

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of Plan Change 50 (Queenstown Town
Centre Zone Extension) to the
Queenstown Lakes District Plan

STATEMENT OF EVIDENCE OF PAUL MACRAE SPEEDY

1 Executive Summary

Background to the plan change

- 1.1 Plan Change 50 extends the Queenstown Town Centre zone (QTCZ). It arises out of:
- (a) the Council's long-term consideration of the best use for the Lakeview site;
 - (b) the Council's desire to develop a proposed international convention centre; and
 - (c) a recent report into business zone capacity that identified the need for the expansion of the QTCZ.
- 1.2 The development of the council-owned Lakeview site has been under consideration by the Council intermittently since 2004, when the camping ground was redeveloped so it occupied only a portion of the site. More recently, the Council has been considering the development of a proposed international convention centre and the Lakeview site has emerged as an ideal site for the centre.
- 1.3 In 2013 Fearon Hay architects were engaged to develop a master-plan for the Lakeview site, which was to include a possible convention centre. The master-plan has formed the basis of decisions made in preparation of this plan change.
- 1.4 Also in 2013 the Council commissioned McDermott Miller Strategies Limited to review the Queenstown-Lakes District Plan business zones capacity. The report concluded that it was essential that central Queenstown be enabled to grow and that this needed to involve the expansion of the QTCZ.
- 1.5 Following the report, the Lakeview site was identified as a suitable site for rezoning and the process to develop Plan Change 50 began. Two smaller sites bordering the Lakeview site and the interconnecting "Isle Street blocks" were identified as appropriate to include in the plan change. Following non-statutory consultation, two further sites were identified as appropriate to include in the change.

Description of the Plan Change

- 1.6 The proposed plan change provides for the expansion of the existing QTCZ through the rezoning of:
- (a) the Lakeview site
 - (b) the Thompson/Glasgow Street site;
 - (c) 34 Brecon Street;
 - (d) the Isle Street blocks; and
 - (e) the Beach Street block.

- 1.7 It is proposed that the Lakeview site, the Thompson/Glasgow site and 34 Brecon Street be zoned in a new "Lakeview sub-zone" within the QTCZ. The Lakeview sub-zone will provide for the expansion of the QTCZ, while including appropriate site and zone standards and land use controls.
- 1.8 It is proposed that the Isle Street blocks be zoned in a second new sub-zone – the Isle Street sub-zone, within the QTCZ. The Isle Street sub-zone will provide for complementary activities that connect the commercial heart of Queenstown to the commercial, community and tourist activities along Brecon Street.
- 1.9 It is proposed that the Beach Street site be included in the existing QTCZ. Extending the town centre over this site will enable the continuation of commercial activities that could enhance town centre, particularly along the Beach Street frontage.

Reserve Act process as it related to the Lakeview site

- 1.10 Part of the existing Lakeview site is held by the Council under the Reserves Act 1977. Some of it is classified as Recreation Reserve and other parts have never been classified under the regime introduced by the Act almost 40 years ago. Implementing Fearon Hay's recommendation about the shape and location of appropriate reserves within the Plan Change area will require further processes under the Reserves Act. These processes will involve public input. Management Plans under the Reserves Act (also subject to a public process) will control the uses that occur on those portions of land.

Cabins on the Lakeview Site

- 1.11 There are 169 cabins on the Lakeview site. 79 are owned by private licence holders, with the licenses due to expire on 30 September 2015. The balance are QLDC owned.
- 1.12 The Council has been very clear with licence holders (i.e. the cabin owners – who are not necessarily the occupiers of the cabins) that their licences expire next year with no rights of renewal and an obligation to remove the cabins. The Council continues to work closely with these license-holders. The Council is also in discussions with a third party about moving some of the cabins to an alternative site.

Consultation process undertaken to date

- 1.13 Land owners and occupiers of the sites subject to the Plan Change, as well as neighbouring owners and occupiers, were identified and consulted with during the presentation stage of the Plan Change.
- 1.14 This consultation led to additional sites being added to the proposed Plan Change (specifically the Beach Street block and 34 Brecon Street). As a result, further consultation was conducted with owners and occupiers, as well as neighbouring owners and occupiers, of this additional land.

