

**Planning & Strategy Committee
2 February 2017**

Report for Agenda Item 1

Department: Planning & Development

Proposed Private Plan Change 52 – Mount Cardrona Station Special Zone

Purpose

- 1 To recommend that the Council accept for processing Private Plan Change Request 52 (PC52) which seeks to alter the existing operative Mount Cardrona Station Special Zone (MCSSZ).

Executive Summary

- 2 A private plan change request has been received from Mount Cardrona Station Limited (MCSL). PC52 seeks to change the operative zoning (and the associated Structure Plan) of the MCSSZ to provide for the inclusion of a golf course (identified in Activity Area 9).
- 3 Changes are also proposed to the existing village core (Activity Area 6a “Village Green”) and replacing this with a newly proposed village square or public space area (proposed Activity Area 1a) so that it is more centrally located and better provides for the zone’s commercial centre, main hotel and as a commercial hub for golf course (including clubhouse and pro shop). The extent of further changes sought within this plan change is discussed in more detail in paragraph 8 below.
- 4 There are no grounds for rejecting the request or processing it as if it were a resource consent. There are no strong reasons for adopting it as a Council-led plan change.
- 5 It is recommended that the Planning & Strategy Committee accept the request for processing and that the notification process commence.

Recommendation

- 6 That Planning & Strategy Committee:
 1. **Note** the contents of this report; and
 2. **Accept** private plan change request 52 (Mount Cardrona Station Special Zone Change) for processing by the Council and proceed to notification.

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18/01/2017

Reviewed and Authorised by:



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Background

- 7 The MCSSZ has been operative for 5 years since Plan Change 18, which created the MCSSZ, was confirmed by the Environment Court under Decision [2010] NZEnC 187.
- 8 Private Plan Change 52 has been received from MCSL to make changes to the operative MCSSZ, as illustrated in the following maps:

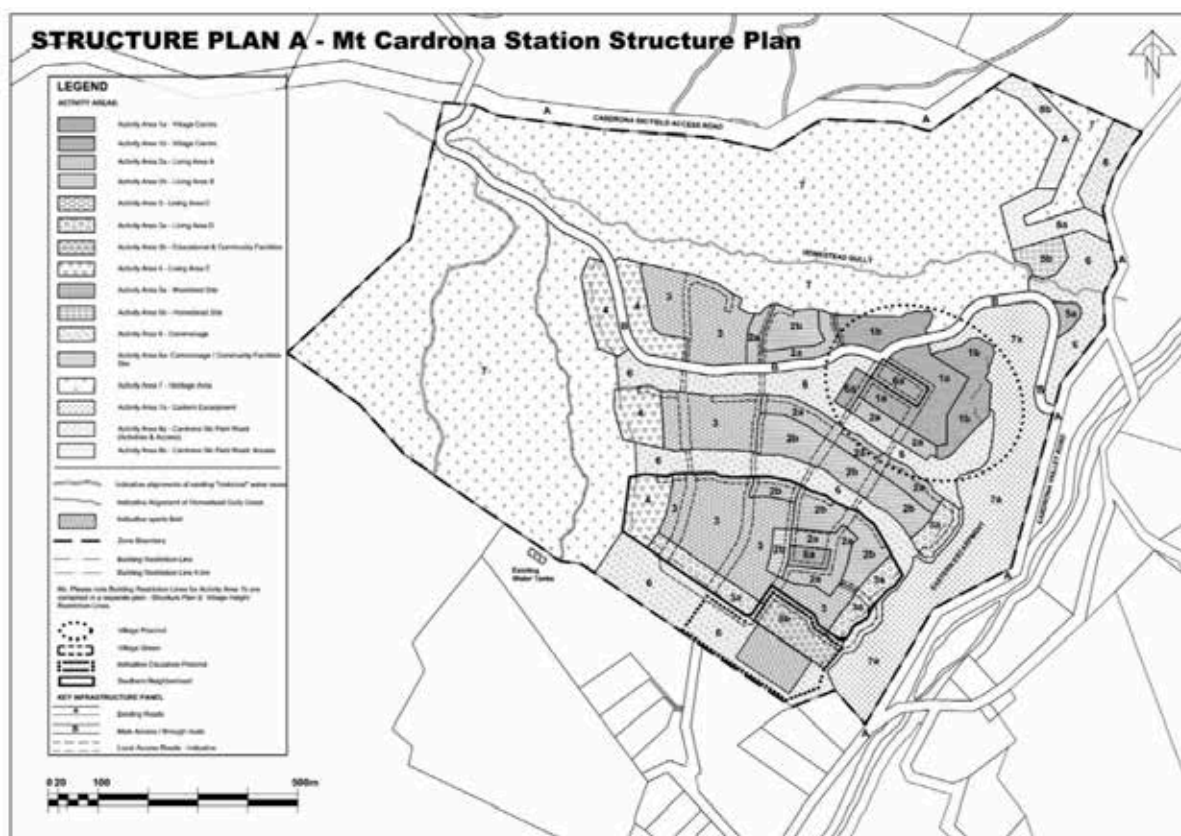


Figure 1 – Operative MCSSZ Structure Plan

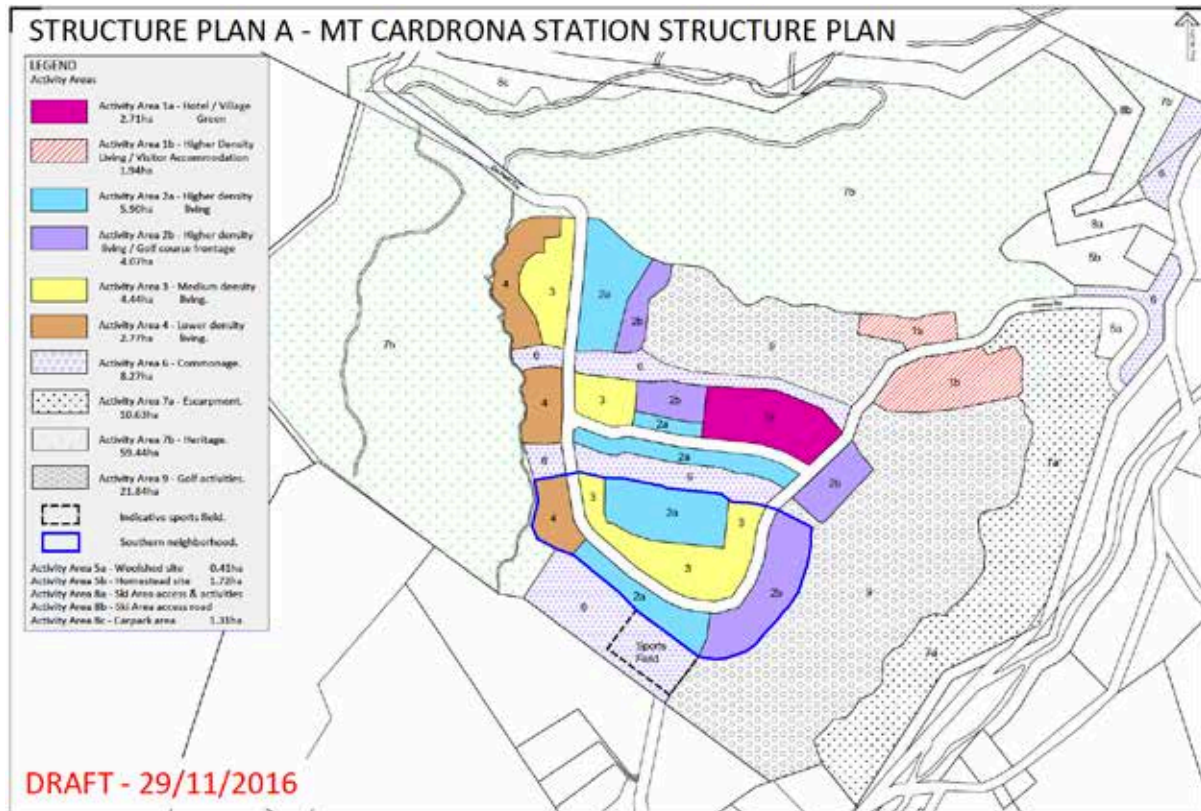


Figure 2 – Proposed Structure Plan Amended by Plan Change 52 (with Golf Course located within Activity Area 9)

- 9 In summary, the proposed plan change:
- Requests a change to the Operative District Plan (ODP) as this relates to the MCSSZ.
 - Requests a change to the ODP Chapter 15 (Subdivision and Development) as this relates to the MCSSZ.
 - Seeks amendments to the policy framework to reflect the amendments to the MCSSZ Structure Plan including:
 - The introduction of a golf course into the MCSSZ;
 - Deleting the Activity Area 6a “Village Green” area and replacing it with a village square or public open space area within the village core in Activity Area 1a, allowing for more flexibility in the urban design of the village core;
 - Providing for gondola access to the Cardrona Ski Area;
 - The introduction of an area for car parking and shuttle bus operations for the Cardrona Ski Area.
 - Reconfigure Structure Plan Activity Areas A, C and D to provide for the following changes:

- (i) Introduce a new activity area, Activity Area 9, to contain the golf course;
 - (ii) Shift the village core (Activity Area 1a) so that it is more centrally located;
 - (iii) Expand Activity Area 4 to the west to (in part) compensate for the residential development area lost by the inclusion of the golf course;
 - (iv) Introduce a new activity area, Activity Area 8c, at the north western part of the Zone, to enable the co-ordination of car parking and shuttle bus access to the Cardrona Ski Area;
 - (v) Delete Activity Area 6a, the “Village Green”, as the village core is shifted;
 - (vi) Delete Activity Area 3a which is redundant as it is located within the golf course area in new Activity Area 9;
 - (vii) Expand Activity Area 5b adjacent to the Cardrona Ski Area access road, to enable appropriate activities adjacent to and which could benefit from proximity to the base of the access road.
 - (viii) Re-orient the main access road into the Zone from Cardrona Valley Road, to reflect the conclusions of the traffic engineers about the most appropriate location for the intersection;
- e) Modify the provisions to reflect the changes to the Structure Plans set out above;
- f) Amendments to the subdivision rules for the MCSSZ in Chapter 15 of the ODP and include:
- (i) Reducing the minimum lot size required in Activity Area 3 (from 500m² to 300m², with a 350m² minimum average, to provide for flexibility in subdivision design) and in Activity Area 4 (from 1000m² to 800m²) to increase the potential density in these areas and to (in part) compensate for commercial and residential development areas lost by the inclusion of the golf course.
 - (ii) Delete the provision restricting commercial development in Activity Area 1a to increase flexibility in overall development sequencing and to remove an unnecessary market intervention.

10 The above provides for a broad overview of the key changes set out by the requestor.

Service Infrastructure

11 The existing MCSSZ is reliant upon on-site service infrastructure to support the future development of the zone. Consents for water¹ and wastewater² are in

¹ Consent 2009.191 (ORC) to take and use water as primary allocation from Pringles Creek and the Cardrona River for communal domestic supply, commercial supply and irrigation. Its expiry date is 1 March 2030 and Consent 2009.435 (ORC) to take and use water as a primary allocation from Pringles Creek for irrigation. Its expiry date is 1 March 2030.

place to service the whole development. The plan change does not necessitate any changes to these existing consents and they will be implemented when development commences. The Requestor has set out that no other consents are required. Accordingly, the plan change will not affect the method of disposing of effluent from the development.

- 12 The Requestor notes that the consented effluent disposal system has capacity to supply greater areas of development than just the MCSSZ and that it is feasible to also service the existing Cardrona Village and the Cardrona Ski Area. PC52 may enable this service to be constructed sooner and to be connected to these areas when the MCSSZ is developed, providing additional benefit to the community.
- 13 Storm water is to be managed through the open spaces (Activity Area 6), which are located around natural swales. These areas will continue to act as treatment and attenuation devices for the completed development.
- 14 MCSL are to establish a MCS Residents Association, which will manage (in conjunction with a third party experienced in asset management) any common assets/utilities that are not vested in Council. The applicant is not proposing to vest the infrastructure in Council. Any decision to vest any land or infrastructure in Council has not been made and would be subject to separate agreement with MCSL and Council.

Transportation

- 15 The effects of the plan change on the traffic network are addressed in the original report entitled Mt Cardrona Station Plan Change, Cardrona, Traffic Assessment, (Traffic Design Group, June 2007) and in the letter from Traffic Design Group dated 29 November 2016.
- 16 The update letter concludes that the original access point from Cardrona Valley Road would need to be shifted north about 75m to avoid a short separation between the intersection and the existing intersection of Tuohy's Gully Road, on the opposite side of Cardrona Valley Road. The new location for the intersection removes the conflict with the right turn movements and still provides adequate sight distance for the speed environment.
- 17 Based on the development potential associated with the revised MCSSZ structure plan, the updated letter from Traffic Design Group dated 29 November 2016 concludes that the Zone would result in lower traffic generation than permitted under the operative provisions, and lesser traffic effects.

