project management and assurance

If the structure above is used within QLDC, the key governance and management roles, as identified in the organisation structure, are outlined below:

Role	Responsibility
Project Governance Group (PGG)	The Project Governance Group will have a governance role, ensuring that the project is delivered to the required standards and that QLDC reporting requirements are complied with. The PGG is proposed to be comprised of the QLDC Executive Leadership Team (ELT).
QLDC – Project Sponsor	As Project Sponsor, responsibilities include but are not limited to: • providing the project's strategic direction and overview • monitoring progress against the project's objectives
QLDC – Project Director	As Project Director, responsibilities include but are not limited to: • successfully delivering the project • ensuring risk is effectively identified and managed
Project Control Group (PCG)	The Project Control Group will work together to help deliver a successful project and comprises a team with appropriate skills and diversity for this scale of works: Internal:

Role	Responsibility
	• Project Sponsor – General Manager Corporate Services • Project Director – Manager Strategic Projects and Support • Members – GM, Property & Infrastructure, Property Manager, Chief Information Officer, Corporate Manager, Financial Advisory Manager, Communications Manager, Corporate Administration External: • Architect – Trevor Watt (Athfield Architects) • Business Case Lead – Tom Lucas (Rationale)

For the next phase of the project it is proposed that dedicated project manager is engaged to help drive the project forward at pace. The project manager would report to the PCG.

The following key milestones have been identified:

- Land tenure secured – 2018
- Scope/integration confirmed – 2018
- Delivery model confirmed – 2018
- Programme confirmed – 2018

7.3 Communications and stakeholder management

A formal consultation period is scheduled for March 2018.

As done during the indicative business case development, leveraging governance and stakeholder groups will be a key part of informing and engaging a wide audience, alongside regular main stream updates (such as the QLDC website and monthly newsletter). Key groups to regularly inform and gain guidance from will be:

- District Councilors and Mayor
- QLDC Executive Leadership Team
- QLDC staff
- Iwi
- Disability advisory representatives

Appendix 1 – Issues & Opportunities

QUEENSTOWN LAKES DISTRICT COUNCIL

Improving the delivery of effective and efficient services for the community

Investment Plan for QLDC Accommodation

ISSUES
Initiative

Service Delivery

1. There are multiple (and confusing) points of contact for the public.
2. The fragmented location creates significant management, organisational culture and engagement challenges.
3. The disaggregated service delivery causes significant confusion and frustration to residents who simply view the service provider as "council" whatever structure it operates under.
4. Need for a workplace strategy to improve delivery model for both the community and staff.
5. Need to ensure service delivery models are in step with rapidly advancing technology solutions and smart community expectations
6. Community engagement opportunities within Council structures are limited by space restrictions.
7. Multiple Queenstown sites contribute to increased ICT network cost and complexity

Quality

8. The quality of public and working space is sub-standard.
9. The buildings are below modern office standards in terms of light and energy efficiency, leading to unnecessary costs.
10. A building suitable for accommodating the emergency operation centre and critical records storage requires a higher seismic rating.
11. Technology and community innovations at the library are restricted.
12. Current facilities lack sufficient collaboration, innovation and concentration space.
13. The current accommodation of QLDC fails to deliver on positive brand aspirations (pride of place, effective efficient, professional, can do, resilient etc).
14. The work environment has potential to impact recruitment and retention.
15. There is no suitable engagement or working environment for elected members.
16. The current buildings don't encourage or recognise the need for health and wellbeing ie locker rooms, showers, bike parks etc.
17. Ground level of Shotover Street and Church Street buildings are within the 100 year flood zone – this currently presents a server risk.

Capacity

18. QLDC Office Accommodation at Gorge Road and Shotover Street is currently at capacity.
19. Community, reading and activity spaces limited: still largely a place for storing books.
20. Limited library space and poorly positioned to serve as a community hub.

Town Centre Health

21. Stemming the attrition of professional and creative offices from the town centre.
22. There is a risk that the town centre could become less relevant to the local community.

Other

23. The lease arrangements for most buildings are inefficient.
24. Leasing arrangements pose a medium term risk.

Investor:	QLDC	Version no:	2.2
Facilitator:	Tom Lucas	Initial Workshop:	05/02/2017
Accredited Facilitator:	No	Last modified by:	Tom Lucas 09/03/2017
		Template version:	5.0

QUEENSTOWN LAKES DISTRICT COUNCIL

Improving the delivery of effective and efficient services for the community

Investment Plan for QLDC Accommodation

OPPORTUNITIES

Initiative

Workplace Strategy

1. Facilitate collaboration
2. Break down silos
3. Encourage inter-departmental understanding
4. Welcome incidental learnings and chance encounters
5. Encourage creativity and innovation through design and layout
6. Support relationship building between departments
7. Support alternative and flexible workplace models
8. Encourage management by results, rather than management by presence
9. Take advantage of using the space to promote workplace values and behaviours
10. Best meet the needs of the organisation in terms of desk / meeting room utilisation (space utilisation study required)

Brand / Image

1. Maximise the potential for positive technology developments
2. Support the image of a progressive, professional 'can-do' council
3. Challenge the conceived notions and traditional poor reputation of local government
4. Make staff feel proud of their workplace
5. Make a statement about our brand and values – best Council.
6. Present a modern, competent, professional image.

Customer / Community

1. Provide a good customer experience – payments and services in different locations
2. Provide a modern library facility, optimised for the services available
3. Provide an environment that balances the need of resident community and visitors (especially in the library and customer services areas)
4. Provide a council hub for the community to be proud of
5. Provide good parking and public transport links

Recruitment / OH&S

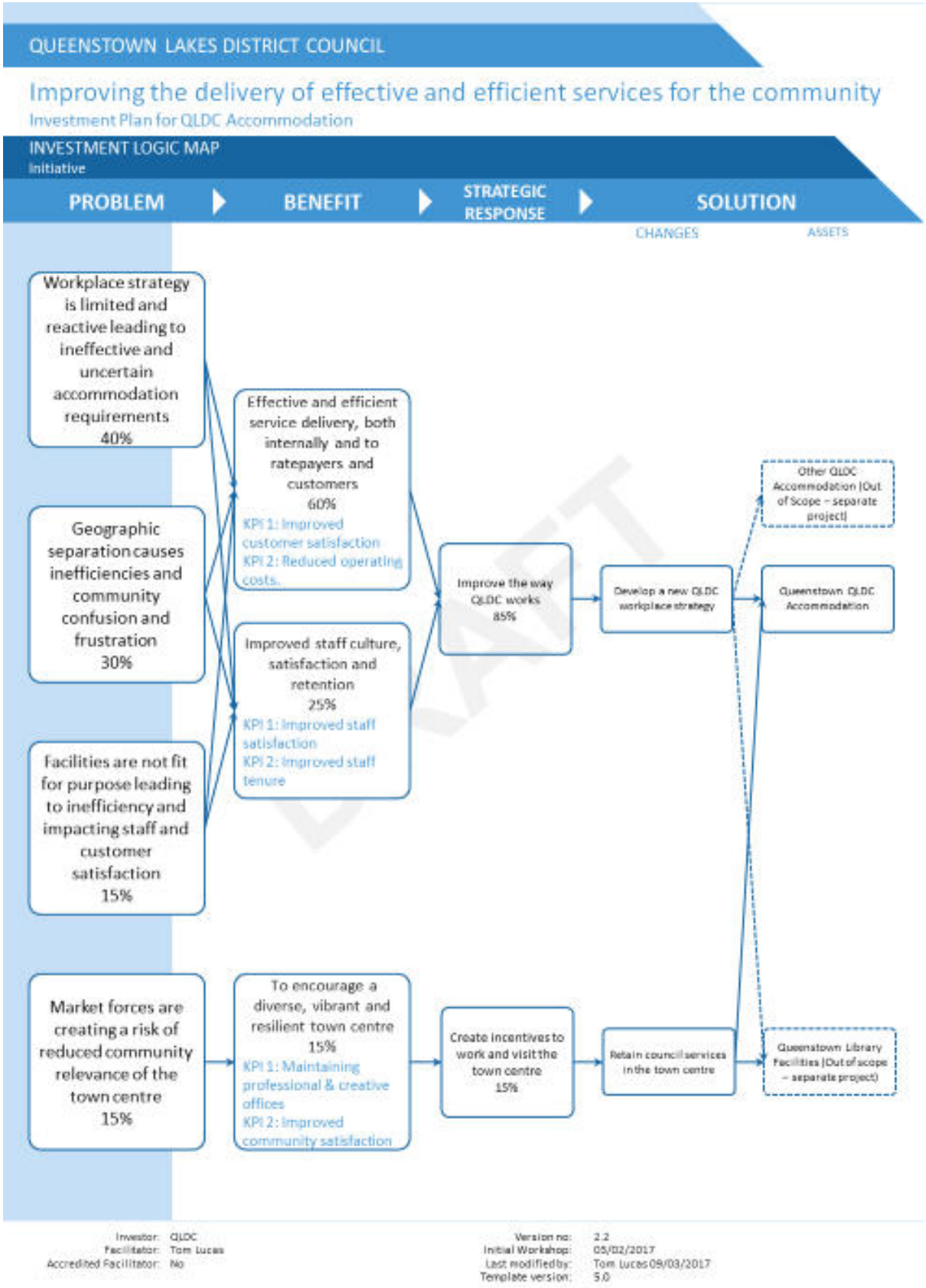
1. Support attraction of new staff
2. Support retention of staff
3. Provide a physical environment that reflects the way staff are valued
4. Prioritise staff wellbeing – it encourages sitting and traditional formats that are detrimental to health
5. Provide an environment that promotes wellness – i.e. staff showers, locker rooms, gym

Property / Facilities

1. Minimise operational cost
2. Streamline property portfolio to reduce actual and administrative costs
3. Promote reduction of paperwork for environmental, financial and security reasons
4. Promote clear desk policies (good housekeeping and improved security)
5. Promote the reduction of on-site storage
6. Offer enhanced CDEM facilities
7. Prevent flooding
8. Allow streamlining of suppliers and services i.e. FM services (cleaning, maintenance etc)
9. Provide an accessible environment for the disabled
10. Provide confidence about the primacy of staff safety (confusion over earthquake safety ratings and perceptions that the building is unsafe)
11. Provide the opportunity for growth or future-proofing
12. No ability to encourage or lead community in changing transport options/behaviour

Investor:	QLDC	Version no:	2.2
Facilitator:	Tom Lucas	Initial Workshop:	05/02/2017
Accredited Facilitator:	No	Last modified by:	Tom Lucas 09/03/2017
		Template version:	5.0

Appendix 2 – Investment Logic Map (ILM)



