

QLDC Council
13 December 2018

Report for Agenda Item: 1

Department: Planning and Development

Report back to Council on measures to further integrate the proposed Universal Developments Hawea Limited Special Housing Area with the existing Hawea township prior to approval of the Stakeholder Deed

Purpose

- 1 To report back on the meetings held with community groups and developers in Hawea regarding how to further integrate the proposed Special Housing Area with the existing township, and following those meetings, to provide an updated Draft Stakeholder Deed for consideration so that the Council can recommend to the Minister of Housing and Urban Development that the Hawea (Universal Developments Hawea Limited) expression of interest be established as a Special Housing Area (**SHA**).

Public Excluded (partially)

- 2 It is recommended that **Attachment B** (Updated Draft Deed of Agreement) to this report is considered with the public excluded in accordance with the Local Government Official Information and Meetings Act 1987 section 7(2)(h) on the grounds that the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities and section 7(2)(i) on the grounds that withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Recommendation

That Council:

1. **Note** that Councillors Stevens and Smith and Council officers met with the Hawea Community Association, the Wanaka Community Board, the applicant and three Hawea land developers regarding how the SHA can be further integrated with the existing Hawea Township;
2. **Note** that following the Hawea meetings, several amendments to the draft Stakeholder Deed are proposed to further assist with integrating the development into the existing township, including the following changes:
 - a. To provide greater certainty that Capell Avenue will be formed, the SHA developer has agreed to pay a financial contribution up to a maximum of \$500,000 towards its formation upon the issuing of title for the 100th residential allotment (i.e. as part of Stage 1);

- b. Changes to the indicative master plan to reduce the number of connections to Cemetery Road, but retaining the key roading connections through to Capell Avenue, Grandview Terrace and Sentinel Drive;
 - c. Re-naming of the Community Hub to 'Township Service Centre' and
 - d. Specific exclusions for a range of activities in the new proposed Township Service Centre to ensure it is complementary to, rather than competing with, what the Hawea community identifies as the existing community hub in the Hawea township;
- 3. In respect of the formation of Capell Avenue for vehicular traffic:
 - a. **Note** that an agreement, to be recorded through a Heads of Agreement, has been reached with Universal Developments Hawea Limited and Willowridge Developments Limited to fund a third each to the cost of forming Capell Avenue, with Council providing a third towards the cost;
 - b. **Note** that a separate legal agreement will be required to confirm the funding agreement between the Council and Willowridge Developments Limited;
 - c. **Agree to add** the formation of Capell Avenue for vehicular traffic (between Nichol Street and Cemetery Road) into the Council's forward work programme at an estimated cost of \$1.5 million with two thirds of this to be funded through contributions from the two developers.
- 4. **Confirm** that the Council agrees with the contents of the (amended draft) Hawea (Universal Developments Hawea Limited) SHA Deed in **Attachment B**;
- 5. **Uplift** the agenda item left lying on the table on 6 September 2018 (**Attachment A**) and, noting that resolution (2) below has been amended to now reference the revised draft Deed attached to this agenda item:
 - a. Note the contents of the 6 September 2018 report and in particular the assessment of the measures implemented to address the resolutions of Full Council of the 28 June 2018;
 - b. Confirm that the Council agrees with the contents of the (amended draft) Hawea (Universal Developments) SHA Deed [**Attachment B**];
 - c. Delegate to the General Manager, Planning and Development the authority to execute the Deed on behalf of the Council, subject to any minor changes consistent with Council's Lead Policy and infrastructural requirements identified by Council's Chief Engineer;
 - d. Recommend to the Minister that the land to which the Hawea (Universal Developments) proposal relates be established as an SHA, subject to the following:

- i. execution of the amended draft Deed and the performance of any conditions in it;
 - ii. a 2 storey and 8m height limit for qualifying developments; and
 - iii. minimum number of lots / dwellings to be built is 30.
- e. **Agree**, subject to the proposal being approved as an SHA by the Minister and resource consent being granted for the Hawea (Universal Developments) proposal and any upgrade requirements being met by the developer, that the Queenstown Lakes District Council (QLDC) water supply and wastewater scheme boundaries be extended to allow servicing of the proposed development.

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29/11/2018

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29/11/2018

Background

3 The purpose of the HASHAA is:

to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

4 Universal Developments Hawea Limited (“**Universal**”) submitted an expression of interest (**EOI**) submitted was for a predominantly residential development of approximately 400 sections, plus a ‘community hub’ area centred on an extended Capell Avenue for community and commercial uses. The proposal also includes indicative reserves and roads that would vest with Council. The site is located to the south of Cemetery Road, Hawea. The original proposed site location and road layout as submitted with the EOI is shown in Figure 1 below.