Council's housing affordability initiatives

- 1.15 The Council is undertaking a range of initiatives to meet the housing affordability needs of the Queenstown community. Much of this work has been progressed as part of the Council's Housing Our People in our Environment Strategy (the HOPE Strategy).
- 1.16 The three most significant initiatives are:
- (a) **Plan Change 24 (Community and Affordable Housing).** In August 2013, the Council made operative Plan Change 24 (Community and Affordable Housing). The Plan Change introduces housing affordability into the objectives of the District Plan and includes several policies towards these objectives. Plan Change 24 is not limited geographically and applies across the district, including in the area affected by Plan Change 50.
 - (b) **Housing Accord and planned Special Housing Areas.** The Council has entered into a Housing Accord with Central Government. The Accord is intended to increase housing supply and improve housing affordability in the district. Under the Housing Accord, land can be designated a Special Housing Areas (SHAs). The Council is currently undertaking a process to identify land suitable for SHAs. Qualifying developments within SHAs will be subject to streamlined consenting process and greater development rights. Council will also require qualifying developments to provide a significant proportion of allotments to be a smaller size than is typical in the District, to address affordability.
 - (c) **District Plan review.** The Council is undertaking a District Plan review. Significant changes are being considered, including more flexible residential zoning allowing for a greater supply and diversity of housing. It is intended that these changes would lead to more affordable housing.
- 1.17 The Council has also provided for high-density residential accommodation as part of the overall master-planning at Lakeview. This should allow for increased and improved housing supply compared to the low density and low quality accommodation the area currently provides.

Appropriateness of being able to apply for a liquor licence in the expanded town centre

- 1.18 Under the current District Plan, the QTCZ is an area in which liquor licenses can be issued. The Council considers that it is appropriate that the same rules are applied to the expanded town centre. The following factors are relevant:
- (a) It is logical to apply the same QTCZ rules to the expanded town centre zone.
 - (b) Liquor licenses are anticipated by clientele in a vibrant town centre.
 - (c) Any future convention centre located in the expanded zone would be expected to apply to be licensed premises.
 - (d) Licensed premises are required to comply with urban design controls, as well controls around amenity, good order and noise.

- (e) The Sale and Supply of Alcohol Act 2012 provides for significant regulation of liquor licences. Further, the Council is planning to consider whether to progress with a Local Alcohol Policy in June 2015. This process will provide the Council and community with the ability to thoroughly consider the availability of liquor licenses across the QTCZ area and the controls that are needed.
- 1.19 In light of the existing and proposed controls, the Council considers it is appropriate to allow licenses to be sought in the expanded town centre.

2 Introduction

- 2.1 My name is Paul Macrae Speedy. I am the Manager, Strategic Projects and Support at the Queenstown Lakes District Council (the Council). As part of that role I have been tasked with preparing Plan Change 50 for consideration by the Council.
- 2.2 In my evidence I will:
- (a) discuss the background to the plan change;
 - (b) provide a description of the plan change;
 - (c) provide an overview of the Reserves Act process the Council will also use to develop the Lakeview Site;
 - (d) explain the situation with the cabins currently on the Lakeview Site;
 - (e) explain the consultation process undertaken to date;
 - (f) outline the Council's main housing affordability initiatives; and
 - (g) outline the key reasons why the ability to apply for liquor licenses in the Lakeview portion of the expanded town centre is appropriate.

3 Background to the Plan Change

- 3.1 Plan Change 50 would extend the QTCZ to include the Council-owned Lakeview site, some privately-owned land adjacent to the Lakeview site, the Isle Street blocks and Beach Street site. It arises out the Council's long-term consideration of the future of the Lakeview site, as well as the Council's consideration of the development of an international convention centre and a recent report into business zone capacity which identified the need for the expansion of the QTCZ.
- 3.2 The Lakeview site is owned by the Council. The eastern end of the site contains the Queenstown Lakeview Holiday Park. It is intended that the holiday park will remain there via a designation, but may occupy a smaller area in the future. The remainder of this site is occupied by Council-owned and privately-owned cabins, all of which are used as rented/private accommodation, surrounded by large areas of open space. The cabins are old and many are of a very poor standard. The Council intends to have them removed when the licences to occupy the site expire on 30 September 2015. The remainder of this site is significantly under-used and contains several dilapidated buildings.