Appendix 3 – Multi Criteria Assessment of Shortlisted

Project Connect - QLDC Accommodation

Meaghan Miller
Tom Lucas
08-05-17
7
Tom Lucas 03/04/2017

			Strategic options					
			Option 1	Option 2	Option 4	Option 7	Option 8	Market
Benefits			53-57 Ballarat St (Carpark)	Gorge Road Carpark	Cnr Stanley and Ballarat St (Arts)	Lakeview - Lot 19 (Reserve land)	Lakeview (Lot 12 - Freehold)	0
Percentage of full benefit to be delivered			**100%**	**94%**	**100%**	**100%**	**100%**	**94%**
Benefit 1	Effective and efficient service delivery, both internally and to ratepayers and customers - 60% KPI 1: Improved customer satisfaction KPI 2: Reduced operating costs.	60%	5	5	5	5	5	5
Benefit 2	Improved staff culture, satisfaction and retention - 25% KPI 1: Improved staff satisfaction KPI 2: Improved staff tenure	25%	5	5	5	5	5	5
Benefit 3	To encourage a diverse, vibrant and resilient town centre - 15% KPI 1: Maintaining professional & creative offices KPI 2: Improved community satisfaction	15%	5	3	5	5	5	3
Cost								
Site Area (Ha)			0.46	0.48	0.28	10.22	1.85	1.31
Land value (LV)			11,550,000	1,670,000	5,400,000	30,850,000	23,430,000	
Capital value (CV)			-	1,720,000	5,425,000	42,912,000	28,994,000	-
Land value ($/m2)			$ 2,500.00	$ 350.00	$ 1,920.00	$ 300.00	$ 1,270.00	$ -
Site Preparation Cost (High/Medium/Low)			M	M	M	L	L	
Time (to consent)								
(Short/Medium/Long)			1 yr - 3 yrs	1 yr	1 yr - 3 yrs	2 yrs - 3 yrs	2 yrs	2 yrs
Business Needs/Considerations								
250 Staff + Chamber, Use of Dev Potential 2 Story			50%	79%	82%	28%	53%	
Site Can Fit 2 Story - Y/Maybe/N			YES	Maybe RC	YES	YES	YES	
Site Ground Can Include Active Edge and Office Y/N/NA			NA	NO	NO	YES	YES	
Land Use Potential to incorporate public facilities (L/M/H)			H	H	H	H	H	
Land Use Potential to incorporate private facilities (L/M/H)			L	H	L	H	H	
Active Edge Required & Problematic Y/N*			Non Commercial	No	Non Commercial	No	No	
Development Independence			L	H	M	H	L	
Land disposal opportunities			H	M	L	L	H	
Shape - can a well functioning building be built? (L/M/H)			H	H	H	H	H	
Accessibility - to arterials, PT, parking (5 min walk)(L/M/H)			H	H	H	M	M	
Connectivity - to CBD (L/M/H)			H	H	H	M	M	
Spatial Framework fit (L/M/H)			H	L	H	L	L	
Public front door (L/M/H) City Prominace			H	L	H	L	L	
Environmental considerations - sunlight etc.			H	H	H	H	H	
Infrastructure - utilities, UFB etc.			H	H	H	M	M	
Resilience - natural hazards, flood, liquefaction (L/M/H)			H	M	H	H	H	
Impementability/Risks								
Technical/constructability								
Geotechnical issues (H/M/L)			L	M	L	L	L	
Land Use - Public path to use (Reserves Act)(H/M/L)			M	L	M	H	L	
Land Use - Private path to use (Reserves Act)(H/M/L)			H	L	H	H	L	
Land Use - RMA Consentability (H/M/L)			L	M	L	H	L	
Disruption to council & community activities (H/M/L)			M	M	H	M	M	
Construction risks - e.g. health & safety			L	L	L	L	L	
Commercial arrangements (H/M/L)			H	L	H	L	M	
Financial								
Staff dissatisfaction (H/M/L)			M	M	M	M	M	
Public/stakeholder dissatisfaction (H/M/L)			M	M	H	L	L	
Ranking								
1-3			1	2	4	Discounted	2	

Overall Assessment:

Recommendation:

Sites

Appendix 4 – Build Quality Options Assessment

Project Connect:
- Build quality options

Investor: QLDC
Facilitator: Tom Lucas
Initial Workshop: 05-07-17
Version No.: 3
Last Modified by: Tom Lucas - 10-07-17

	Strategic options			
	Option 1	Option 2	Option 3	Option 4
Build quality options	Low	Medium	More Ambitous	High
Base building only	$13,280,000	$14,110,000	$14,940,000	$14,940,000
Fit out	$3,120,000	$3,740,000	$3,740,000	$4,570,000
Seismic premium - IL3 to IL4	$0	$0	$1,200,000	$1,200,000
Sustainability (based on Greenstar model)	$910,000	$1,240,000	$1,220,000	$2,360,000
Design flexibility/futureproofing	$590,000	$920,000	$1,500,000	$1,880,000
Location premium - aesthetic design uplift to	$460,000	$710,000	$1,120,000	$1,120,000
Furniture, fittings and equipment	*$300,000*	*$500,000*	*$700,000*	*$700,000*
Information technology equipment/phones etc.	*$0*	*$250,000*	*$400,000*	*$400,000*
General external works	*$500,000*	*$700,000*	*$900,000*	*$900,000*
Above ground risk - retaining wall treatment	*$750,000*	*$750,000*	*$900,000*	*$900,000*
Total	**$19,910,000**	**$22,920,000**	**$26,620,000**	**$28,970,000**
$/m²	**$4,800**	**$5,500**	**$6,400**	**$7,000**
Carparking	$0	$340,000	$340,000	$5,060,000
Total	**$19,910,000**	**$23,260,000**	**$26,960,000**	**$34,030,000**
$/m²	**$4,800**	**$5,600**	**$6,500**	**$5,400**

	Strategic options			
	Option 1	Option 2	Option 3	Option 4
Benefits	Low	Medium	More Ambitous	High
Percentage of full benefit to be delivered	**40%**	**60%**	**80%**	**100%**
Cost				
Other costs (site works, escalation, fees,	$8,810,000	$10,320,000	$12,520,000	$14,980,000
Total cost	**$28,720,000**	**$33,580,000**	**$39,480,000**	**$49,010,000**
Total cost ($/m²)	**$6,900**	**$8,100**	**$9,500**	**$7,700**
Impact per Rating Unit ($/unit)	**$1,200**	**$1,400**	**$1,700**	**$2,100**
Other benefits				
Emergency Operations Centre	No	No	Yes	Yes
Flexible Council Chambers	No	Partial	Yes	Yes
Local Government Leaders Climate Change	No	Partial	Partial	Yes
Urban Design Guidelines	No	Partial	Yes	Yes
WPS	No	Partial	Partial	Yes
Risks				
Political	m - widespread staff attitude problems, moderate	m - widespread staff attitude problems, unlikely	m - widespread staff attitude problems, unlikely	l - widespread staff attitude problems, rare
Economic	h - loss <$5m, likely	h - loss <$5m, moderate	m - loss <$5m, unlikely	m - loss <$5m, unlikely
Social	m - some loss (>25%) of community support, moderate	m - some loss (>25%) of community support, moderate	h - some loss (>25%) of community support, likely	h - some loss (>25%) of community support, likely
Technology	m - major milestone missed by 1-3 months, moderate	m - major milestone missed by 1-3 months, moderate	m - major milestone missed by 1-3 months, moderate	m - major milestone missed by 1-3 months, likely
Legal	i - moderate legal impact or breach, unlikely	i - moderate legal impact or breach, unlikely	i - moderate legal impact or breach, unlikely	i - moderate legal impact or breach, unlikely
Environmental	h - long term but immaterial effect on environment, almost certain	m - long term but immaterial effect on environment, moderate	m - long term but immaterial effect on environment, moderate	m - long term but immaterial effect on environment, unlikely
Ranking				
1-3			**2**	**1**

Appendix 5 – Project Connect Summary Report

(Assembly Architects Ltd)

ASSEMBLY ARCHITECTS LIMITED

Assembly Architects Ltd
6 Arrow Lane
PO Box 192
Arrowtown 9351

File #
Project Name
Project Address

28 November 2017

Client Name
Client Address

PROJECT CONNECT SUMMARY REPORT

Executive Summary

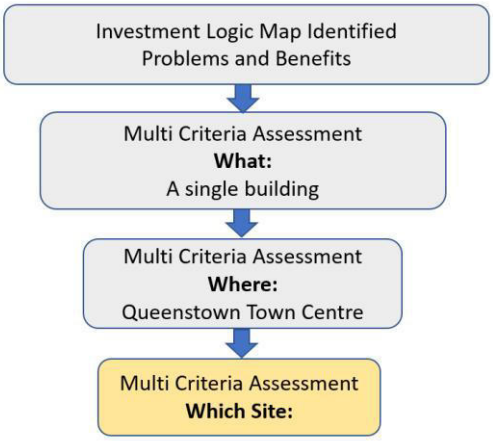
Beca have been engaged to provide Architect Services to assist Queenstown Lakes District Council in writing a business case for the development of a new office building.

The preferred site of the a proposed new building is 53-57 Ballarat Street. The main reasons for the selection of this site are

- The size of the site is a good fit, and can accommodate the size of the building and on grade car parking.
- The land is administered by QLDC, the use of land for administration building is suitable.
- The site is located adjacent to public transport

Background

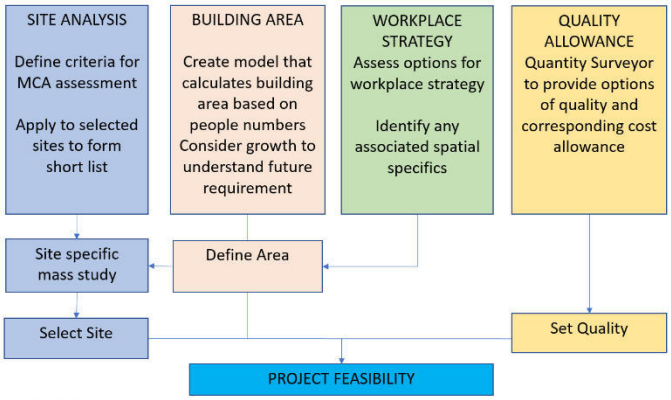
Assembly Architect provided service to assist with information to included in the Better Business Case for the Project Connect workstream within the Queenstown Town Center Masterplan Project. The project connect BBC had progressed through a number of steps before our engagement. The project Investment Logic Map had been established, two Multi Criteria Assessments had identified that the preferred option was to investigate a single building in the Queenstown Town Center. The service that was to identify which site, establish a building area and assist with providing information required to establish a rough order of cost.



PROCESS

A process map was developed that included four Components required to test feasibility.

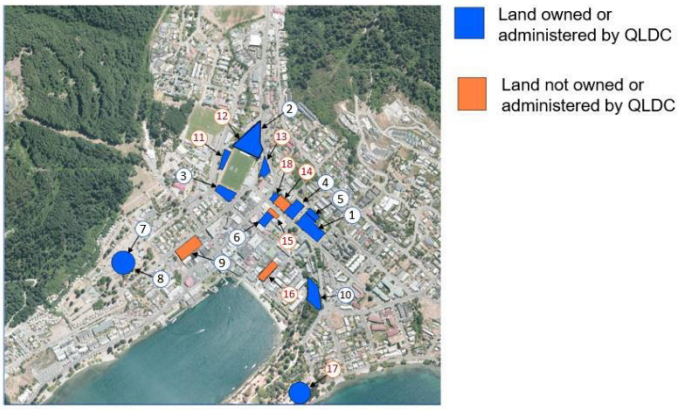
1. Site options and Analysis.
2. Building Area
3. Workplace Strategy
4. Quality Allowances



SITE OPTION LONG LIST

A survey of all land owned and or administered by QLDC was taken. Land not owned or administer by QLDC was also considered. Existing buildings and or sites large enough for a potential fit were included in the list.

QLDC provided a planning report for the identified sites.



BUILDING AREA

The proposed building area is 4150sqm.