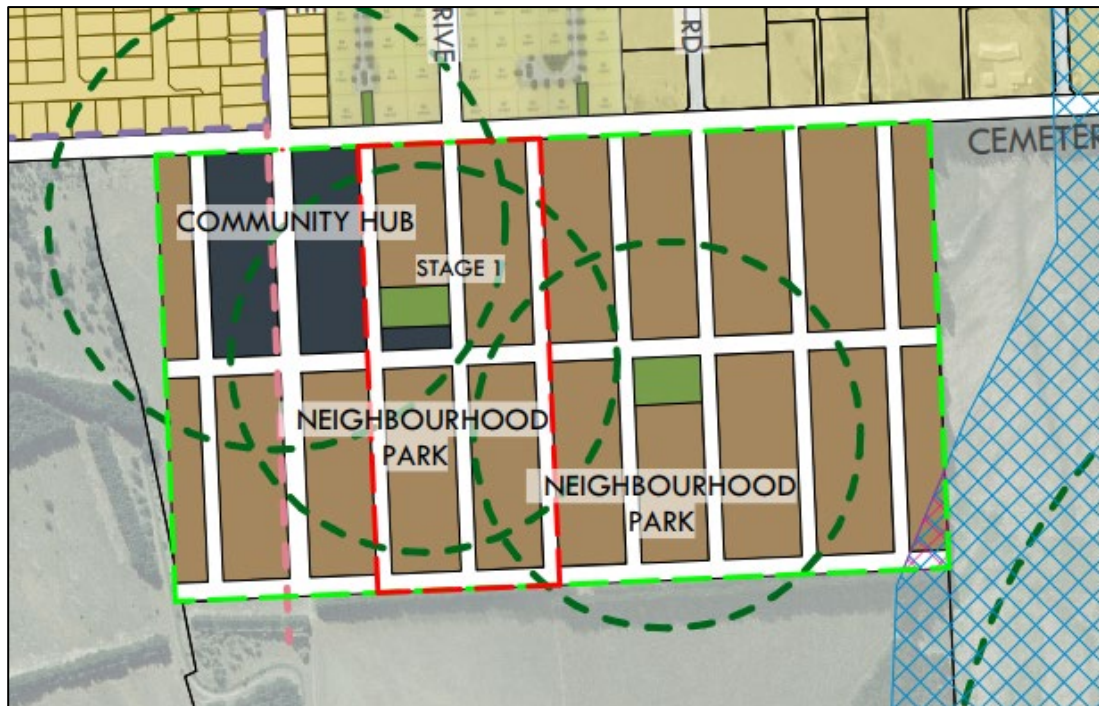


Figure 1: Original Indicative Masterplan Submitted with EOI

- 5 The site is zoned Rural General / Rural under the Operative and Proposed District Plans. The total area of the site is approximately 32 hectares and it is opposite the completed Sentinel Park subdivision for 90 lots (houses are currently under construction).
- 6 The developer has confirmed that they will satisfy the affordable housing requirements of the Lead Policy by providing 10% of the developable land area to the Queenstown Lakes Community Housing Trust (**QLCHT**). This will result in approximately 40 sections for the QLCHT. A unique aspect of this EOI is that the proposal includes a contribution of 20% of Stage 1 sections, to ensure the community housing provision is 'front loaded' and not left until the final stages of the development.
- 7 Unlike other SHA proposals, the Hawea EOI proposed fixed pricing for house and land packages between \$464,000 and \$550,000. The EOI targeted first home buyers, and by being within the \$550,000 local ceiling for first-home buyers allows them to access extra financial support through the KiwiSaver HomeStart scheme. Specifically first home buyers will be able to access their KiwiSaver savings *and* be eligible for up to an extra \$20,000 HomeStart grant toward the purchase. The full EOI is available at: <https://www.qldc.govt.nz/your-council/your-views/expressions-of-interest/>
- 8 The proposal was approved in principle at the Council at its meeting on 28 June 2018 where Council resolved:

That Council:

1. **Note** the contents of this report and;

2. **Note** that public feedback received has been provided to Councillors separately, and that the response from Te Ao Marama will be reported to Councillors at the meeting;
 3. **Amend** the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (Lead Policy) to:
 - f. add that part of Lot 2 DP343855 shown in the EOI into Category 2 of the Lead Policy; and
 - g. to delete the sentence relating to not accepting proposals for inclusion in Category 2; as set out in Attachment B.
 4. **Approve in principle** the Hawea EOI for a Special Housing Area and instruct the General Manager of Planning and Development to proceed with negotiation of the Stakeholder Deed that addresses the requirements of the Lead Policy including:
 - a. The contribution to the QLCHT, including the doubling of the contribution for Stage 1;
 - b. The proposed affordability mechanisms set out in section 13 of the EOI, including a requirement to meet the price points specified;
 - c. A restriction on visitor accommodation;
 - d. Infrastructure requirements;
 - e. Parks and reserves (including trails, footpaths and connections); and
 - f. Qualifying development criteria for the proposed Special Housing Area.
 5. **Instruct** Council officers to report back to the Council on the measures discussed in Point 4 above.
- 9 Officers reported back on how the draft Stakeholder Deed addressed the resolution of Council at the Council's 6 September 2018 meeting. At that meeting, the Council resolved to leave the item lying on the table, resolving that:

On the motion of Councillors Stevens and Miller the Council resolved that:

- a. *The item lie on the table, pending Council having further discussions with the community and Hawea SHA developer about community integration and development of the retail hub; and*
- b. *The item be reported back to the Council no later than the 13 December 2018 Council meeting.*

- 10 The full minute extract is appended as **Attachment C**. Measures taken to address the 6 September 2018 resolution are described below.

