

**Wanaka Community Board
13 July 2016**

Report for Agenda Item 2

Department: Property & Infrastructure

Reserve Land Contributions and Reserve Improvements Off-Sets – Northlake Investments Limited

Purpose

- 1 To consider the vesting of reserve land in association with the subdivision of land owned by Northlake Investments Limited at Outlet Road, Wanaka.
- 2 To consider off-setting the development contribution for reserve improvements in lieu of work to be undertaken by Northlake Investments Limited in the proposed reserves.
- 3 To note that the approval of reserve land in future stages identified on the Structure Plan in lieu of reserve land contributions and any improvements on these reserves in lieu of reserve contributions will be subject to a future report.

Recommendation

- 4 That the Wanaka Community Board recommend that Council:
 1. **Approve** the vesting of the land areas identified on the plan titled 'Northlake Wanaka – ODP Open Space Reserves and Pedestrian Connections, 1949 – SK330 dated 22 June 2016, prepared by Baxter Design Group Ltd as:
 - 3, 5 - 7, 20 - 25 as 'Local Purpose Reserve – Walkway'; and
 - 4, 18 and 19 as 'Recreation Reserve'; and
 - 8 – 11, 13, 15 & 17 as 'Local Purpose Reserve – Drainage and Recreation'in lieu of reserve land contributions payable for the proposed subdivision of these stages.
 2. **Approve** the vesting of the land areas identified on the plan titled 'Northlake Wanaka – ODP Open Space Reserves and Pedestrian Connections, 1949 – SK330 dated 22 June 2016, prepared by Baxter Design Group Ltd as:
 - Lot 12, 14 & 16 as 'Local Purpose Reserve – Drainage and Recreation'

and recognise that these areas may only be offset up to 50% in assessing reserve land contributions that may be payable across the proposed subdivision of these stages.

3. **Approve** the deficit of reserve land associated with previous stages be credited by the additional reserve land provided by the ODP approved by Council on 8 June 2016, subject to Council's legal agreement in relation to the bond held.
4. **Approve** to offset the reserve improvement contributions payable for the actual cost of the reserve improvements across proposed reserves 1 – 25 as approved by the Parks and Reserves Planning Manager. Final approval is subject to the applicant demonstrating the actual costs of the improvements prior to construction of the improvements. If costs of improvements exceed reserve improvements contributions, these will be borne by the applicant.
5. **Delegate** the Parks and Reserves Planning Manager to approve any future reserve improvement offsets within the area approved by the Outline Development Plan and included on the plan 'Northlake Wanaka – ODP Open Space Reserves and Pedestrian Connections, 1949 – SK330 dated 22 June 2016, prepared by Baxter Design Group Ltd subject to the following conditions
 - a. Northlake Investments Limited registering a fencing covenant under Section 6 of the Fencing Act 1978 on the reserves to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
 - b. A five year maintenance period by Northlake Investments Limited commencing from receiving s224 certificate for the reserves included within each stage of proposed subdivision; and
 - c. A developers agreement under section 207A of the Local Government Act 2002 Amendment Act 2014 detailing the stormwater operation and maintenance conditions of the reserves for the five year period, and the condition of the reserves at end of the maintenance period, shall be provided by Northlake Investments Limited and approved by the Chief Engineer and Parks and Reserves Planning Manager.
6. **Note** that the approval of reserve land in the Structure Plan area not identified on the ODP approved by Council on 8 June 2016 and any improvements on these reserves in lieu of reserve contributions will be subject to a future report.

Prepared by:



Stephen Quin
Parks and Reserves Planning
Manager

30/06/2016

Reviewed and Authorised by:



Peter Hansby
General Manager – Property
and Infrastructure

1/07/2016

Background

- 5 Northlake Special Zone, made operative on 17 December 2015, enables the creation of approximately 1,500 residential lots in Wanaka, together with a small village centre. The Zone was approved by the Council on the basis that it must achieve a number of requirements that include:
 - A specific number of residential lots within each Activity Area
 - Compliance with a structure plan which required a particular street layout and walking and cycling connections
 - Construction of a Low Impact Design (LID) stormwater system
 - A range of public spaces including larger natural areas and smaller urban parks
 - Protection of areas of vegetation
- 6 There are four landowners within this zoned area. Northlake Investments Limited (NIL) has the largest property holding (132 hectares), and is currently proceeding with the first development stages.
- 7 Since the zone was made operative, NIL has been actively obtaining the necessary consents to develop its land within the Northlake zone. These consents include:
 - an Outline Development Plan (to indicate the layout and design of the first 421 sites);
 - the construction of two show-homes;
 - a bulk earthworks consent;
 - a Regional Council consent for the disposal of stormwater.
- 8 An application to subdivide and create 108 residential lots (Stages 1 – 3) was lodged in early June 2016. That application is currently being processed by Council planning staff.