The size of the building is determined by following New Zealand Governments Property Management Center of Expertise Workplace Standards and Guidelines for office space July 2014, document attached. The guideline includes recommendation that

- *Overall Occupancy Density (total NLA divided by headcount) shall be no higher than 16m2'*
- *Reduce total-life occupancy costs, including working towards an occupancy density goal of between 12m2 and 16m2 per FTE'*

GROWTH CONSIDERATION

QLDC is a fast growing district. It should be anticipated that there will be growth in the organisation thought he period of the project delivery. QLDC carried out an internal assessment of FTE growth for use to calculate the building area. The target move in date was set at 2020.

Paul Speedy confirmed the number of employee's.

- Yr 0 (move in 2020/21) – 250 head count -> 250 x 16m2 = 4,000sqm
- Yr 10 to 12 (future proofing) - 330 to 350 -> 330 x 12m2 = 3,960sqm

It was agreed that the design size for the office is 4,000sqm allowing for 250 FTE on building opening in 2020. QLDC will require a strategy to limit growth of the organisation over 10years to 330 FTE while managing a workplace strategy that reduces the area per FTE to 12sqm over the period.

An Additional 150sqm is added for a Council Chamber.

SITE OPTIONS DEVELOPMENT COMPATIBILITY

A spreadsheet was developed that compared the district plans permitted activity building envelope to the required building size to test the fit with the site options. This provided insight to how much of the site floor area under a single, two or three stories option.

Option	Address	Land Area (m²)	Max Height	Site Coverage Permitted	Ground Floor Cover	2 Story Development Potential	3 Story Development Potential		1 Story	2 story	3 story	Active Edge On Ground	District Plan / Designation
1	53-57 Ballarat Street (Stanley St Carpark)	4622	12m	90%	4159.8	8,320	12,479		100%	50%	33%		#215 - Local Purpose Reserve
2	Boundary Rd (Gorge Road Carpark)	4790	12m	55%	2634.5	5,269	7,904		158%	79%	53%		High Density Residential Zone (SZ.A) / #232 Carpark
3	Rec Ground Camp Street	2800	7-8m	90%	2520	5,040			165%	82%	NA		(SZ.A) / #210 Recreation Reserve
4	Cnr Stanely & Ballarat St (Arts)	2816	12m	90%	2534.4	5,069	7,603		164%	82%	55%		Queenstown Town Centre Zone / #215 - Local Purpose Reserve
5	63 Ballarat Street (upper ballarat)	1668	7-8m	55%	917.4	1,835			452%	226%	NA		High Density Residential Zone
6	Athol Street + 52 Stunely St	2541	12m	80%	2032.8	4,066	6,098		204%	102%	68%		Queenstown Town Centre Zone /Designation??
7	Lakeview (Lot 19 Reserve land)	8373	12m	90%	7535.7	15,071			55%	28%	NA		Queenstown Town Centre Zone / #211 Recreation Reserve Motor
8	Lakeview (Lot 2)	4357	12m	90%	3921.3	7,843	11,764		106%	53%	35%		Queenstown Town Centre Zone / #211 Recreation Reserve Motor
9	Man Street (Carpark)	3594	12m		3594	7,188			115%	NA	NA		Queenstown Town Centre Zone
10	Market Provided Soultion												

MULTI CRITERIA ASSESSMENT

A multi criteria assessment was developed to review a broad set of assessment criteria. 53-57 Ballarat St is identified as the preferred option.

	Option 1	Option 2	Option 4	Option 6	Option 7
Strategic Interventions	53-57 Ballarat St (Carpark)	Gorge Road Carpark	Cnr Stanley and Ballarat St (Arts)	Athol Street	Lakeview - Lot 19 (Reserve land)
Time (to consent)					
(Short/Medium/Long)	1 yr - 3 yrs	1 yr	1 yr - 3 yrs	1 yr	2 yrs
Business Needs/Considerations					
250 Staff + Chamber, Use of Dev Potential 2 Story	50%	79%	82%	102%	28%
Site Can Fit 2 Story - Y/Maybe/N	YES	Maybe RC	YES	YES	YES
Site Ground Can Include Active Edge and Office Y/N/NA	NA	NO	NO	YES	YES
Land Use Potential to incorporate public facilities (L/M/H)	H	H	H	M	H
Land Use Potential to incorporate private facilities (L/M/H)	L	H	L	H	H
Active Edge Required & Problematic Y/N*	Non Comercial	No	Non Comercial	No	No
Development Independence	L	H	M	H	L
Land disposal opportunities	H	M	L	L	H
Shape - can a well functioning building be built? (L/M/H)	H	H	H	M	H
Accessibility - to arterials, PT, parking (5 min walk)(L/M/H)	H	H	H	H	M
Connectivity - to CBD (L/M/H)	H	H	H	H	M
Spatial Framework fit (L/M/H)	H	L	H	H	L
Public front door (L/M/H) City Prominace	H	L	H	H	L
Environmental considerations - sunlight etc.	H	H	H	L	H
Infrastructure - utilities, UFB etc.	H	H	H	H	M
Resilience - natural hazards, flood, liquefaction (L/M/H)	H	M	H	H	H
Impementability/Risks					
Technical/constructability					
Geotechnical issues (H/M/L)	L	M	L	L	L
Land Use - Public path to use (Reserves Act)(H/M/L)	M	L	M	L	L
Land Use - Private path to use (Reserves Act)(H/M/L)	H	L	H	L	L
Land Use - RMA Consentability (H/M/L)	L	M	L	L	L
Disruption to council & community activities (H/M/L)	M	M	H	M	M
Construction risks - e.g. health & safety	L	L	L	L	L
Commercial arrangements (H/M/L)	H	L	H	H	M
Financial					
Staff dissatisfaction (H/M/L)	M	M	M	M	M
Public/stakeholder dissatisfaction (H/M/L)	M	M	H	M	L

QS COSTING

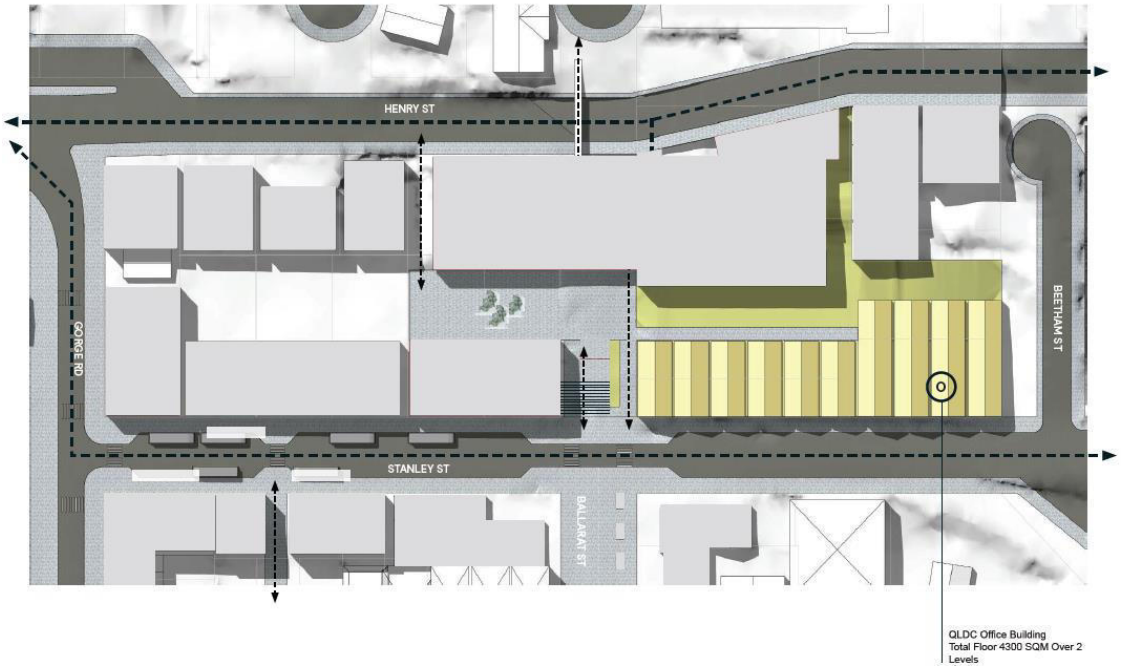
Rider Levett Bucknall provided for 4 site options. RLB provided three levels of quality allowance to reflect a three levels of aspiration from low to high. The QS line items include description about the quality allowances.

SITE PLANNING – CIVIC HEART

Site massing studies for the office building has been included in the civic heart Variation.

QUEENSTOWN TOWN CENTRE

QUEENSTOWN LAKES DISTRICT COUNCIL

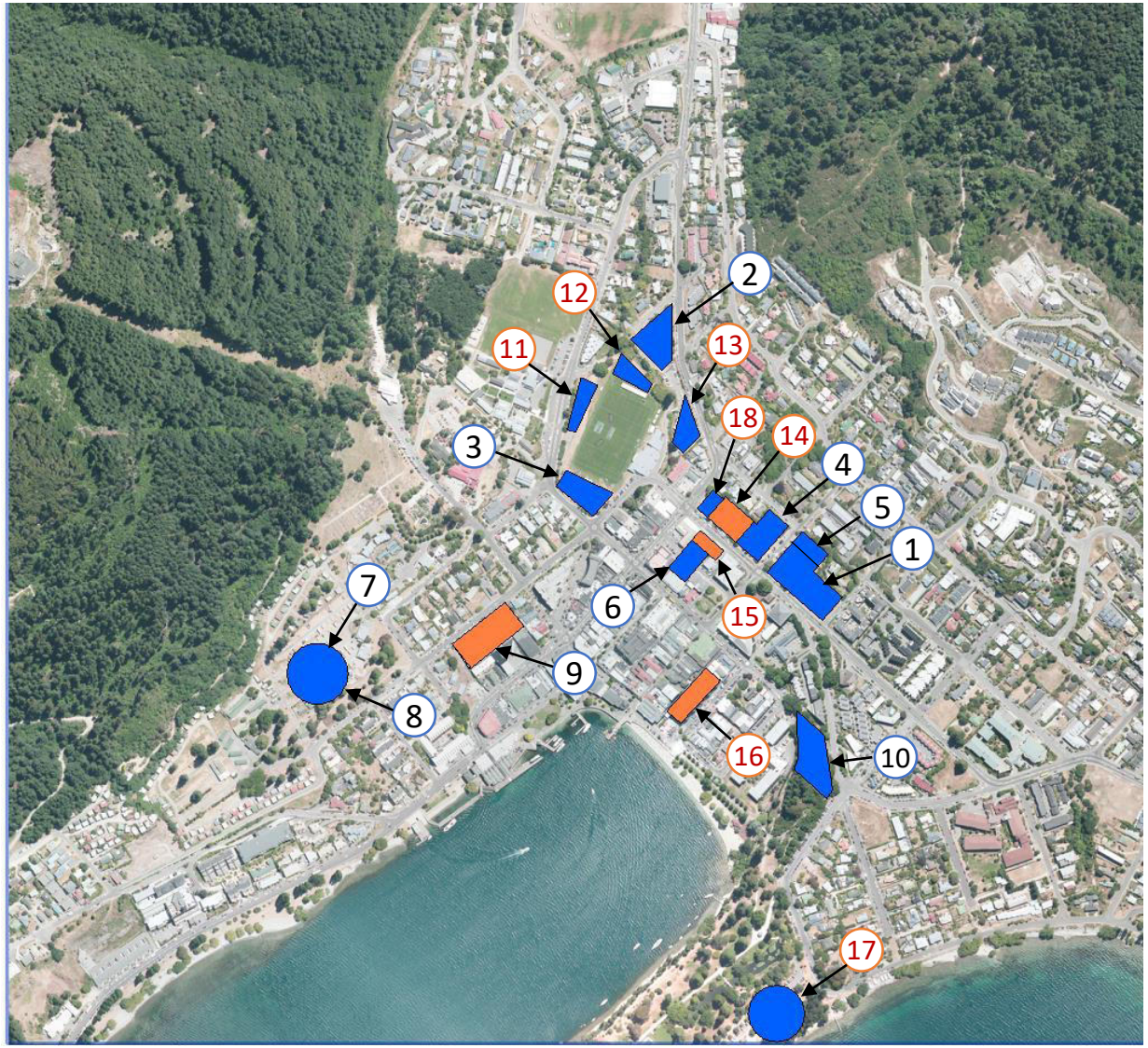


Justin Wright
Registered Architect
For Assembly Architects Ltd
Justin@assembly.co.nz