Meetings Held

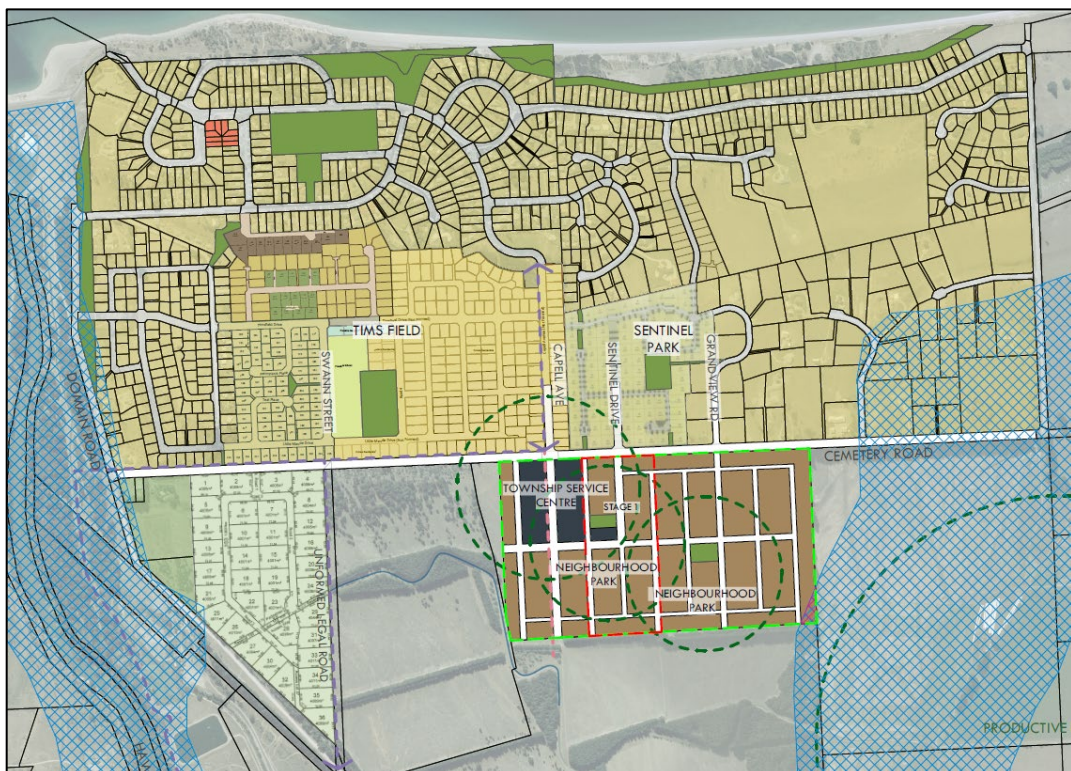
- 11 Councillors Stevens and Smith, and officers met with the following six parties:
- a) Hawea Community Association

- b) Wanaka Community Board
- c) Lane Hocking and Tim Williams, Universal Developments Hawea Ltd
- d) Matt Laming, Sentinel Park developer and landowner of existing Local Shopping Centre zone.
- e) Allan Dippie, Willowridge Developments Ltd ("**Willowridge**" - Timsfield developer)
- f) Chris Streat, developer of the Rural Residential zone south of Cemetery Road and to the west of the proposed SHA.

12 As per the resolution, the focus of the meetings was on how the SHA can best integrate with the existing Hawea township. A short report by the applicant (**Attachment D**) was prepared to help inform the discussions, recognising that the EOI design had already made efforts to integrate with the existing township including:

- a. Aligning proposed new roads with the existing roading network, with specific connections aligning with Capell Avenue, Sentinel Drive, and Grandview Terrace;
- b. Extension of the Capell Avenue walking and cycling connection along the alignment of the future road within the SHA to the playground;
- c. Providing for a playground in stage 1, which will be available to be used by the whole community;
- d. Providing for future connections through to adjoining land;
- e. Central location of the Community Hub at the key north-south and east-west roading intersection for the township, and in a central location taking a longer term view of potential growth to the south of the Hawea township.
- f. An updated indicative master plan showing Hawea as a whole is appended as **Attachment E** and also in Figure 2 below.