- 9 Bulk earthworks commenced on 27 June, and are programmed to be progressively completed by November 2016. NIL intend that subdivision works (services and roading) will commence 1 August 2016.
- 10 The layout of the Northlake zone is based upon a Structure Plan which is contained within the District Plan. Subsequent development is required to be consistent with the structure plan. Accordingly, the Council approved Outline Development Plan (RM160152) on 8 June 2016 (ODP) – refer Attachment A.
- 11 A central design feature is the alignment of Northlake Drive, which extends from Outlet Road to the west. This is the primary road within the zone which occupies part of a central valley feature. The importance of this road alignment relates to the way that more intensive housing areas can be developed in conjunction with establishing a Low Impact Design (LID) stormwater system.
- 12 The District Plan expresses a clear preference for LID solutions; to ‘integrate stormwater management facilities into an attractive public realm’. The main principles of LID are to reduce stormwater generation by:
 - reducing impervious areas;
 - minimising site disturbance;
 - avoiding discharge of contaminants; and
 - managing stormwater as close to the point of origin as possible to minimise collection and conveyance.
- 13 Stormwater quality and quantity control are the key outcomes from good LID practise. Stormwater attenuation (limiting flows to pre-development levels) will be achieved by the use of on-line and off-line dry detention basins as well as storage within a centrally located swale along the southern side of Northlake Drive.
- 14 NIL and Council staff have reached agreement that the most appropriate method of LID within Northlake (while still achieving the various other urban design and density requirements also stipulated by the District Plan) is to establish an integrated stormwater and recreation network, where various reserve areas have a dual drainage / recreational purpose.
- 15 The approved ODP includes those areas included in subdivision stages 1 to 7, and land in future subdivision stages.

Comment

- 16 Land is proposed to be vested with the Council for the following reserve purposes, including:
 - Local Purpose - Drainage / Recreation: Those areas that have a dual function of stormwater attenuation and recreational reserve

- Local Purpose – Walkway: A number of walkways that provide walking and cycling connections between neighbourhoods
 - Recreation Reserve: Community recreation
- 17 NIL has lodged the first of several subdivision applications with the Council. To ensure this issue of reserve identification and land vesting is dealt with comprehensively (for the current and subsequent subdivision applications within the approved ODP area) it is appropriate to present a comprehensive land vesting plan for consideration (Attachment B: Northlake Wanaka – ODP Open Space Reserves and Pedestrian Connections, 1949 – SK330 dated 22 June 2016).
 - 18 Some of the proposed reserves are more appropriate to vest as ‘Local Purpose Reserve – Drainage / Recreation’ as they will have a dual function of infrequent stormwater management, while also providing opportunities for recreation.
 - 19 NIL has undertaken to maintain all reserves for 5 years. During this period, a liaison group comprising QLDC and NIL representatives would be formed. This group would develop a comprehensive operation and maintenance plan and monitor the operation and functioning of these dual purpose reserves. This provides all parties clear visibility as to maintenance requirements and allows the operation to be fine-tuned during these initial years.
 - 20 Where these reserves are of suitable size and dimension they are recommended to be offset against the reserve contribution in full. Some of these dual function spaces are smaller areas that provide most benefit to those properties immediately adjacent. In an urban design sense, these reserves are useful and appropriately located adjacent to enclaves of higher density housing. Recognising their limited recreational benefit to those who are not adjacent residents, it is recommended that a 50% off-set be applied against the required reserve contribution.
 - 21 The walkways and open spaces that provide the linkages between the networks of open spaces are appropriate to vest as ‘Local Purpose Reserve – Walkway’. This category of reserve provides for these linear strips to be utilised for their intended purpose but without the requirement for a specific reserve management plan to be prepared. It is appropriate that these areas are fully off-set against the reserve contribution.
 - 22 Finally, the proposed ‘Recreation Reserves’ are to be fully off-set against the reserve contribution requirement.
 - 23 It is relevant to also point out that there are substantial areas within the future stages of the Northlake Special Zone Structure Plan which are zoned ‘Building Restriction Area’ and ‘Tree Protection Area’. These areas comprising (50.3 hectares) cannot be developed for housing and as such provide the possibility for future reserve land. These areas are undulating with extensive areas of established kanuka, and have significant amenity and ecological values. As such, they are consistent with the District Plan requirement to provide reserves at Northlake in the form of ‘larger natural areas’.