PROJECT CONNECT

SITE OPTIONS DATA

Project Connect: Site Options



Land owned or administered by QLDC

Land not owned or administered by QLDC

Site Option: 53-57 Ballarat Street

Option 1

53-57 BALLARAT STREET
Address: 53-57 Ballarat Street QUEENSTOWN 9300
Legal Description:
SECS 14-16 SO 19720 SEC 17 SO 19721 BLK XVI
QUEENSTOWN TN - BAL OF TITLE ON 2910 6/15600 -
Valuation Number: 2910523100
Area: 4622m²

Site Option: 5 Boundary Street

Option 2

BOUNDARY ROAD – PART #5
Address: 5 Boundary Street QUEENSTOWN 9300
Legal Description:
LOTS 1-3 DP 10627 SECS 4 6-7 BLK XXIV
QUEENSTOWN TN
Valuation Number: 2910612700
Area: 3008m²

BOUNDARY ROAD – ALL

Addresses:

1. 5 Boundary Street QUEENSTOWN 9300
2. 1 Boundary Street QUEENSTOWN 9300

Legal Descriptions:

1. LOTS 1-3 DP 10627 SECS 4 6-7 BLK XXIV QUEENSTOWN TN
2. SECS 1-2 BLK XXIV QUEENSTOWN TN

Valuation Numbers:

1. 2910612700
2. 2910612500

Areas:

1. 4790m²
2. 1998m²

Total Area: 6788m²

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Site Options: Recreation Ground / Memorial Street

Option 3

RECREATION GROUND – MEMORIAL ST / CAMP ST
Address: 1 Memorial Street QUEENSTOWN 9300
Legal Description:
SEC 134 PT SEC 7 BLK XX SHOTOVER SD (SEC 134 KNOWN AS QUEENSTOWN REC RESERVE
Valuation Number: 2910614000
Area: 2795m² (Approx.)

RECREATION GROUND –ALL
Address: 1 Memorial Street QUEENSTOWN 9300
Legal Description:
SEC 134 PT SEC 7 BLK XX SHOTOVER SD (SEC 134 KNOWN AS QUEENSTOWN REC RESERVE
Valuation Number: 2910614000
Area: 22593m²

Site Options: 47-49 Stanley Street

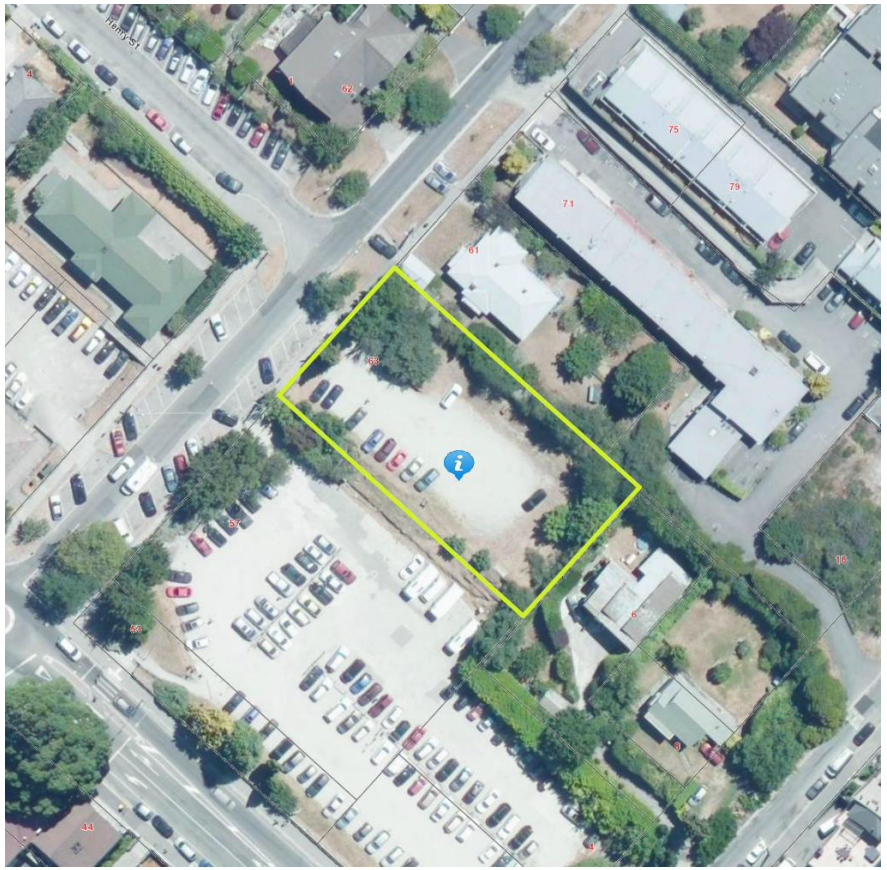
Option 4

47-49 STANLEY STREET
Address: 47-49 Stanley Street QUEENSTOWN 9300
Legal Description:
SECS 1-2 9 BLK XVIII QUEENSTOWN TN - BAL OT TITLE ON 29105/23100 **Valuation Number:** 2910615600
Area: 2816m²

Site Option: 63 Ballarat Street

Option 5

<u>63 BALLARAT STREET</u>
Address: 63 Ballarat Street QUEENSTOWN 9300
Legal Description:
SEC 1 SO 19720 - GAZ 2000/59 & 950
Valuation Number: 2910523400
Area: 1668m²



Site Options: Athol Street

Option 6

ATHOL STREET - ALL
Address: Athol Street QUEENSTOWN 9300
Legal Area: 1789m²

a.

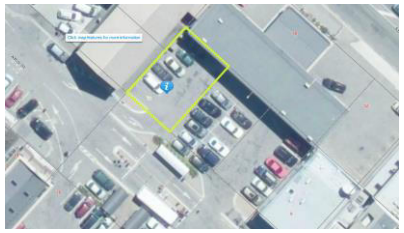
ATHOL STREET
Address: Athol Street QUEENSTOWN 9300
Legal Description:
SEC 4 BLK IV QUEENSTOWN
Valuation Number: 2910630804
Area: 177m²

b-c.

ATHOL STREET
Address: Athol Street QUEENSTOWN 9300
Legal Description:
SECS 5 6 BLK IV QUEENSTOWN
Valuation Number: 2910630805
Area: 384m²

d.

12-16 ATHOL STREET
Address: 12-16 Athol Street QUEENSTOWN 9300
Legal Description:
SEC 19 BLK IV QUEENSTOWN
Valuation Number: 2910630900
Area: 680m²

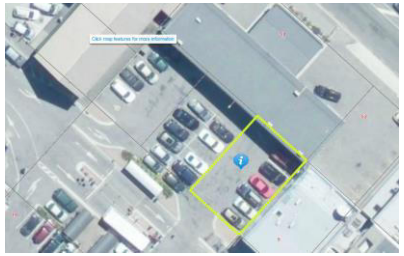


e.

ATHOL STREET
Address: Athol Street QUEENSTOWN 9300
Legal Description:
LOT 1 DP 9331
Valuation Number: 2910630803
Area: 192m²

f.

ATHOL STREET
Address: Athol Street QUEENSTOWN 9300
Legal Description:
SEC 17 BLK IV QUEENSTOWN
Valuation Number: 2910630802
Area: 192m²



g.

ATHOL STREET
Address: Athol Street QUEENSTOWN 9300
Legal Description:
SEC 16 BLK IV QUEENSTOWN
Valuation Number: 2910630801
Area: 177m²

Site Option: Man Street (Camp Ground)

Option 7

PROPOSED SUBDIVISON
Proposed Lot: Lot 19
Area: 8373m²

Option 8

PROPOSED SUBDIVISON
Proposed Lot: Lot 2
Area: 4357m²

CURRENT SITE
Address: 4 Cemetery Road QUEENSTOWN 9300
Legal Description:
SECS 1-4 SO 24298 SECS A I-J SO 24298 CLOSED ROAD BLK XXXII PT BLK XXXII SECS 6- 14 BLK XXIX PR BLK LVI SEC 1 BLK LVI QUEENSTOWN TN PT BLK XXIX SHOTOVER SD LOTS 1-3 DP 354070SECS
Valuation Number: 2910614101
Area: 102186m²

Site Options: Man Street (Carpark)

Option 9

<u>MAN STREET</u>
Address: Man Street QUEENSTOWN 9300
Legal Description: LOT 1 DP 399240
Valuation Number: 2910641104
Area: 3594m²

Site Option: Park Street

Option 10

PARK STREET
Address: Park Street QUEENSTOWN 9300
Legal Description:
SECS 1-2 SO 16567 SEC 3 SO 17993 BLK LII
QUEENSTOWN TN
Valuation Number: 2910506500
Area: 4446m²

Site Options: Ruled out

Option 11

RECREATION GROUND – ROBINS ROAD
Address: 1 Memorial Street QUEENSTOWN 9300
Legal Description:
SEC 134 PT SEC 7 BLK XX SHOTOVER SD (SEC 134
KNOWN AS QUEENSTOWN REC RESERVE
Valuation Number: 2910614000
Area: 1684m² (Approx.)