Figure 2: Revised Indicative Master Plan Showing Fewer Connections to Cemetery Road



- 13 Since the last Full Council meeting, it has also been identified that a new roading connection has now been completed between the upper and lower parts of Hawea, though the vesting of a road linking Sentinel Park through to the original township via a new road to Moraine Place. This new road is not a substitute for the formation of Capell Avenue, and the community feedback was strongly that this is a narrow road serving a local access function and is not suitable as a through route. It is however the first roading connection linking the original and newer parts of Hawea, and is shown in Figure 3 below:

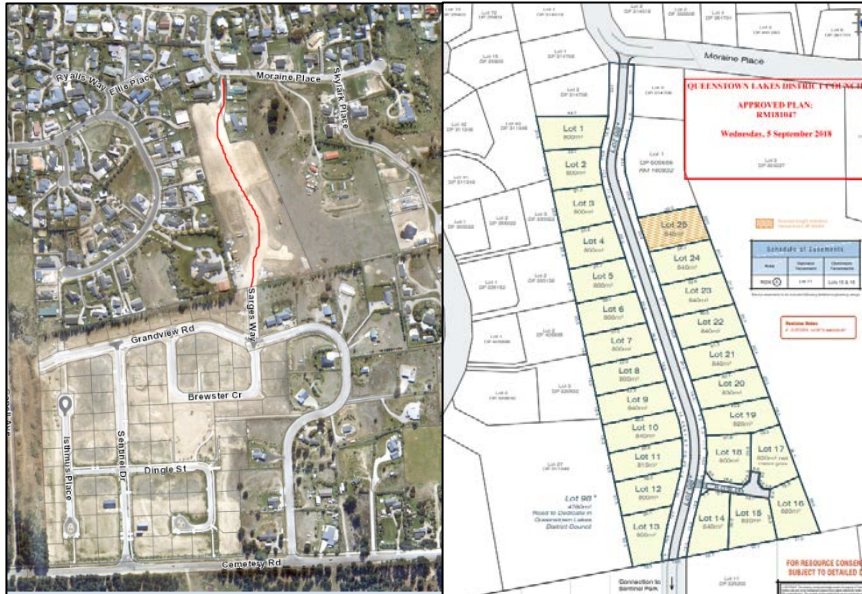


Figure 3: Roading link through Sentinel Park to Moraine Place

Feedback received

- 14 Two key issues arose consistently through feedback:
- The need to ensure that Capell Avenue is formed for vehicular traffic (recognising it is already formed for walking and cycling).
 - The size, location and purpose of the proposed community hub, with an emphasis on ensuring it is complementary to the existing Local Shopping Centre and existing Hawea community centre area, and not competing with it.
- 15 Other issues relating to integration, considered later in this report, included:
- Links to walkways exiting Sentinel Park;
 - Roading / traffic matters at existing intersections;
 - Opportunities for connections along the irrigation race corridor;
 - Whether a longer, narrower SHA connecting to Rural Residential zone would be better.
 - The speed limit of Cemetery Road (not able to be dealt with through the SHA process);

- 16 The two key issues are addressed first below.

Formation of Capell Avenue for vehicular traffic

- 17 Council approved the EOI in principle at its meeting on 28 June 2018 without requiring the formation of Capell Avenue for vehicles. The legal corridor of Capell Avenue is already in Council ownership and it was understood that the timing of the formation for Capell Avenue for vehicular traffic was uncertain but linked to the Timsfield development.
- 18 Officers remain comfortable that the EOI can be recommended to the Minister without a confirmed timeframe for the formation of Capell Avenue for vehicular traffic, given the alternative route of Cemetery / Domain Roads is available. A further transportation report was prepared (appended as **Attachment F**) which confirms that even if Capell Avenue is never formed, the existing access via Cemetery / Domain Roads will still function at an acceptable level. In terms of the HASHAA test, the Minister would need to be satisfied that adequate infrastructure exists, and the Cemetery / Domain Road access is adequate. The draft Deed requires the developer to upgrade intersections if necessary although this will depend on the timing of other development in to the township.
- 19 However almost all parties spoken to in the last few months felt that the formation of Capell Avenue for vehicular traffic was going to be important to ensure the SHA is well integrated with the existing township. While it is formed for walking and cycling at present (which is to be encouraged), a vehicular link was seen as very important for integration.
- 20 A detailed estimate has been obtained that forming and sealing Capell Avenue over its 695 metre length would cost approximately \$1.2 – 1.4 million. A figure of \$1.5 million has been used as a contingency.
- 21 Discussions have occurred with Universal (the SHA developer) and Willowridge (the developer of the Timsfield development). Based on an offer by Universal, and agreement with Willowridge to accelerate the formation of Capell Avenue, a cost sharing arrangement to fund the road formation has been agreed between the parties to provide a third share each, with the Council to provide one third funding. The contribution from each party is to be secured through:
 - a. Including the funding requirement on Universal in the draft SHA Stakeholder Deed appended as **Attachment B**. The payment would be to Council, and would be payable on the issuing of the 100th title in the development (i.e. part of Stage 1).
 - b. The signing of a Heads of Agreement between the three parties that confirms the third each contribution to be paid by each party, with formal separate legal agreements to be prepared to formalise and confirm the funding agreement between the Council and Willowridge.
 - c. The Council adding the formation of Capell Ave into its forward work programme with two thirds of the cost being met by the two developers.