- 24 The approval of reserve land in the Structure Plan area not identified on the ODP and any improvements on these reserves in lieu of reserve contributions will be subject to a future report.
- 25 The Council's 10-Year Plan 2015-25 was adopted on 30 June 2015, and sets out the current policy on Development Contributions and Financial Contributions. The most recent annual policy was made effective on 1 July 2015.
- 26 The Policy states that the Reserve Land Contribution is required at a rate of 27.5m² of land for each residential property, and that such contribution can be either land or cash or a combination of both. Where land is offered in lieu of cash it must be of a suitable standard, size and purpose to be accepted by Council.
- 27 The area of land required to be taken as reserve under the current Council policy is 11,715m² (27.5m² x 426 lots). The applicant is proposing 39,334m² of land for reserve purposes in the ODP.
- 28 All areas are recommended to be accepted by Council as reserve. However there are a number of reserves that should not be, or should only partially be offset against contributions payable because of their proposed shape or function. Reserve 12 contains the central stormwater swale and this portion is not considered suitable to be offset against contributions. However, the four rectangular areas to the south of Reserve 12, which have a combined area of 3,344m² do have a recreational function, albeit one that is of most benefit to those immediately adjoining residential lots. The same applies to Reserve 14 and 16. For this reason, it is recommended that these reserves be only 50% offset against reserves contribution requirements.
- 29 On balance, all reserve land contributions required by the development shown in the ODP will be offset if approved by Council, and there is significantly more land to be vested as reserve than is required.
- 30 It is relevant to identify that the adjoining 64 lot subdivision (at the corner of Aubrey and Outlet Roads) was also undertaken by NIL in 2013. An agreement was reached with Council around this time to defer payment of reserves contributions in recognition that there were significant additional stages of the wider site to be developed.
- 31 This arrangement was secured initially by a mortgage over land in the Wakatipu associated with the NIL developers, and was in 2016 substituted for a cash bond held by the Council. The QLDC currently holds \$440,000 made up of \$310,714.18 for an equivalent reserve contribution of 1,760m² and \$128,872.70 for the purposes of Reserve Improvements.
- 32 The current proposal is to contribute significantly more reserve land than is required, and this can be used, subject to Council's legal agreement, to off-set the contributions associated with the 64 lot subdivision. Reconciliation and return of the amount held on trust can be arranged via Council's legal advisors.
- 33 The Development Contribution policy requires that payments be made in respect of reserve improvements. Where a developer proposes to provide the reserve

improvement works as part of the subdivision, then Council may off-set the cost of those works.

- 34 The current Council policy requires a contribution of \$1,172 per residential equivalent. The ODP would require \$499,272 of reserve improvement contributions based on 426 residential units. It is appropriate to off-set the reserve improvement contribution in relation to works to develop the reserves proposed to be vested. Such works will include plantings, walkways and other assets to be delegated to the Parks and Reserves Planning Manager to approve. If the costs of developing the reserves exceeds the reserve improvement contributions owing these costs will be borne by the applicant.

Options

- 35 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

- 36 Option 1 Accept the proposal for the vesting of the land as reserves and improvements to those reserves in lieu of reserve land and reserve improvement contributions payable for the works associated with the ODP.

Advantages:

- 37 The increase in reserve land and improvements will provide for the use and enjoyment of the Northlake community.

Disadvantages:

- 38 Council will have to maintain the reserves and improvements at a cost to the ratepayer after five years.

- 39 Option 2 Reject or modify the proposal.

Advantages:

- 40 Council will not have to maintain the reserves and improvements at a cost to the ratepayer.