Option 12

BOUNDARY ROAD – PART #1
Address: Part / 1 Boundary Street QUEENSTOWN
9300
Legal Description: SECS 1-2 BLK XXIV
QUEENSTOWN TN
Valuation Number: 2910612500
Area: 1014m²

Option 13

GORGE ROAD
Address: 8-10 Gorge Road
QUEENSTOWN 9300
Legal Description:
SECS 4-5 BLK XXIII QUEENSTOWN TN
Valuation Number: 2910613300
Area: 1793m²

Option 14

53-61 STANLEY STREET
Address: 53-61 Stanley Street QUEENSTOWN
9300
Legal Description:
SECS 3-5 BLK XVIII TN OF QUEENSTOWN
Valuation Number: 2910615700
Area: 2579m²

Site Options: Ruled out

Option 15

52-58 STANLEY STREET
Address: 52-58 Stanley Street QUEENSTOWN 9300
Legal Description:
LOT 1 DP 301019 SEC 7 BLK IV QUEENSTOWN TN
Valuation Number: 2910630500
Area: 753m²

Option 16

5-17 CHURCH STREET
Address: 5-17 Church Street QUEENSTOWN 9300
Legal Description:
LOTS 1-4 DP 300463 BEING LOT 1 DP 27486
Valuation Number: 2910503100
Area: 2355m²

Site Options: Ruled out

Option 17

PARK STREET – GARDENS
Address: Park Street QUEENSTOWN 9300
Legal Description:
PT SECS 4-5 7 BLK LI QUEENSTOWN TN
Valuation Number: 2910507200
Area: 4371m²
(Total 129288m²)

Option 18

STANLEY STREET – SITE 01
Address: Stanley Street QUEENSTOWN 9300
Legal Description:
SEC 10 BLK XVIII QUEENSTOWN
Valuation Number: 2910615800
Area: 681m²

PROJECT CONNECT

QLDC One-Office Options

Preliminary Planning Assessment

1. 52-62 Ballarat Street/2-4 Beetham Street
2. 47-61 Stanley Street
3. 58 Stanley Street
4. Queenstown Recreation Reserve (South)
5. Queenstown Recreation Reserve (West)
6. Queenstown Recreation Reserve (North)
7. 10 Gorge Road
8. Boundary Street Carpark
9. Queenstown Gardens
10. Horne Creek Recreation Reserve
11. Queenstown Motor Park (Man Street)
12. Man Street Carpark
13. 5-17 Church Street

May 2017

General Comments

All sites:

- All applications will require resource consent due to the underlying zoning and/or the type of activity proposed.
- It is very highly recommended all applications be reviewed by the Queenstown Urban Design Panel.
- Given all the proposed sites are located within or very near to the town centre, access, parking and traffic effects will be one of the major areas that will be assessed. A traffic impact assessment will be required, more so if transportation standards cannot be met.
- Designations – although QLDC is the requiring authority for a number of the designations which apply to the proposed sites, the proposal of council offices is outside the scope of the designation. Therefore the use of the outline plan process is not applicable.
- In addition to the site and zone specific planning context of each site, the District Plan contains various 'district wide' provisions which are applicable regardless of zoning. Specific chapters of relevance include but are not limited to:
    - Transportation
    - Signage
    - Earthworks

Particular Assessment Matters for the Queenstown Town Centre Zone:

Public Spaces

- The design of buildings fronting parks and the Square contribute to the amenity of the public spaces.

Street Edges (including Active Frontages)

- Built form contributes to providing a high quality, spatially well-defined and contained streetscape and associated urban amenity.
- Visual interest is provided through a variety of building forms and frontages in terms of footprint, height and design.
- Buildings should avoid blank walls which are visible from public spaces.
- Where provided, car parking is accessible and does not dominate the streetscape.
- Buildings and streetscape design comply with CPTED principles.

Sustainable Buildings

- The adoption of sustainable building design principles using sustainable materials, passive and active solar energy collection (where this is workable), water conservation techniques and/or, grey water recycling.

Landscaping

- Planting and landscaping is designed to:
- Maintain access to winter sun.
- Integrate site landscape design with the wider context.
- Comply with CPTED principles

Car Parking

The district wide parking requirement for offices is 1 per 50m^2 GFA. Therefore, the number of carparks required will be dependent on the GFA of the proposed building.

1. 52-62 Ballarat Street/2-4 Beetham Street

Zoning: Queenstown Town Centre
Designation: #215 – Local Purpose Reserve (Community Centre)

Max Building Height:	12m
Recession Planes:	No
Maximum Site Coverage:	80%
Setback Requirements:	Where the site adjoins a Low Density Residential or High Density Residential Zone or public open space the setback shall be 4.5m. (In this instance this will apply to all northern boundaries).
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent

Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 i for a building in the Town Centre Zone. Council's control is with respect to Design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height

It is likely a breach of maximum height (due to the extent of the breach) will require approval from neighbours due to the dominance and potential overlooking effects. This will be more applicable if the breaches are located close to the neighbours. Should the height breaches be confined to the south of the site, there exists an argument that the effects will be less than minor due to the surrounding Queenstown Town Centre zoning and the permitted 12m maximum height.

Coverage

In this instance although there is an 80% maximum site coverage, the 4.5m internal setback requirement for the northern boundaries bordering the adjacent HDR sites will reduce the maximum overall footprint. However, should 100% site coverage be proposed, the likelihood of consent being granted will be influenced by the design of the building and whether or not it contributes positively to the streetscape.

Setback

In terms of the internal 4.5m setback requirement, should it be breached, it is likely that affected persons approval (APA) from the neighbours will be required due to the nature and scale of what is proposed.

Design[1]

Given the high visibility of the site, and location of the proposed building on a prominent corner, design and appearance will be extremely important. Another factor to take into account, is parking, access and the impact of a major office and associate vehicles on the surrounding roads due to the town centre setting of the site transportation and the already congested network.

[1] See particular assessment matters for the Queenstown Town Centre Zone (Page 2)

2. 47-61 Stanley Street

Zoning: Queenstown Town Centre
Designation: #215 – Local Purpose Reserve (Community Centre) – This only applies to 47-49 Stanley Street. The remainder of the site is un-designated.

Max Building Height:	12m
Recession Planes:	No
Maximum Site Coverage:	80%
Setback Requirements:	No setback requirements (no neighbouring HDR sites)
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent:
Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 i for a building in the Town Centre Zone. Council's control is with respect to Design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Given the high visibility of the site, and location of the proposed building on a prominent corner, design and appearance will be extremely important. Another factor to take into account, is parking, access and the impact of a major office and associate vehicles on the surrounding roads due to the town centre setting of the site transportation and the already congested network.

Height

It is likely a breach of maximum height (due to the extent of the breach) will require approval from the neighbours in the surrounding HDR zoned sites due to the dominance effects. This will be more applicable if the breaches are located close to the neighbours. Should the height breaches be confined to the south of the site, there exists an argument that the effects will be less than minor due to the surrounding Queenstown Town Centre zoning and the permitted 12m maximum height.

Coverage

In this instance although there is an 80% maximum site coverage, should 100% be proposed, the likelihood of consent being granted will be influenced by the design of the building and whether or not it contributes positively to the streetscape.

Setback

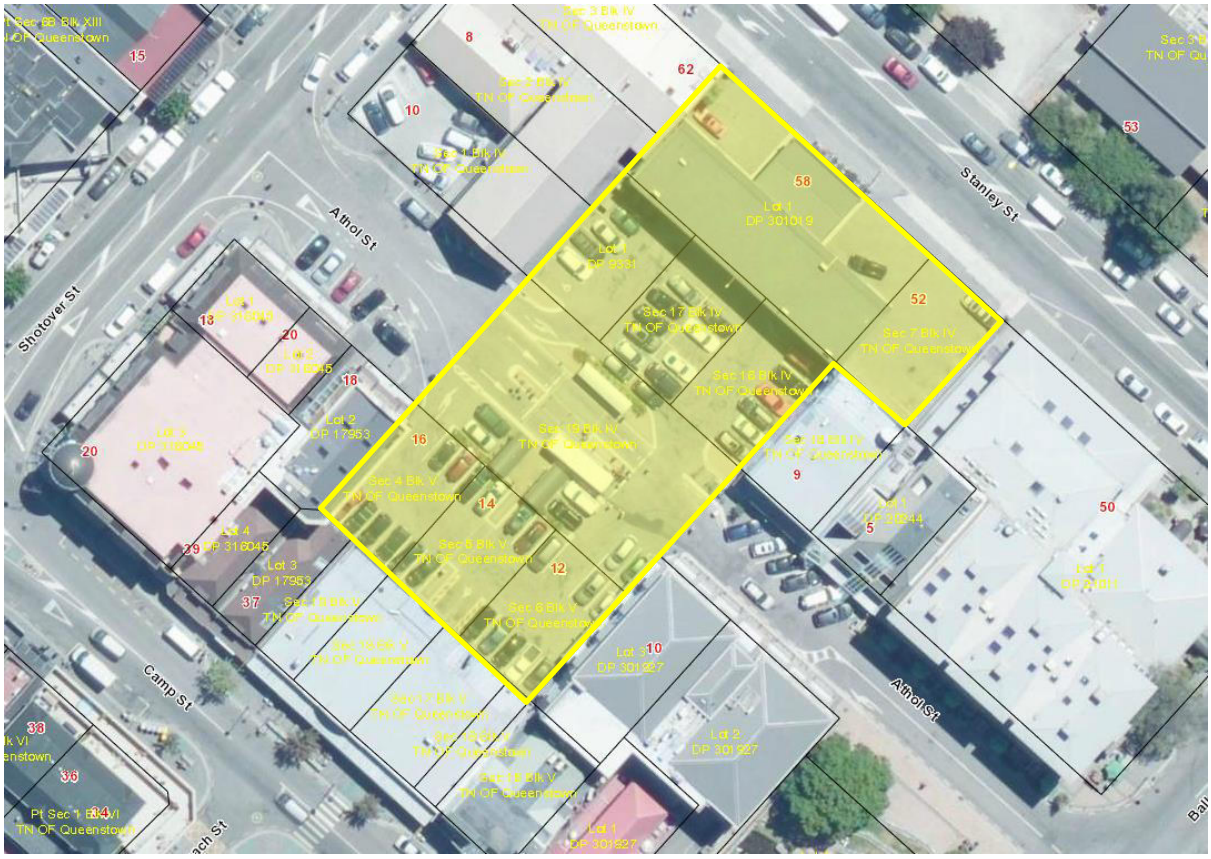
In terms of the internal 4.5m setback requirement, should it be breached, it is likely that affected persons approval (APA) from the neighbours will be required due to the scale of what it is proposed.

Design[2]

Given the high visibility of the site, and location of the proposed building on a prominent corner, design and appearance will be extremely important. Another factor to take into account, is parking, access and the impact of a major office and associate vehicles on the surrounding roads due to the town centre setting of the site transportation and the already congested network.

[2] See particular assessment matters for the Queenstown Town Centre Zone (Page 2)

3. 58 Stanley Street



Zoning: Queenstown Town Centre
Designation: #81 - Carpark

Max Building Height:	12m
Recession Planes:	No
Maximum Site Coverage:	80%
Setback Requirements:	Where the site adjoins a Low Density Residential or High Density Residential Zone or public open space the setback shall be 4.5m. In this case N/A
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent:

Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 i for a building in the Town Centre Zone. Council's control is with respect to design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Given the high visibility of the site, and location of the proposed building on a prominent corner, design and appearance will be extremely important. Another factor to take into account, is parking, access and the impact of a major office and associate vehicles on the surrounding roads due to the town centre setting of the site transportation and the already congested network.

Height

Given the surrounding environment, it is recommended that the 12m height limit be adhered to as most buildings appear to be within the 12m height limit. A breach of this will potentially result in effects that are more than minor.

Coverage

In this instance although there is an 80% maximum site coverage, should 100% be proposed, the likelihood of consent being granted will be influenced by the design of the building and whether or not it contributes positively to the streetscape. However, given the surrounding environment, coverage of 100%, although requiring resource consent, will be feasible as many surrounding buildings occupy the entirety of their respective sites.

Design[3]

Given the high visibility of the site, and location of the proposed building on a prominent corner, design and appearance will be extremely important. Another factor to take into account, is parking, access and the impact of a major office and associate vehicles on the surrounding roads due to the town centre setting of the site transportation and the already congested network.

A potential case study to use in this context is the Palmerston North City Council building. Although a much larger building and site, it spans over a road. Can be used as an example of what to do, or what not to do.

Using this site has the potential to improve the streetscape along this particular length of Stanley Street which is currently very bleak and un-interactive (black facades and remnants of a former service station).