- 22 The rationale for the Council to provide funding is that the formed part of Capell Ave (between 50kmph signs and Skinner Crescent) is identified as a 'Collector Road' in the Operative District Plan. Part of the alignment of the new road formation also includes other land not owned by Willowridge but who have no ambition to develop (the Capell block at the bend in the Capell Avenue road alignment). Wider use of the road will also occur from recent subdivisions (such as Sentinel Park) but who cannot now be made to contribute to the cost of the road formation.
- 23 The Council made its decision to support the SHA originally knowing that Capell Avenue was not going to be formed immediately, and that the roading network provided adequate capacity for the 400 lot development. However the meetings regarding further integration have highlighted the need to form Capell Avenue for vehicles.
- 24 This now presents itself as a situation where, through the negotiations over the SHA integration, the Council has commitments from two developers to meet 66% of the cost of the development of the road. As Hawea grows to the south, the connection through Capell Avenue will become more and more important and requests from Hawea residents to form the road will increase.
- 25 The resolution before Council seeks that the remaining one-third of formation costs be borne by Council, and that a project be added into the forward work programme.

Options – Capell Avenue formation for vehicles

- 26 The Council therefore has two options in relation to the formation of Capell Avenue. These are set out in Table 1 below with advantages and disadvantages of both:

Table 1:
Options for Council regarding the formation of Capell Avenue for vehicles

Option 1 – Status Quo <i>Recommend the SHA to the Minister, accepting the timing of the formation of Capell Avenue is uncertain / linked to the development of Timsfield</i>	
Advantages	Disadvantages
Recognises the adjoining developer would normally have to form and seal Capell Avenue given its local access function servicing approximately 40 lots.	Community feedback is strongly that a walking / cycling link is not acceptable over the long term and a vehicle link on Capell Avenue is crucial to integrate the SHA.
Recognises an adequate alternative route exists via Cemetery and Domain Roads and would ensure much needed housing is not delayed.	The Timsfield subdivision adjoining Capell Avenue could be delayed for many years meaning no vehicle route is completed for some time.
	Funding for the future formation of the road remains uncertain

Option 2 – Accept the offer of a 66% contribution to the formation of Capell Avenue from Universal and Willowridge

Advantages	Disadvantages
Accept Universal and Willowridge offer to pay two-thirds of the road formation cost (to be held by Council) through the Stakeholder Deed and through a Heads of Agreement to accelerate road formation.	Will require commitment from Council to contribute a proportionate share to ensure that Capell Avenue will be formed.
A Heads of Agreement would provide certainty around timing and payment for the formation of Capell Ave.	
Most likely to result in Capell Avenue being formed the fastest.	

27 **Option 1** was approved in principle by Council on 28 June 2018. This was because under the normal course of events, the adjoining developer would be required to form and seal the majority of Capell Avenue to access the approximately 40 lots directly off it. As noted above in paragraph 19, Officers remain comfortable with Option 1 as **Attachment F** confirms that even if Capell Ave is never formed, the existing access via Cemetery / Domain Roads will still function at an acceptable level.

28 However following the meetings with the community and other developers, it is recommended that **Option 2** above is pursued. The EOI applicant is willing to make a financial contribution to the cost of forming and sealing Capell Avenue and this has been added into the draft Deed. Willowridge has also indicated a willingness to contribute one-third of the cost, and this to be covered in a Heads Of Agreement. While this will not guarantee the road is formed by a certain date (as Council will need to consider adding it into its Forward Work Programme), the SHA developer is doing all they can to speed the formation of Capell Ave.

29 Option 2 has been included in the amended draft Deed (refer Clauses 28-29) which requires payment of the \$500,000 on the issuing of the 100th title for the development (i.e. part of Stage 1).

30 It is therefore recommended that *Option 2* is pursued.

Size, location and purpose of the proposed community hub

31 Concern was expressed by the Wanaka Community Board (WCB), Hawea Community Association (HCA) and Willowridge about the size of the proposed community hub, its role in relation to the existing Local Shopping Centre zone and what is already seen as the community hub area, being the area occupied by the Hawea Community Centre, Peter Fraser Park, the bowling club, playground and domain.

32 The feedback from the WCB and HCA was strongly that they felt the community needed to be further involved in the discussion around the size and location of the community hub. The WCB and HCA also stated that Hawea does not need another community hub, it already has one by the Hawea Community Centre, and the size

of the proposed community hub would adversely affect the local shopping centre zoned area.