Recreation Land

- 18 Activity Area 6 (Commonage) provides for both formal and informal recreation activities open to the public and includes an indicative sports field. This area remains largely unchanged from the operative MCSSZ structure plan. It is

² RM061036.02 (QLDC) for buildings for effluent treatment and associated earthworks, which expires on 12 January 2019; Consent 2009.348 (ORC) to discharge 2164m³ per day of wastewater to land, which expires on 15 July 2045. This volume is adequate for the MCSSZ development, the Cardrona Ski Area and the expected expansion in the Cardrona village for the foreseeable future.

understood that there has been no formal discussions with Council regarding the vesting of parts of this land for reserve purposes; however this is a matter that will need to be considered at the subdivision stage.

- 19 Since the MCSSZ was made operative in 2010, development has not commenced. This is due in part to the effects of the global financial crisis on market confidence generally, but also to an increasing sense of uncertainty about whether the MCSSZ, in its operative form, contains the right mix of components to enable and encourage its development.
- 20 While the wider Southern Lakes region has trended towards a broad 4-season destination for domestic and international visitors, rather than a 2-season (summer and winter) destination. Cardrona has remained relatively static and one of the reasons for this is that Cardrona is often regarded as a 1-season (winter) destination, given the major winter sport attractions of the Cardrona Ski Area and Snowpark, with very few summer and equinox activities which are generally limited to walking and mountain biking.
- 21 Building on the increasing importance of golf tourism to the District, and seeing the potential of the MCSSZ's gently undulating terrain for golf, MCSL invited former international golfer and now golf course designer Greg Turner to inspect Mount Cardrona Station with a view to ascertaining whether the land could accommodate golf. Various options were devised and debated, and a 12-hole configuration was settled on as the "optimal" design that would ensure a quality, unique alpine golf experience – to complement the existing golf offering in the District.
- 22 Since signalling to the market the potential for a golf course and with it the potential for Cardrona to become a more rounded, 4-seasons destination in its own right, the MCSL directors have received new enquiry into development of the Zone. In particular, four international brand hotel operators have expressed strong interest in establishing a 4+ star hotel facility within the MCSSZ, based on the year-round market and the potential to co-locate a hotel with the golf clubhouse, pro-shop and food and beverage facilities for guests, golfers and residents. The hotel would accommodate a sector of the winter market, saving daily travel from either Queenstown or Wanaka.
- 23 The Change represents an opportunity to remedy two other issues identified by the developer of the MCSSZ. Firstly, it has become apparent that the comparatively prescriptive MCSSZ provisions – for example the manner that the commercial core (Activity Areas 1a (retail/visitor accommodation and 6a (Village Green)) should be developed – was off-putting for commercial developers and hotel operators who prefer more flexibility in how to respond to meet market needs.
- 24 Secondly, housing needs and typologies have evolved since the MCSSZ was first prepared. In line with wider urban trends, larger residential sections are giving away to smaller sections and smaller residential units particular where a development as a whole can offer plenty of shared amenity including outlook and public open space and strong pedestrian links.

- 25 The Change will have a specific benefit to patrons of the Cardrona Ski Area by providing for a car parking area adjacent to the access road north of the MCSSZ. The parking will link with shuttle buses, to alleviate the parking pressure at the ski area itself, and enable improved efficiencies in overall trip numbers and fuel use.

Implications for the Proposed District Plan

- 26 A report to Council on Stage 2 of the District Plan Review presented at the 29 September 2016 meeting of Full Council confirmed by resolution that Mount Cardrona Station Zone would form part of the Stage 2 District Plan Review, however it also identified that future plan changes to the Operative District Plan would be excluded from the District Plan Review. The areas excluded also related to recent plan changes to the Operative District Plan.

- 27 The resolution states:

2. Approve pursuant to section 79(1) of the Resource Management Act 1991 (RMA) to commence Stage 2 of its review of the Operative District Plan, including the review of following components of the Operative District Plan and identified other matters:

“.... p. Mt Cardrona Station Zone..”

6. Confirm the exclusion of the land covered by the following from the District Plan Review:

- a. Plan Change 19: Frankton Flats B Zone.*
- b. Plan Change 45: Northlake Special Zone.*
- c. Plan Change 46: Ballantyne Road Industrial*

and Residential extension.

- d. Plan Change 50: Queenstown Town Centre*

extension.

- e. Plan Change 51: Peninsula Bay North.*

f. Remarkables Park Zone.