General

In terms of the resource consent process, parking and access, given the large number of pool vehicles used by QLDC, will be a key area that will be assessed. Can sufficient parking be accommodated on site, and if so, what will be the implications of this on traffic flows and movements within the CBD.

The use of this site will result in the loss of parking spaces. If shortlisted, it is highly recommended that the infrastructure team be liaised with in order to understand the implications, and whether or not approval would be given.

[3] See particular assessment matters for the Queenstown Town Centre Zone (Page 2)

4. Queenstown Recreation Reserve (South)

Zoning: High Density Residential (Subzone A)
Designation: #210 (Queenstown Recreation Reserve)

Max Building Height:	Flat Site – 8m Sloping Site – 7m (A site is sloping if the slope across the footprint of the building is greater than 6 degrees)
Recession Planes:	Flat – Yes Sloping - No
Maximum Site Coverage:	55%
Setback Requirements:	Road boundary setback – 4.5m Internal boundary setback – one of 4.5, remainder 2m
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent:
Given the High Density Residential (Subzone A) zoning, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 7.5.3.2 iii (b) for a building for community activities. Council's control is with respect to:
    - The location, height, external appearance and methods of construction to avoid or mitigate adverse effects on:
        - the street scene;
        - adjoining or surrounding buildings;

        - public open space, amenity linkages and view corridors;
        - the visual amenity of open spaces, streets and the surrounding landscape.
    - The relationship of the building to its neighbours in terms of its built form, and to other built elements in the Zone, including public open spaces.
    - The relationship of parking, access and manoeuvring areas in respect of access point options for joint use of car parking and the safety of pedestrians.
    - The extent and quality of any landscaping proposed and the effectiveness of proposed planting in enhancing the general character of the area, screening car parking areas, and the impact on residential uses.
    - Compatibility with the New Zealand Urban Design Protocol, having regard to those assessment matters under 7.7.2 xiii Urban Design Protocol.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height
In this instance a breach of the maximum height of 8m, will likely be assessed in respect of the 12m maximum height limit of the neighbouring sites located on the opposite site of the road of Camp and Memorial Streets. Therefore, a breach of the 8m maximum height up to 12m will likely be assessed in light of the permitted baseline of 12m for the aforementioned sites, making a height breach of up to 4m above the permitted 8m feasible.

Recession Plane
Given that there are no recession planes required for the surrounding town centre zones, and the HDR sites to the north west are a school and fire station, a proposal which breaches this would be feasible, given the surrounding context of existing land use and zoning.

Site Coverage
Given that this area is only a portion of the larger site, maximum coverage will not be exceeded.

Setback
Although a 4.5m road boundary setback is required for three of the site boundaries, again, given the surrounding environment of Queenstown Town Centre Zoning which does not require a road boundary setback, the impact of breaching this standard will be lesser than compare to a site with a surrounding HDR environment.

5. Queenstown Recreation Reserve (West)

Zoning: High Density Residential (Subzone A)
Designation: #210 (Queenstown Recreation Reserve)

Max Building Height:	Flat Site – 8m Sloping Site – 7m (A site is sloping if the slope across the footprint of the building is greater than 6 degrees)
Recession Planes:	Flat – Yes Sloping - No
Maximum Site Coverage:	55%
Setback Requirements:	Road boundary setback – 4.5m Internal boundary setback – one of 4.5, remainder 2m
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent
Given the High Density Residential (Subzone A) zoning, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 7.5.3.2 iii (b) for a building for community activities. Council's control is with respect to:
    - The location, height, external appearance and methods of construction to avoid or mitigate adverse effects on:

        - the street scene;
        - adjoining or surrounding buildings;
        - public open space, amenity linkages and view corridors;
        - the visual amenity of open spaces, streets and the surrounding landscape.
    - The relationship of the building to its neighbours in terms of its built form, and to other built elements in the Zone, including public open spaces.
    - The relationship of parking, access and manoeuvring areas in respect of access point options for joint use of car parking and the safety of pedestrians.
    - The extent and quality of any landscaping proposed and the effectiveness of proposed planting in enhancing the general character of the area, screening car parking areas, and the impact on residential uses.
    - Compatibility with the New Zealand Urban Design Protocol, having regard to those assessment matters under 7.7.2 xiii Urban Design Protocol.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height
In this context, a breach of maximum height is likely to have effects on one neighbour; the Boutique Hotel located at 21 Robins Road. Although located across the road, there would be effects in terms of overlooking, dominance and loss of amenity. Preliminary discussion with this neighbour in the first instance should this site be shortlisted is recommended. No other parties would be considered to be adversely affected. In terms of environmental effects, a height breach in the location proposed would be prominent due to the isolated located of the potential building. Effects would be largely dependent on the design of the building.

Recession Plans
Recession planes are required to reduce the dominance effects of buildings on neighbours and the streetscape. Again, the feasibility of this breach will be dependent, in this case, on how well the proposed building contributes to the streetscape.

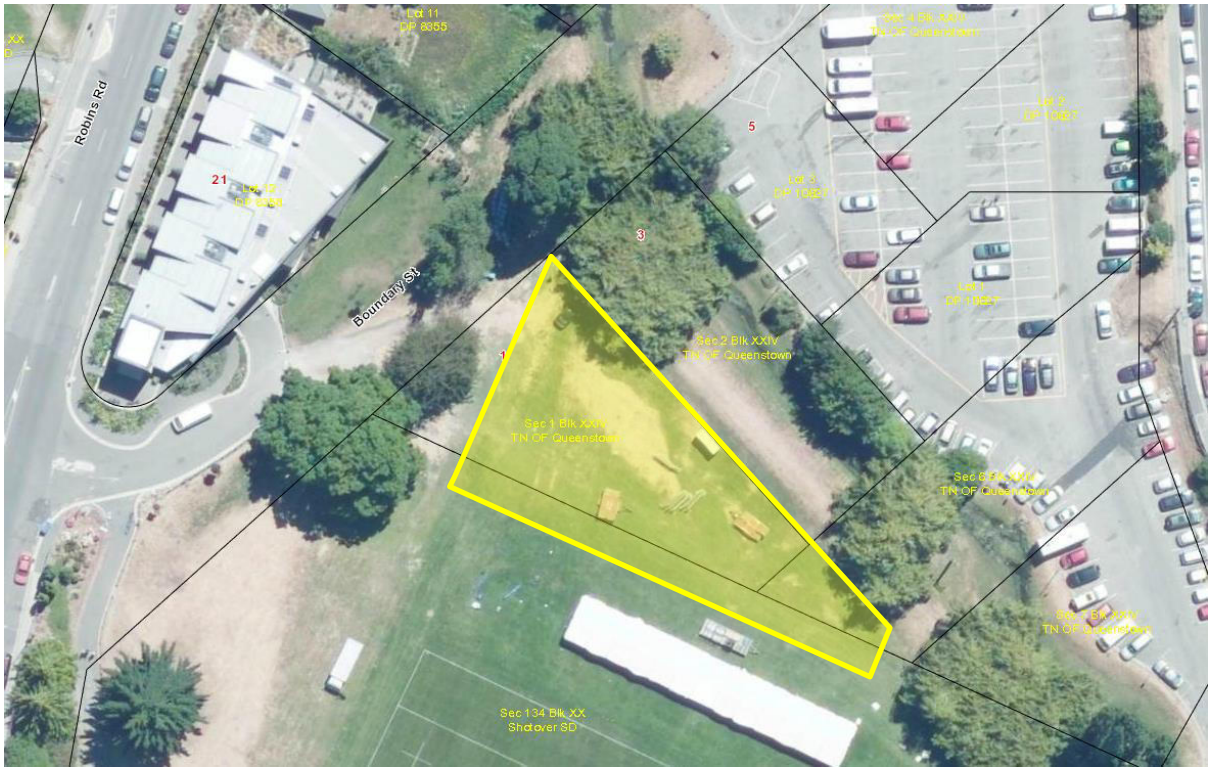
Site Coverage
Given that this area is only a portion of the larger site, maximum coverage will not be exceeded.

Setback
Should a setback breach be proposed, it is unlikely the sites to the west will be adversely affected. The more significantly affected site as a result of this will be the hotel to the north. However, the hotel is located within the 4.5m road boundary setback, so there is the possibility of using precedence.

Traffic
Should the main access be established along Boundary Street, it is anticipated that APA from the hotel will be required due to the increase in traffic flow and associated effects. One factor to take into account is the location of the access along Robins Road will require the loss of carparks.

General
It may be a good idea to liaise with the school in the first instance in order to understand how they operate, and obtain their knowledge of the site and surrounds.

6. Queenstown Recreation Reserve (North)



Zoning: High Density Residential (Subzone A)
Designation: #210 (Queenstown Recreation Reserve) – Only applies to southern portion of proposed site. The majority of the proposed site is un-designated.

Max Building Height:	Flat Site – 8m Sloping Site – 7m (A site is sloping if the slope across the footprint of the building is greater than 6 degrees)
Recession Planes:	Flat – Yes Sloping - No
Maximum Site Coverage:	55%
Setback Requirements:	Road boundary setback – 4.5m Internal boundary setback – one of 4.5, remainder 2m
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent:
Given the High Density Residential (Subzone A) zoning, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 7.5.3.2 iii (b) for a building for community activities. Council's control is with respect to:
    - The location, height, external appearance and methods of construction to avoid or mitigate adverse effects on:
        - the street scene;
        - adjoining or surrounding buildings;

        - public open space, amenity linkages and view corridors;
        - the visual amenity of open spaces, streets and the surrounding landscape.
    - The relationship of the building to its neighbours in terms of its built form, and to other built elements in the Zone, including public open spaces.
    - The relationship of parking, access and manoeuvring areas in respect of access point options for joint use of car parking and the safety of pedestrians.
    - The extent and quality of any landscaping proposed and the effectiveness of proposed planting in enhancing the general character of the area, screening car parking areas, and the impact on residential uses.
    - Compatibility with the New Zealand Urban Design Protocol, having regard to those assessment matters under 7.7.2 xiii Urban Design Protocol.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height
Due to the lack of adjacent neighbours, a breach of maximum height in this location is not likely to adversely affect neighbours. In terms of environmental effects, the site is elevated lower than the surrounding roads and dwellings. Therefore a height breach in this location would be feasible.