- 33 With regard to **size**, the Local Shopping Centre zone is shown below in purple (circled in red) and measures 4555m². It was recognised by all parties that the existing local shopping centre has a very limited offering, but that plans were advancing to develop the zone and include additional retail and services, for example such as a medical centre. Feedback received was that the proposed SHA community hub could undermine the redevelopment of the existing Local Shopping Centre.

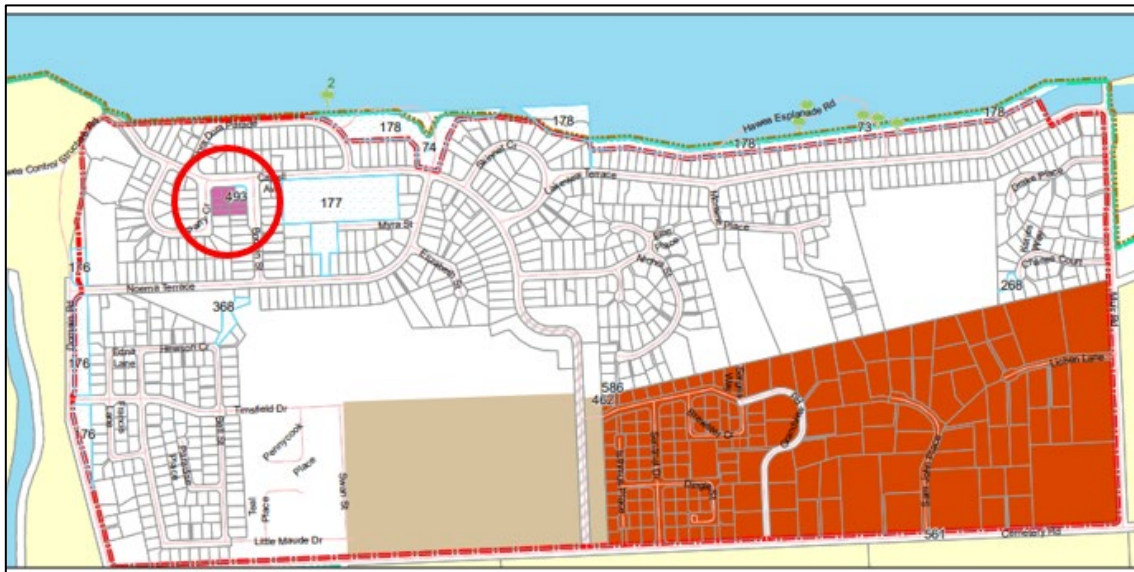


Figure 3: Location of Hawea Local Shopping Centre Zone

- 34 The existing local shopping centre zone has Sailz Café and a convenience retail premises, however the majority of the zoned area is vacant as shown in the images below, and two sections are occupied by a dwelling. This is the only retail offering in all of Hawea at present, which in 2013 had a population of approximately 2172 according to Statistics NZ. The current population is unknown until the latest census data is released, however it is predicted to increase significantly.



Figure 4: Images of Hawea Local Shopping Centre Zone

- 35 The Local Shopping Centre zone is almost all in the single ownership of Lake Hawea Holdings Ltd, who are intending to develop the area in the short term. Therefore it is possible further development of the LSCZ could proceed ahead of the Hawea SHA.
- 36 The Local Shopping Zone rules limit retail activities to 300m² gross floor area, and 200m² gross floor area for office activities. Consent for exceeding these limits is a non-complying activities.
- 37 The proposed Community Hub measures 28,000m², which is six times the size of the existing local shopping centre. The SHA developer has proposed an area this size on the basis of:
- Hawea is presently underprovided for in terms of retail / commercial / community space with only the Local Shopping Zone, and
 - Providing for an adequate area for growth over a long-term horizon (30 years), i.e. future proofing Hawea for commercial / retail growth over the long term (30 years) and avoiding multiple small retail / commercial centres.
 - That a number of activities are not well suited to the Local Shopping Zone due to the size limits for retail and office activities identified above, and the need for car parking. For example car parking for the pick up and drop off associated with child care centres, medical centres and a convenience retailer such as a Four Square can consume a large amount of the zoned land.
- 38 To put the propose Community Hub / Township Service Centre into perspective, it is useful to compare it to Arrowtown.
- 39 The community hub has two main blocks, each block either side of the future Capell Avenue extension is 195m long and 67m deep. By way of comparison, Arrowtown has a small, busy and vibrant commercial area with no *onsite* parking within the Arrowtown Centre Zone (albeit with a stronger tourism component that would be expected in Hawea). The town centre zone for Arrowtown is longer, measuring 216m in length and the block depth is 26m.