Disadvantages:

- 41 There will not be an increase in reserve land or improvements to provide for the use and enjoyment of the Northlake community.

- 42 This report recommends Option 1 for addressing the matter.

Significance and Engagement

- 43 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because there will be little impact on Council's function if the recommended option is taken.

Risk

- 44 This matter related to the operational risk OR002, Increase in Expenditure as documented in the Council's risk register. The risk is classed as moderate.
- 45 This matter relates to this risk because accepting the land will increase Council's expenditure after the applicant's maintenance period. The recommended option includes a developers agreement to ensure QLDC reserves standards are met prior to handover to Council, which should ensure expenditure on maintenance is at anticipated levels. The vesting is also in accordance with the Parks Strategy further reducing risk of judicial review of any decision to accept the land.

Financial Implications

- 46 The applicant will be required to maintain the reserves for the first five years. Following this point, provision will need to be made available within Council's parks maintenance budgets at an estimated cost \$40,000 per annum, not including stormwater operational maintenance.

Council Policies, Strategies and Bylaws

- 47 The following Council policies were considered:
- Significance and Engagement Policy – this decision is not considered significant.
 - Parks Strategy 2002 – the vesting of the proposed reserves will contribute to the provision of recreational opportunities, thereby contributing to the vision expressed in the Strategy.
 - Land Development and Subdivision Code of Practice – the developers agreement required will ensure the reserves are in accordance with the code of practice prior to handover to Council, as will conditions of subdivision consent.

Local Government Act 2002 Purpose Provisions

- 48 In relation to section 10(1)(b) of the Local Government Act 2002 the proposed activity involves meeting the current and future needs of the community for good quality local public services in a way that is most cost effective for households and businesses.

Consultation: Community Views and Preferences

- 49 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community.
- 50 No specific consultation has been undertaken however the plan change that enabled the development was publicly notified giving the community the opportunity to submit on the proposal.
- 51 No specific media statement or public communication is considered necessary.

Attachments

- A Outline Development Plan (RM160152) approved by Council on 8/6/16 (Appendix A)
- B Northlake Wanaka – ODP Open Space Reserves and Pedestrian Connections, 1949 – SK330 dated 22 June 2016 (Appendix B)



QUEENSTOWN LAKES DISTRICT COUNCIL

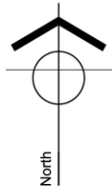
APPROVED PLAN:
RM160152




Wednesday, 8 June 2016

ODP CONSENT ISSUE

-  DESIGN YOUR OWN LOTS
-  NORTHLAKE HOME LOTS
-  TERRACE HOUSING A
-  TERRACE HOUSING B
-  COMMUNITY VILLAGE
-  BUSINESS PARK
-  RECREATION FACILITIES
-  OPEN SPACE





-  OPEN SPACE
-  WALKWAY CONNECTIONS
-  ROADS WITH PEDESTRIAN ACCESS

Reserve	Area (m²)	Type
1	587	LP Reserve (Walkway)
2	590	LP Reserve (Walkway)
3	563	LP Reserve (Walkway)
4	1251	Recreation Reserve
5	340	LP Reserve (Walkway)
6	1545	LP Reserve (Walkway)
7	405	LP Reserve (Walkway)
8	1450	LP Reserve (Drainage)/Recreation
9	1715	LP Reserve (Drainage)/Recreation
10	4290	LP Reserve (Drainage)/Recreation
11	2,591	LP Reserve (Drainage)/Recreation
12	11,196	LP Reserve (Drainage)/Recreation
13	2486	LP Reserve (Drainage)/Recreation
14	864	LP Reserve (Drainage)/Recreation
15	1363	LP Reserve (Drainage)/Recreation
16	794	LP Reserve (Drainage)/Recreation
17	1,127	LP Reserve (Drainage)/Recreation
18	530	Recreation Reserve
19	2,495	Recreation Reserve
20	1524	LP Reserve (Walkway)
21	270	LP Reserve (Walkway)
22	306	LP Reserve (Walkway)
23	183	LP Reserve (Walkway)
24	290	LP Reserve (Walkway)
25	579	LP Reserve (Walkway)

Type	Total Area (m²)
LP Reserve (Walkway)	7,182
LP Reserve (Drainage)/Recreation	27,876
Recreation Reserve	4,276
Total	39,334