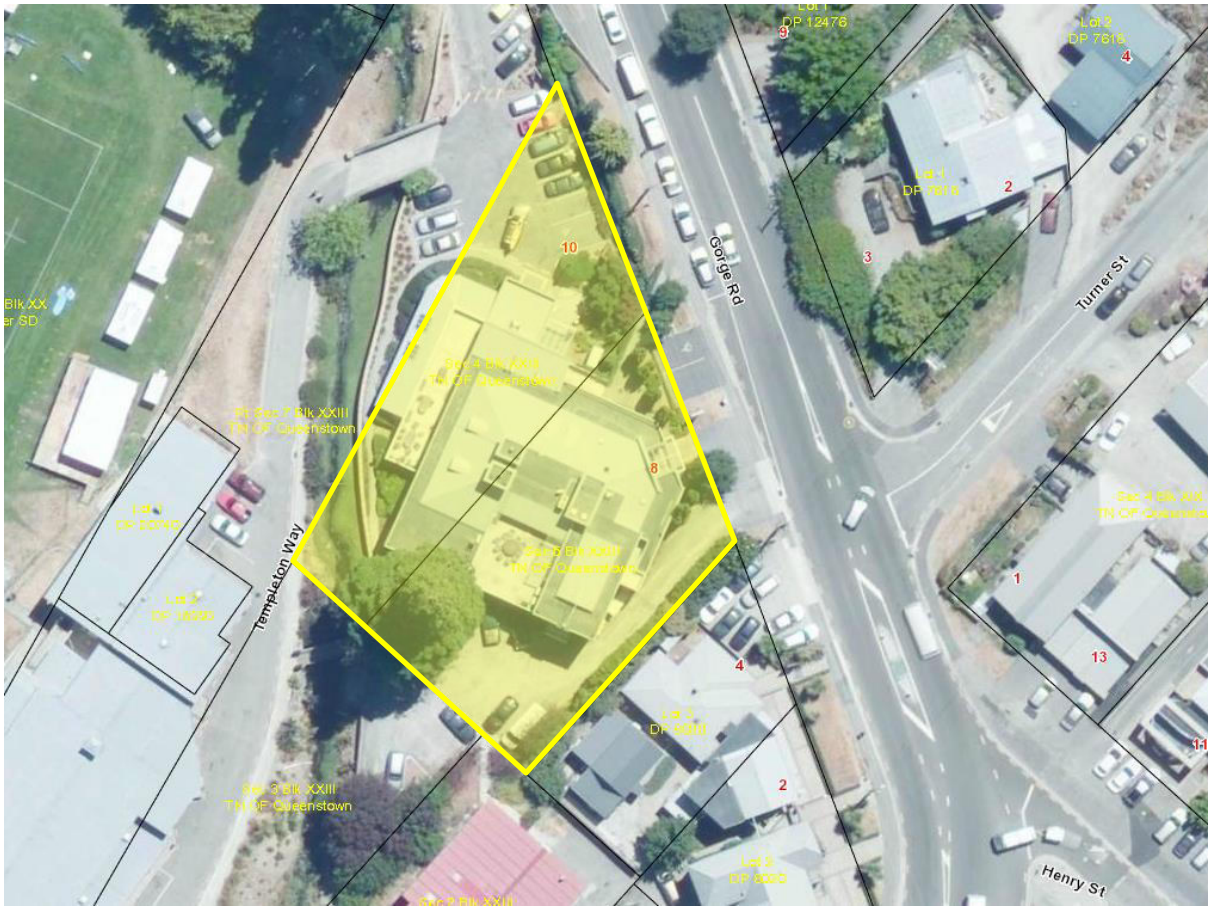
Recession Planes
Given the internal nature of the site within the Recreation Grounds and carpark, a breach in recession planes are not likely to have effects on persons or the environment that will be more than minor.

Site Coverage
Although site coverage is likely to be breached, given the surrounding and existing environment, effects on persons and the environment is anticipated to be less than minor.

Traffic
Given the location of the site, access will be via Boundary Street. This is currently shared by the aforementioned hotel. Dependent on parking configuration and resultant potential traffic flow APA may be required.

General
Potential for bridge to be built and secondary access to Gorge Road?

7. 10 Gorge Road



Zoning: High Density Residential (Subzone A)

Max Building Height:	Flat Site – 8m Sloping Site – 7m (A site is sloping if the slope across the footprint of the building is greater than 6 degrees)
Recession Planes:	Flat – Yes Sloping - No
Maximum Site Coverage:	55%
Setback Requirements:	Road boundary setback – 4.5m Internal boundary setback – one of 4.5, remainder 2m
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent

Given the High Density Residential (Subzone A) zoning, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 7.5.3.2 iii (b) for a building for community activities. Council's control is with respect to:
    - The location, height, external appearance and methods of construction to avoid or mitigate adverse effects on:

        - the street scene;
        - adjoining or surrounding buildings;
        - public open space, amenity linkages and view corridors;
        - the visual amenity of open spaces, streets and the surrounding landscape.
    - The relationship of the building to its neighbours in terms of its built form, and to other built elements in the Zone, including public open spaces.
    - The relationship of parking, access and manoeuvring areas in respect of access point options for joint use of car parking and the safety of pedestrians.
    - The extent and quality of any landscaping proposed and the effectiveness of proposed planting in enhancing the general character of the area, screening car parking areas, and the impact on residential uses.
    - Compatibility with the New Zealand Urban Design Protocol, having regard to those assessment matters under 7.7.2 xiii Urban Design Protocol.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height
A breach in maximum height is likely to result in effects that will be restricted to 4 Gorge Road to the south east. Depending on the location and extent of the breach, it likely that APA will be required from this neighbour.

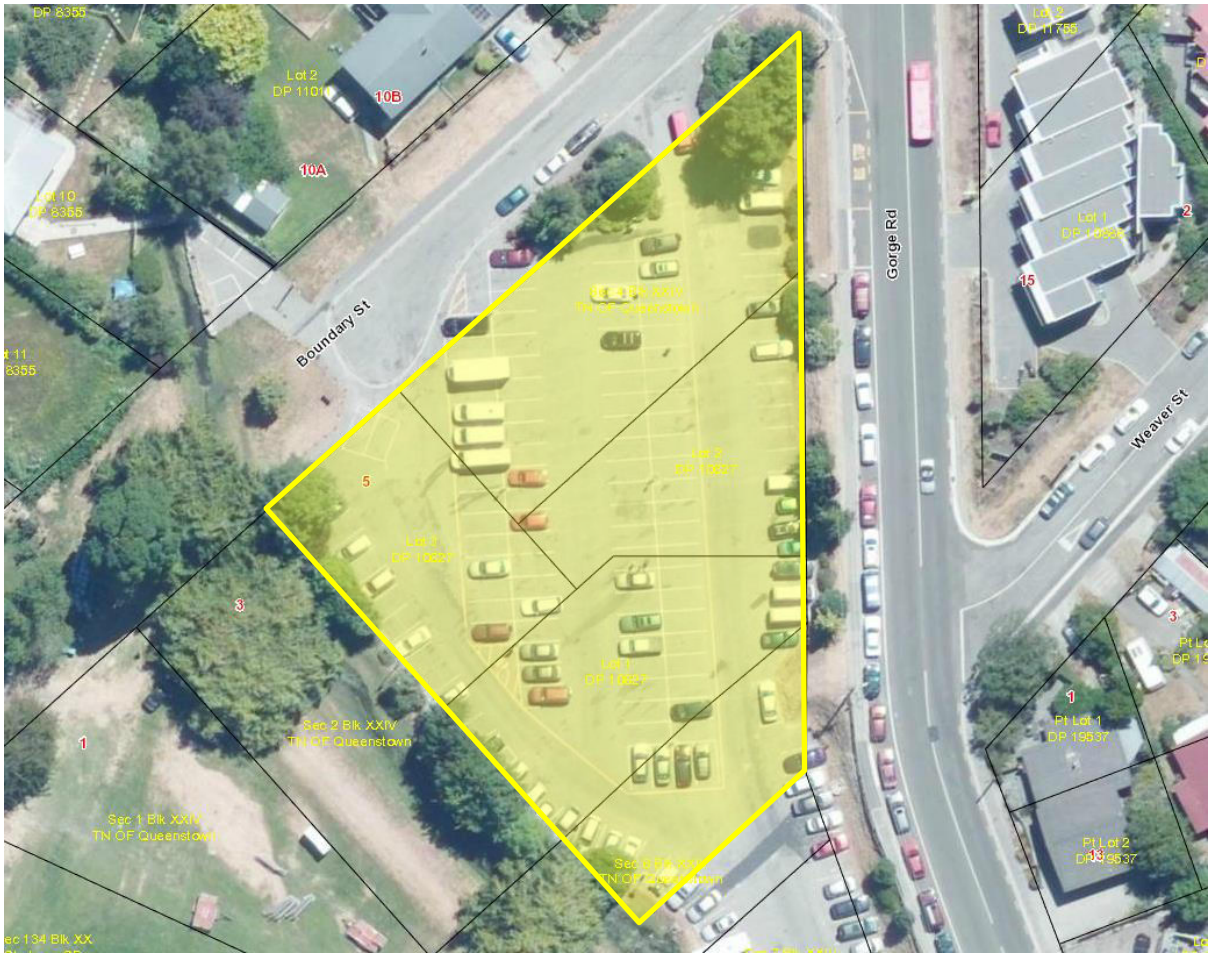
Recession Planes
Similar to the assessment above.

Site Coverage
Should this be proposed, it is recommended that the bulk of the building be located to the north west. Should this be the base, the permitted baseline can be used to justify the effects of the proposal being less than minor.

Setback
In terms of internal boundary setback, a breach of this in respect of 4 Gorge Road will likely require APA. As the surrounding sites are residential in nature, the location of a large office building within the road boundary setback would not be in keeping with the character of the surrounding environment. However, should this be proposed, it is recommended the building be designed in a manner which is sympathetic to the environment in which it is set.

General
- Protected tree located on the site.
- Should bulk and location standards be breach is it recommended to restrict these to the north western portion of the site as effects will be internalised.

8. Boundary Street Carpark



Zoning: High Density Residential (Subzone A)
Designation: #232 (Car-park)

Max Building Height:	Flat Site – 8m Sloping Site – 7m (A site is sloping if the slope across the footprint of the building is greater than 6 degrees)
Recession Planes:	Flat – Yes Sloping - No
Maximum Site Coverage:	55%
Setback Requirements:	Road boundary setback – 4.5m Internal boundary setback – one of 4.5, remainder 2m
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Planning Overview:
Given the High Density Residential (Subzone A) zoning, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 7.5.3.2 iii (b) for a building for community activities. Council's control is with respect to:
    - The location, height, external appearance and methods of construction to avoid or mitigate adverse effects on:
        - the street scene;

        - adjoining or surrounding buildings;
        - public open space, amenity linkages and view corridors;
        - the visual amenity of open spaces, streets and the surrounding landscape.
    - The relationship of the building to its neighbours in terms of its built form, and to other built elements in the Zone, including public open spaces.
    - The relationship of parking, access and manoeuvring areas in respect of access point options for joint use of car parking and the safety of pedestrians.
    - The extent and quality of any landscaping proposed and the effectiveness of proposed planting in enhancing the general character of the area, screening car parking areas, and the impact on residential uses.
    - Compatibility with the New Zealand Urban Design Protocol, having regard to those assessment matters under 7.7.2 xiii Urban Design Protocol.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height
When viewed from Gorge Road, the site is located at a lower elevation. Therefore the effects of a height breach when viewed from this elevation will be lessened. The residential sites to the north, on the opposite side of Boundary Street, are likely to be most affected by a maximum height breach. However, given that the properties are not facing the proposed site, the effects of this are anticipated to be less than minor.

Recession Planes
Recession planes rules, although required for all boundaries, are to prevent dominance effects on directly adjacent sites. Therefore, as there are no sites directly adjacent, the breach of this rule on internal boundaries is anticipated to be less than minor. In terms of the road boundary setbacks, should a breach be proposed, good design will contribute toward the feasibility of proposal.

Site Coverage
A breach of this rule is anticipated to have effects on persons or the environment that will be less than minor as all adjacent sites are owned by QLDC.