Figure 5 Comparison of Arrowtown Town Centre and proposed Hawea Community Hub

- 40 While the total square meterage in Hawea is bigger than Arrowtown, that is to recognise that the Arrowtown Town Centre zone does not provide for onsite car parking (which in Arrowtown occupies an extensive area along the river side). With an eye to the long term, the size of the community hub is not dissimilar to Arrowtown, and is not considered excessively large.
- 41 With regard to the **location** of the community hub / Township Service Centre, it has been deliberately proposed in a central location of the Hawea urban area at what will likely be the key future north-south and east-west roading intersection for the township.
- 42 As noted in the 28 June 2018 agenda item, Hawea is constrained to the north by the lake, to the west by the river, and to the east by the lake overflow area. Over a 30-year horizon further growth to the south is possible, and the central location is suitable taking a longer-term view of potential growth to the south of the Hawea township.
- 43 With regard to the **purpose** of the community hub, the WCB and HCA advised that Hawea does not need another community hub, and that it already has one, being the area occupied by the Hawea Community Centre, Peter Fraser Park, the bowling club, playground and domain.
- 44 In this regard calling the area a 'community hub' may not be appropriate as the applicant has advised they have no desire to try and replace or compete with the existing community hub area in Hawea. The applicant has suggested renaming it as 'Township Service Centre', and it is proposed that a range of activities be excluded from this area so as not to compete with the area viewed by locals as the existing community hub. Activities proposed to be excluded include:
- i. Town Hall
 - ii. Public Library
 - iii. Tennis Club
 - iv. Bowling Club
 - v. Community Centre
- 45 Given the limit on retail floorspace above 300m² in the Local Shopping Zone, it was contemplated whether the Township Service Centre / proposed community hub should be limited to activities with a floor area greater than 300m², in order that it be complementary to, rather than competing with the Local Shopping Centre.
- 46 Officers were not comfortable with that approach as it would be a significant impost that would notably constrain the Township Service Centre area, and would not recognise the drastic under provision of retail and commercial land to the existing township.

Options – Community Hub / Township Service Centre

47 The Council therefore has a range of options in relation to the Township Service Centre. These are set out in Table 2 below with advantages and disadvantages of both:

Table 2:

Options for Council regarding the location / scale / purpose of Township Service Centre

<i>Option 1 – Status Quo Retain the Township Service Centre in its current location / size</i>	
Advantages	Disadvantages
Provides for long term (30 years) future growth and recognises existing township is severely underserved for commercial floor space	Could compete with Local Shopping Centre area which is highly valued by locals
	Community feedback is that further consultation and studies are required before making the decision on size and location
<i>Option 2 – Restrict some activities Restrict the range of activities in the Township Service Centre to avoid competing with existing Hawea Community hub</i>	
Advantages	Disadvantages
Will help ensure Township Service Centre does not directly compete with existing community hub area	Community feedback is that further consultation and studies are required before making the decision on size and location
<i>Option 3 – Reduce the scale Reduce the size of the Township Service Centre to avoid competing with existing Hawea Community hub and Local Shopping Zone</i>	
Advantages	Disadvantages
Could protect the Local Shopping Centre	Would not future proof the growth of Hawea over the long term
	Would not recognise commercial demand does not necessarily go hand in hand with housing growth but is playing catch up.
<i>Option 4 – Remove the Township Service Centre completely</i>	
Advantages	Disadvantages
Would allow time for further assessment and research into the scale of community hub	Would leave Hawea very poorly serviced for commercial needs in the short term.
	Would continue to require travel for local shopping needs
	Would not create a more sustainable community where people can live, work and shop

48 It is recommended that **Option 2** above is pursued. This will involve restricting some types of activities from establishing in the Township Service Centre and will ensure it does not compete with what the community considers to be the existing community hub around the Hawea Community Centre.

Other Integration Matters

49 Other matters raised in meetings in relation to integration include:

- a. Links to walkways exiting Sentinel Park – the detailed design of the subdivision should consider whether direct connections are required to connect to the walkways exiting the Sentinel Park subdivision onto Cemetery Road. This has been added to the draft Deed (Clause 32).
- b. Roading / traffic matters at existing intersections – the draft Deed requires intersection upgrades if necessary (which is dependent on the timing of other developments in Hawea).
- c. Opportunities for connections along the irrigation race corridor – this should be explored at the resource consent stage, recognising health and safety issues around open waterways. No changes to the draft deed are necessary.
- d. Whether a longer, narrower SHA connecting to Rural Residential zone would be better – this is likely to be beyond the scope of the EOI that was lodged.
- e. The speed limit of Cemetery Road – this is not able to be dealt with through the SHA process;

Amendments to the Draft Deed to enhance integration between Hawea and the SHA

50 The amended draft Deed (**Attachment B** – Public excluded) has been amended to seek to better integrate the development with the Hawea township in the following ways:

51 Clause 28 of the draft Deed has been added to reflect the financial contribution of the applicant towards the formation of Capell Ave. This timing of this contribution is to be addressed in the Head of Agreement with Willowridge and Council.

52 Clause 1 of the draft Deed has been amended to reflect the updated Indicative Master Plan appended as **Attachment E**, with key connections shown to Capell Avenue, Sentinel Drive and Grand View Roads, and with less connections directly on to Cemetery Road.