- 3.3 The Lakeview site is one of the Council's most strategically important assets in its long-term plans to facilitate well-planned economic growth for Queenstown's town centre and the wider District. The development of the site has been considered by the Council intermittently since 2004, when the camping ground was redeveloped so it only occupied a portion of the broader site. Since then, master-planning options for the Lakeview site have been prepared, along with supporting technical reports regarding transportation and infrastructure assessment and other relevant matters.
- 3.4 One of the catalysts for the present plan change was the Council's consideration of the development of a proposed international convention centre, in which the Lakeview site emerged as an ideal site. If such a convention centre were to proceed at the Lakeview site, it would provide a centre of gravity to development and expansion of the town centre. Without such a catalyst, redevelopment is expected to be slower, but nevertheless important to the future of Queenstown.
- 3.5 In 2013 Fearon Hay architects was engaged to develop a master-plan for the site, which was to include a possible convention centre. Alongside the master-plan, economic analysis was carried out on behalf of the Council to look into the costs and benefits of the proposed convention centre for the ratepayers. At the same time as options for the development of the Lakeview site were being developed, the Council was turning its attention to the District Plan review. As background to this process, McDermott Miller Strategies Limited was commissioned to review the Queenstown-Lakes District Plan business zones capacity. This project involved a review of the capacity of existing commercial zones in the District Plan and the development of a policy structure that enables more effective management and integration of these zones.¹
- 3.6 The report found that there is an oversupply of commercial and retail zoned land, particularly in the Frankton area, which may threaten the vitality of the Queenstown town centre. It also found that the Queenstown town centre was at or near capacity, a further compounding factor threatening its vitality. The report concluded that it was essential that central Queenstown be enabled to grow and that this would involve the expansion of the QTCZ.
- 3.7 The Lakeview site was immediately identified as a suitable site for rezoning and a decision was made to pursue a plan change for the site. At this time, the Council considered what other land should be included in the change. It was decided that the privately owned land immediately at the western corner of the Lakeview site, at the corner of Glasgow Street and Thompson Street should be re-zoned as part of the Lakeview site.
- 3.8 It was also identified that the Isle Street blocks would be suitable land for re-zoning given the location of this land immediately adjacent to the existing QTCZ boundary and the Brecon Street commercial overlay boundary. With the Lakeview site to be re-zoned, the inclusion of the Isle Street blocks (which connect the Lakeview site with the existing QTCZ) was considered appropriate.
- 3.9 The Council undertook a non-statutory consultation process which identified two further sites to be included in the plan change. These were the Beach Street block and the land at 34 Brecon Street. This decision followed feedback received from

¹ McDermott Miller Strategies Limited "Review of Queenstown-Lakes District Plan Business Zone Capacity and Development of Zoning Hierarchy" (November 2013). This report is Appendix A to the section 32 evaluation for Plan Change 50

the land owner of 34 Brecon Street and a representative of the Crowne Plaza Hotel. The Council was receptive to these suggestions and, following some site analysis, elected to include this land in the Plan Change.

4 Plan Change Description

- 4.1 The proposed Plan Change provides for the expansion of the existing Queenstown Town Centre Zone (QTCZ) through the rezoning of:
- (a) The Council-owned Lakeview site (the former site of the Queenstown Lakeview Holiday Park), being approximately 11 hectares in area (the Lakeview site);
 - (b) Some privately owned land adjoining the Lakeview site and bounded by Thompson and Glasgow Streets, being approximately 6200 m² in area (the Thompson/Glasgow Street site);
 - (c) 34 Brecon Street, being approximately 3,900 m² (34 Brecon Street);
 - (d) The two blocks bounded by Camp Street, Isle Street, Man Street and Hay Street, being approximately 18,400m² in area (the Isle Street blocks);
 - (e) The block of land bounded by Lake, Beach, Hay and Man Streets (the Beach Street block), being approximately 9,200m² in area.
- 4.2 It is proposed that the Lakeview site, the Thompson/Glasgow site and 34 Brecon Street will be zoned in a new "Lakeview sub-zone" within the QTCZ. The Isle Street blocks will be zoned in a second new sub-zone – the Isle Street sub-zone, within the QTCZ. The Beach Street site will be zoned within the existing QTCZ.

Lakeview sub-zone

- 4.3 For the Lakeview site, the proposed plan change involves changing the current zone to Queenstown Town Centre zone and the introduction of a new Lakeview sub-zone within the Queenstown Town Centre zone. The new sub-zone will provide for the expansion of the Queenstown Town Centre zone over the 12ha (approximately) site, while including appropriate site and zone standards and land use controls to ensure the site is developed appropriately to maximise its potential and to complement the existing Queenstown Town Centre zone.
- 4.4 An integrated commercial-mixed use development is planned for the Lakeview sub-zone. Under the proposed zoning the sub-zone could accommodate visitor accommodation, high-density residential accommodation (to help address acknowledged housing affordability issues in the District), and commercial activities including some retail and hospitality and public recreation space. Large format retail activities are not provided for within this sub-zone. The proposed convention centre is provided for as a Controlled Activity within this sub-zone.
- 4.5 As the Lakeview sub-zone is a largely un-developed parcel of land, a structure plan has been developed to determine the layout of the sub-zone, and to ensure that the sub-zone integrates effectively and efficiently with the existing urban fabric of Queenstown. Maximum building height limits for buildings in the sub-zone are specified on a height limit plan. The structure plan has been developed by Fearon Hay, based on their master-plan for the site. Mr Bird has been engaged to carry

out an iterative peer review of the structure plan, and the associated district plan provisions for both the Lakeview sub-zone and the Isle Street sub-zone. The Council's intention in formulating the Plan Change is to enable a very well designed extension to the Queenstown town centre which will facilitate high quality built form and public open spaces befitting this unique and enviable site with its expansive views across the lake to the Remarkables beyond.