Setbacks
Internal boundary setback breaches are can be signed off by QLDC. Therefore internal boundary setback breaches will be feasible, and the site can be more easily and freely designed. In terms of the two road boundary setbacks, these will be looked at individually:
Gorge Road
Taking into account the surrounding environment and the location of multiple buildings in the vicinity located within the road boundary setback, there exists an argument for a similar breach to go ahead. This will of course largely depend on the design of the infringing portion of the building.
Boundary Street
A breach of this road boundary setback, although not likely to have major effects on the properties located on the opposite side of the road, should be well designed and result in good streetscape outcomes in order for the effects of this to be considered to be less than minor.

9. Queenstown Gardens

Zoning: Rural General
Designation: #205 – (Recreation Reserve – Queenstown Gardens)

Max Building Height:	8m
Recession Planes:	N/A
Maximum Site Coverage:	N/A
Setback Requirements:	Internal boundary setback – 15m
	Road boundary setback – N/A
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent
The site is zoned Rural General. Therefore, resource consent will be required under the following provisions of the District Plan:

- A **discretionary** activity resource consent pursuant to Rule 5.3.3.3 i (a) (i) for a new building.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Although this application will trigger the requirement for multiple consents, due to the nature and scale of what is proposed, and the location, it will be assessed as follows:

Amenity

Currently, the location is used for recreational purposes, and is a relatively quiet area. The introduction of an office building for approximately 150 staff will significantly affect the amenity of the area; both in terms of the users of the garden and surrounding properties located on Park Street. Therefore, when looking at a proposal for this site, it is likely that more foot and vehicular traffic will be generated, and result in an increased ambient noise level. Further to this, the placement of a council office in this location will result in the minor loss of residential character due to the introduction of a land-use that, although is classed as a community facility, has similar effects to a commercial office.

Traffic

The placement of offices at the scale proposed will result in increased traffic movements along Park Street and surrounding streets. In addition, there will be increased parking along surrounding streets as it is unlikely parking will be provided for all staff. This additional on-street parking will contribute toward the loss of amenity.

Appearance

Given the location of the site being within the Queenstown Gardens, the building should be designed in a manner which will not detract from amenity of the gardens. The design and appearance of the building, especially in this location, will be key.

10. Horne Creek Recreation Reserve

Zoning: Rural General
Designation: #185 – (Recreation Reserve)
Protected Feature: #11 – Horne Creek (Landscape Feature)

Max Building Height:	8m
Recession Planes:	N/A
Maximum Site Coverage:	N/A
Setback Requirements:	Internal boundary setback – 15m
	Road boundary setback – N/A
Carparking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent

The site is zoned Rural General. Therefore, resource consent will be required under the following provisions of the District Plan:

- A **discretionary** activity resource consent pursuant to Rule 5.3.3.3 i (a) (i) for a new building.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Although the zoning of the site is Rural General, and the relevant rules will still be triggered, the assessment will be made I whilst taking into account the existing environment and surrounding Town Centre and HDR land uses.

Amenity

Given the surrounding environment, the placement of an office building will be of a similar scale to the QRC building to the north, Novetel hotel to the west, and apartments to the east which are located at a higher elevation. Therefore in terms of bulk and location, given the relatively high density of the surrounding existing environment, the effects of a proposed QLDC office is anticipated to be less than minor. In terms of nature and type of land use, although different from visitor accommodation and education, the proposed office is considered to be compatible and will not adversely effects the environment.

Bulk and Location

As mentioned above, due to the presence of large buildings in the immediate surrounds, the establishment of a large building located close to property boundaries will not differ from what is existing. Having said this, it is still important that good site response is incorporated into the design and placement of the building.

In terms of height, although the maximum height for the Rural General Zone is 8m, a breach of this will be assessed in respect of the surrounding zones. Therefore a proposed building height of up to 12m may be feasible.

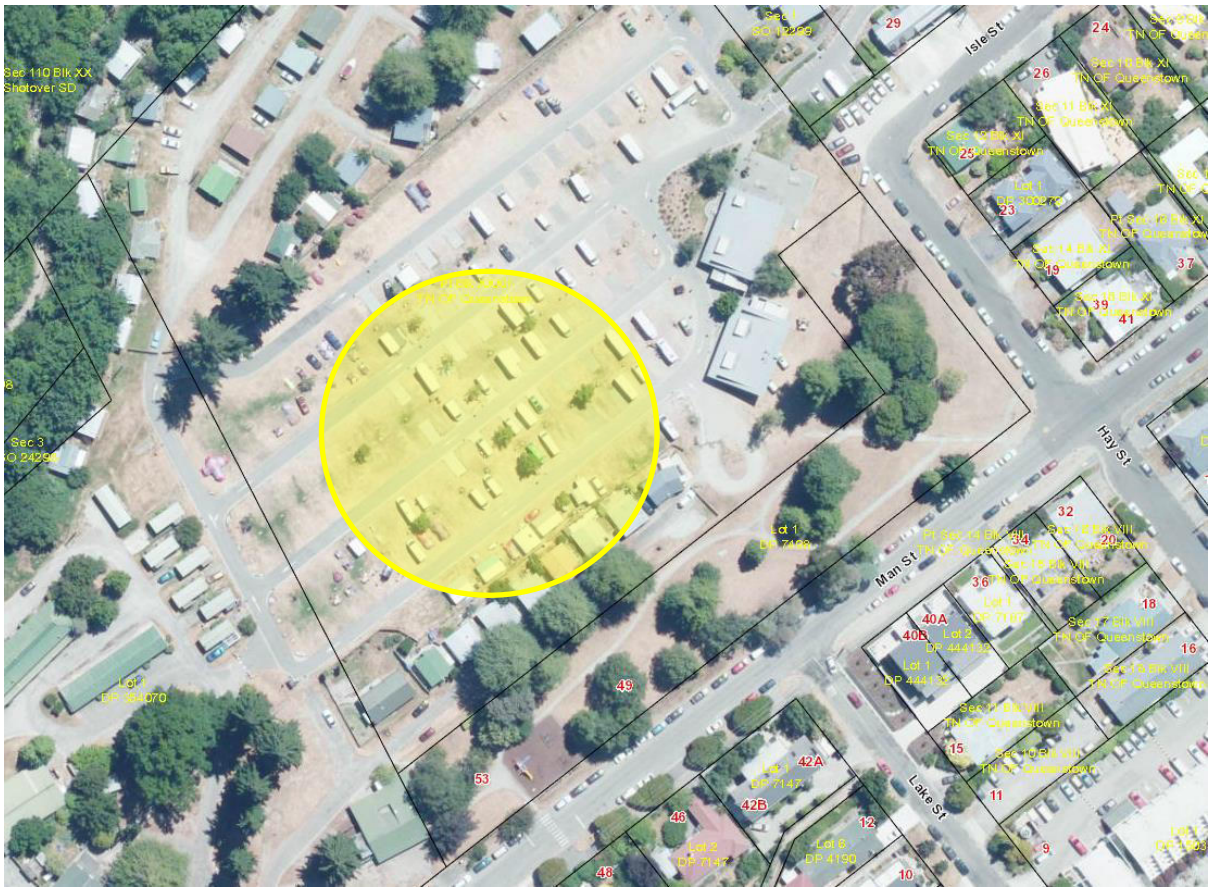
Traffic

The placement of offices at the scale proposed will result in increased traffic movements the surrounding streets. In addition, there will be increased parking along surrounding streets as it is unlikely parking will be provided for all staff. This additional on-street parking will contribute toward the loss of amenity for surrounding residential properties.

General

- Horne Creek is a protected landscape feature.
- Talk to QLDC Parks and Recreation Department around the loss of a portion of a reserve.

11. Queenstown Motor Park (Man Street)



Zoning: Queenstown Town Centre (Lakeview Subzone)
Designation: #211 – Recreation Reserve (Motor Park)

Max Building Height: 12m

(Extract from Lakeview Subzone Height Limit Plan)

Recession Planes: No
Maximum Site Coverage: 80%

Setback Requirements: Where the site adjoins a Low Density Residential or High Density Residential Zone or public open space the setback shall be 4.5m.

Car Parking Requirements: The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent

Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 vi for buildings located in the Lakeview sub-zone. Council's control is with respect to:
    - Design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape; and
    - The extent to which outside storage areas and outside parking areas are screened from view from public places;
    - The extent to which any fences, walls, landscaping forward of the front of buildings provide visual connections between any building and adjoining public spaces;
    - Urban design principles (contained in the assessment matters at 10.10.2);
    - The provision of pedestrian links through the sub-zone and between public spaces / reserve areas.
    - The provision of services.
    - The extent to which the design and setback of buildings erected at 34 Brecon Street and/or the Lakeview Camping Ground mitigates any adverse effects on the heritage values of the adjoining Queenstown Cemetery.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

In this instance there is a structure plan in place for the Lakeview Subzone, as illustrated below:

(Lakeview Subzone Structure Plan)

Should resource consent be applied for the use of this site, it is anticipated that it will potentially be the first major development within the subzone. Therefore it is important that the rules and

requirements are adhered to (or not strayed too far from) to set a good precedent for future development within the Lakeview subzone.

General

There is a protected tree located on the site. This may result in constraints in terms of buildable areas. Should this site be considered, consultation with the Council arborist is recommended.

12. Man Street Carpark

Zoning: Queenstown Town Centre (Town Centre Transition Subzone)

Max Building Height:	12m
Recession Planes:	No
Maximum Site Coverage:	80%
Setback Requirements:	Where the site adjoins a Low Density Residential or High Density Residential Zone or public open space the setback shall be 4.5m.
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent:

Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provision:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 i for a building in the Town Centre Zone. Council's control is with respect to Design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape

  In this instance the existing building will be altered to accommodation offices.

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Height

In this instance, a breach of the maximum height is anticipated to most adversely affect the properties to the north on the opposite side of Man Street due to the loss of amenity. Although given the sloping topography of the original ground level, the construction of a building up to the 12m maximum height closer to Man Street may provide for the potential to exceed this limit toward the southern portion of the site.

Traffic

Due to the site being located above an existing car parking complex, it is presumed that parking for the associated Council pool vehicles will be provided via this car park. Therefore the effects of this aspect of a potential application can be sufficiently managed.

The use of the site will potentially result in the further yellow-lining along the portion of Man Street in front of the subject site. However, given the congested nature of this length of Man Street, the reduction of parking along this section will likely improve accessibility.

13. 5-17 Church Street

Zoning: Queenstown Town Centre – Special Character Area (Precinct 1)
Designation: #80 - Carpark

Max Building Height:	12m
Recession Planes:	No
Maximum Site Coverage:	80%
Setback Requirements:	Where the site adjoins a Low Density Residential or High Density Residential Zone or public open space the setback shall be 4.5m. In this case N/A
Car Parking Requirements:	The parking requirement for offices is 1 per 50m^2 GFA.

Resource Consent

Given the zoning of the site is Queenstown Town Centre, in the first instance resource consent will be required under the following District Plan provisions:

- A **controlled** activity resource consent pursuant to Rule 10.6.3.2 i for a building in the Town Centre Zone. Council's control is with respect to design, appearance, landscaping signage (which may include directional street maps), lighting, materials, colours and contribution to the character of the streetscape

Subject to design, further consent may be required for site and/or zone standard breaches in respect of the zoning and transportation.

Should the remainder of the existing Church Street building be used, given that parking can be provided through the Church Street underground parking complex, and the existing use of the building is for offices, the effects on the environment and persons are anticipated to be less than minor.

Although there may be temporary effects associated with the fit-out of the building, the on-going use as offices will be appropriate for the Town Centre Zone and will not be dissimilar from how it is currently tenanted and used.