53 Clause 45 of the draft Deed the Community Hub has been renamed to 'Township Service Centre' to reflect the objective that it is complementary to the existing local shopping centre and existing community hub area.

54 Clause 1 of the draft Deed lists a range of activities that are not permitted to be located in the Community hub, including:

- i. Town Hall
- ii. Public Library
- iii. Tennis Club
- iv. Bowling Club
- v. Community Centre

Options

55 Option 1: Agree with the terms of the amended draft Deed that seek to better address the integration of the SHA with the existing Hawea township.

Advantages:

- 56 Further improves integration of the SHA with the existing Hawea township.
- 57 Seeks to address the key concerns raised by community groups and other developers.
- 58 Achieves financial contribution of one-third of the cost of forming Capell Avenue.

Disadvantages:

- 59 Relies on contributions being confirmed with Willowridge and Council to guarantee the formation of Capell Avenue for vehicular traffic.

60 Option 2: Not agree with the terms of the amended draft Deed that seek to better address the integration of the SHA with the existing Hawea township.

Advantages:

- 61 None

Disadvantages:

- 62 Would mean the extra efforts towards integration as set out in the amended Deed would not form part of the Stakeholder Deed.

63 This report recommends **Option 1** for addressing the matter.

64 If **Option 2** is adopted:

- a. The amended draft Deed attached to this agenda item would require further negotiation between the developer and Council to secure any remaining matters relating to integration that the Council directs, such that it can be confident in recommending the proposal to the Minister; and
- b. the Council will not be able to recommend the proposal to the Minister for establishment as a SHA at this time.

Significance and Engagement

65 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- **Importance:** the matter is of high importance to the District. Housing supply and affordability is a critical issue for the District;
- **Community interest:** the matter is of considerable interest to the Hawea community;
- **Existing policy and strategy:** The proposal is considered consistent with the Housing Accord, and is generally consistent with the Council's Lead Policy. The proposal is contrary to the Operative and Proposed District Plans because urban development is not anticipated on Rural / Rural General zoned land.
- **Capability and Capacity:** The site can be serviced by proposed infrastructure.

Risk

66 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks.

67 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community. In this instance, it is considered that the social and economic benefits towards the provision of housing and land packages that are targeted at first home owners are met. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation of risk.

Financial Implications

68 The resolution and recommended option to amend the draft Deed would mean that one third of the cost of the formation of Capell Avenue for vehicles would fall to Council. As noted, there is no budget for this work at present, and the resolution seeks that it be added into the forward work programme.

Council Policies, Strategies and Bylaws

69 The following Council policies, strategies and bylaws were considered:

- Lead Policy for SHAs;
- The Operative District Plan;
- The Proposed District Plan;
- Growth Management Strategy 2007;
- Housing Our People in our Environment Strategy;
- Economic Development Strategy;
- 2017/2018 Annual Plan and the Long Term Plan;
- Mayoral Housing Affordability Taskforce Report;
- Monitoring Reports on the Housing Accord.

- 70 This matter is partly included in the 10-Year Plan/Annual Plan, due to the fact that some infrastructure upgrades are provided for Hawea.

Local Government Act 2002 Purpose Provisions

- 71 The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions.
- 72 The recommended option:
- a. Will help 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 by utilising the HASHAA to enable increased levels of residential development on the proposal site;
 - b. Cannot currently be implemented through current funding under the 10-Year Plan and Annual Plan, however the project is recommended to be added to the forward work programme and the Council contribution towards the formation of Capell Avenue can be revisited as part of the next Annual Plan;
 - c. Is considered to be generally consistent with the Council's plans and policies; and
 - d. Would alter the intended level of infrastructural service provision undertaken by or on behalf of the Council.

Consultation: Community Views and Preferences

- 73 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. This feedback was provided to Councillors prior to the 28 June 2018 Full Council meeting and is available on the Council's website.
- 74 At its meeting on 6 September 2018, the Council directed that further discussions be undertaken regarding how best the development can be integrated with the existing township. This involved meetings with the Hawea Community Association, Wanaka Community Board, the applicant and three local developers.
- 75 In addition, should the SHA be established, the consent authority may request the written approval of adjacent land owners if they are deemed to be affected, and may undertake a limited notification resource consent process with adjacent landowners, local authorities (Otago Regional Council), infrastructure providers (limited to those who have assets on, under or above, or adjacent to the proposal site) and requiring authorities (if the adjacent land is subject to a designation).

ATTACHMENTS

- A Agenda item from 6 September 2018 – excluding appendices
- B Amended Draft Deed – *Public excluded*
- C Full minute extract from 6 September 2018 Full Council meeting
- D Report prepared by Universal on existing methods of integration in EOI
- E Updated Indicative Master Plan following meetings
- F Transport assessment report on implications if Capell Avenue never formed