Isle Street sub-zone

- 4.6 The Plan Change includes the introduction of a second new sub-zone – the Isle Street sub-zone, within the Queenstown Town Centre zone. This sub-zone provides for the extension of the Queenstown Town Centre zone by providing for complementary activities that connect the commercial heart of Queenstown to the commercial, community and tourist activities along Brecon Street. This sub-zone will enable residential activities, visitor accommodation activities and commercial activities. As with the Lakeview sub-zone, there is no provision for large format retail activities are not provided.
- 4.7 Activities and the development of buildings in this sub-zone will be managed through the District Plan to provide for a high quality mixed use-commercial environment where built development can take advantage of the sub-zone's elevation. Specific bulk and location provisions have been developed to enable the intensification of built development in this sub-zone while providing an appropriate level of amenity for a mixed used environment.

Beach Street site

- 4.8 The Beach Street site is located immediately adjacent to the Queenstown Town Centre Zone on two sides – Hay Street and Beach Street. The block accommodates a large visitor accommodation activity adjacent to Beach Street. Extending the town centre over this site will enable the development of commercial activities that could enhance Town Centre, particularly along the Beach Street frontage.
- 4.9 Provisions proposed for the Beach Street site include the existing Queenstown Town Centre provisions without amendment, with the exception of noise limits and maximum building heights. The current rules managing noise and maximum building height limits applicable at this site will be retained.

5 Reserves Act process as it relates to the Lakeview sub-zone

- 5.1 Part of the existing Lakeview site is held by the Council under the Reserves Act 1977. Some of it is classified as Recreation Reserve and other parts have never been classified under the regime introduced by the Act almost 40 years ago. Part of the campground and the James Clouston Reserve are Recreation Reserves.
- 5.2 As part of the work to guide the Lakeview development, the Council received advice from Fearon Hay about the shape and location of reserves that would best serve the urban development that is contemplated. Their advice is reflected in the structure plan that forms part of the plan change. Implementing that recommendation (and indeed giving effect to the zoning that accordingly makes up the plan change) will require that proper Reserves Act status is given to the unclassified areas of land and that some swaps of Council owned freehold land

for Reserve land occur. These processes will involve public input and will be conducted through the mechanisms provided under the Reserves Act. Management Plans under the Reserves Act (also devised through a public process) will control the uses that occur on those portions of land.

6 Cabins on the Lakeview Site

- 6.1 There are 169 cabins on the Lakeview site. 79 are owned by private licence holders (37 Lynch and 42 Reserve Block), with the licenses due to expire on 20 September 2015. The balance (90) are QLDC owned. The license holders and QLDC rent the cabins to private tenants.
- 6.2 The Council has, over a long period of time, made clear to the licence holders (i.e. the cabin owners – who are not necessarily the occupiers of the cabins) that their licences expire next year with no rights of renewal and an obligation to remove the cabins.
- 6.3 As explained above, the cabins are old and many are of a very poor standard. It has been recognised by the Council that the Lakeview site, which is high value land and one the Council's most strategically important assets, is not an appropriate long-term site for the cabins.
- 6.4 Although September next year is the expiry date for licence holders, there may be some flexibility in terms of the exact date depending on the speed of development of Lakeview. We will be keeping in contact with cabin owners and occupiers on this, but it is very unlikely to result in lengthy extensions.
- 6.5 It is not Council's responsibility to directly provide alternative accommodation – particularly as it is not the owners of many of the cabins. That said, Council is in discussions with a party about whether some of the cabins may be moved to an alternative site to be rented.
- 6.6 As discussed above, the Council has factored in high-density residential accommodation as part of the overall master-planning at Lakeview, and discussions with potential developers suggest that there would be good commercial interest in this option forming part of the overall master-plan.

7 Consultation Process

- 7.1 The Council undertook non-statutory consultation with individuals to inform them about and obtain feedback on the proposed Plan Change. Specifically, land owners and occupiers of the sites subject to the plan change, as well as neighbouring owners and occupiers, were identified and consulted with during the presentation stage of the Plan Change.
- 7.2 An information sheet and feedback form was sent to 604 identified owners and occupiers, including the occupiers of all the cabins on the Lakeview site. 51 parties responded with feedback. Of these, 17 parties stated they agreed with the change; 25 were opposed; and 9 were neutral or did not express their view.
- 7.3 A number of occupiers and land owners requested that additional land be included in the Plan Change. As a result of this feedback, two sites were considered appropriate for rezoning as part of this plan change (34 Brecon Street

and the Beach Street Site). Given the expansion of the proposed Plan Change, further consultation was conducted with newly identified parties.

8 Affordable housing initiatives

- 8.1 The Council is undertaking a range of initiatives to meet the affordable housing needs of the Queenstown community. Much of this work has been progressed as part of the Council's Housing Our People in our Environment Strategy (the HOPE Strategy).
- 8.2 The three most significant initiatives are Plan Change 24 (Community and Affordable Housing), the Council's Housing Accord with the Government and the District Plan review. I have outlined each of these below.

Plan Change 24- Community and Affordable Housing

- 8.3 In August 2013, the Council made operative Plan Change 24 (Community and Affordable Housing). The purpose of the plan change was to introduce affordable housing into the policies of the District Plan, to give the Council a District Plan basis for addressing housing affordability. In practical terms, I understand that the objectives and policies are used for non-complying resource consent applications. Developers can propose to improve housing affordability in a range of ways and then receive the benefit of having met the District Plan objective.
- 8.4 Plan Change 24 is not limited geographically - it is district-wide. As such, it will apply to the area affected by Plan Change 50.

Housing Accord and Special Housing Areas

- 8.5 The Council has entered into a Housing Accord with the Housing Minister under the Housing Accords and Special Housing Areas Act 2013.
- 8.6 The Accord is intended to increase housing supply and improve housing affordability in the district by facilitating development of quality housing that meets the needs of the growing local population. It includes agreed aims and targets related to land supply and dwelling consents. The Accord also acknowledges a number of other actions to improve housing affordability and sufficient land supply.
- 8.7 The main mechanism available in the Housing Accord to address housing affordability is the designation of land as Special Housing Areas (SHAs).
- 8.8 The Act provides an alternative process to resource consenting for low-rise residential developments in SHAs. This allows greater flexibility in development rights (than typically provided by the District Plan) and a streamlined consenting process.
- 8.9 On 7 November 2014 the Council commenced a community engagement process which has invited expressions of interest from landowners and developers to submit parcels of land for consideration by Council as SHAs. Council officers will assess the expressions of interest and make recommendations to the Council, which will then make the final recommendations to the Housing Minister.

- 8.10 The first tranche of SHAs are anticipated to be confirmed by the Housing Minister by April 2015. It is anticipated that one way that affordable housing options will be realised is via a Council requirement that a significant proportion of allotments in developments approved in SHAs will be of a smaller land area than is typical. This should ensure reduced section prices.

District Plan review

- 8.11 The Council commenced its District Plan review in April 2014. A key component of the review is the Residential section of the District Plan.
- 8.12 Significant changes are being considered, including establishing more enabling and flexible residential zonings, to better enable a greater supply and diversity of housing. It is intended that these changes will allow for more affordable housing. These provisions will be notified in May 2015.

Plan Change 50

- 8.13 Council has allowed for high-density residential accommodation as part of the overall master-planning at Lakeview, and discussions with potential developers suggest that there would be good commercial interest in this option forming part of the overall master-plan. This should allow for increased housing supply within the area and improve housing affordability.

9 Ability to apply for liquor licenses in the expanded town centre

- 9.1 Under the current District Plan, the Queenstown Town Centre is an area in which liquor licenses can be issued. It is logical to apply the same QTCZ rules to the new expanded town centre zone.
- 9.2 The town centre, including the expanded area, is intended to be a vibrant centre of Queenstown. Liquor licences are a part of what people expect in a town centre. Further, it is likely that any convention centre to be located in the expanded zone would apply for a liquor license.
- 9.3 Licensed premises will be required to comply with urban design controls, as well as controls around amenity, good order and noise. The Sale and Supply of Alcohol Act 2012 also provides for significant regulation of licenced premises.
- 9.4 There is no Local Alcohol Policy (LAP) in place currently in Queenstown. However, the Council is expected to consider a report on options in June 2015. A LAP would provide the Council and community with the ability to thoroughly consider the availability of liquor licences in the area and additional controls that are needed, such as maximum trading hours.
- 9.5 In light of the existing and proposed controls, the Council considers it is appropriate to allow for licences to be sought in the extended town centre.

DATED 10th November 2014

Paul Speedy