- g. Any subsequent plan changes to the Operative District Plan.”*

- 28 As part of this plan change request, MCSL has identified serious concerns that, if review of the MCSSZ is left until Stage 2 of the District Plan Review process, market conditions may change and the opportunity to secure the investment to develop this unique large area of land contained in one ownership may no longer be able to be secured.

- 29 If Stage 2 of the District Plan Review is notified in September 2017 it is likely that decisions on submissions would not be available until late 2018 at the earliest and possibly 2019. Any appeals would result in it being likely that new MCSSZ provisions would not be operative until late 2019 or 2020. This timeframe could result in the loss of this opportunity, and will delay or prevent the benefits that will be achieved from development of this zone.

- 30 The 29 September 2016 Council report confirmed that, while the Council appreciates its duties to consider plan change requests under Clause 25 of Schedule 1 of the RMA, Council strongly discourages private plan change requests during the District Plan review. However, notwithstanding this, it is considered that the plan change request has merit and based on the consideration of matters raised under Clause 25 of the RMA, it is recommended that the Council look to accept this plan change request for processing, as a change to the Operative District Plan.
- 31 As a private plan change, all costs are on-charged to the applicant, and the plan change request can be processed by an external consultant, meaning that internal staff resource demands are reduced. Officer and Councillor time will still be required to liaise with the consultant planner and for various matters such as preparing and lodging a submission on the plan change.

Options

- 32 Under Clause 25 of the First Schedule of the RMA, the Council must decide whether to either:
- a) Reject the plan change
 - b) Process the plan change request as a resource consent
 - c) Adopt the plan change, or
 - d) Accept the Plan Change (for processing).
- 33 These options are considered in turn below.

Assessment of Options

a) Reject the Plan Change Request

- 34 A plan change request may be rejected on certain grounds, as specified in Clause 23(6) and Clause 25 of the First Schedule of the RMA. In this case:
- This request is not considered to be frivolous or vexatious. It does not lack seriousness or set out to annoy others.
 - The 'substance' of the request has not been dealt with by the Council or the Environment Court in the last two years, noting that the substance of this plan change has not been considered by Council or the Environment Court since 2010.
 - The change is not contrary to sound resource management practice. The Courts have confirmed that 'sound resource management practice' is tied to the purpose and principles of the Act and should be based on a high level assessment of the merits. At a high level, the plan change is not considered to be contrary to sound resource management.

- The change would not make the District Plan inconsistent with Part 5 of the Act (relating to National Environmental Standards and other policies and plans).
- The Operative District Plan has been fully operative since 2007.
- Clause 23(6) clarifies that if the requestor declines to provide information sought by the Council, the plan change request can be rejected. The requestor has provided all relevant information to the satisfaction of the Council.

35 It is therefore considered inappropriate to reject the plan change request.

b) Process the plan change request as a resource consent

36 Under this scenario the plan change request is converted to a resource consent application and is processed by the Council as such. This would mean:

- The requestor bears all the costs associated with a resource consent.
- The Council has no influence over what is publicly notified, whereas if it accepts a plan change it is common for the applicant to agree to some modifications to the application prior to notification as a result of a consultation with the council at this stage.
- The resource consent does not have effect until it is beyond challenge.

37 In this instance, processing the plan change as if it were a resource consent is not an option as the modifications sought to the MCSSZ would require the resource consent to be advanced as a non-complying activity under Rule 12.22.5.2 as it would not be in accordance with the underlying MCSSZ Structure Plans. This would likely result in applications having to be advanced through a public notification process and be subject to a rigorous resource consent process given the section 104D threshold test under the RMA.

38 Furthermore, any further development that was not in accordance with the underlying MCSSZ Structure Plans or approved resource consents for the site would also be subject to similar consenting hurdles, which could result in a significant disincentive for future investment decisions for this zone.

39 It is therefore considered inappropriate to process the plan change request as if it were a resource consent application.

c) Adopt the Plan Change Request

40 Under this scenario the plan change becomes a Council plan change and is processed as such. This would mean:

- The Council has full control over the content and extent of the plan change and bears the costs of managing and processing the plan change.
- The Council could modify the plan change as it saw fit, before it is notified.

- The plan change would have legal effect from the time it is notified.
- 41 The Council's current Long Term Plan (June 2015) anticipates private plan changes but, given the recent notification of stage 1 of the Proposed District Plan, it does not anticipate or provide funding for any Council-led plan changes.
 - 42 The original plan change that created the MCSSZ was a Council-led (i.e. adopted) plan change that was developed with MCSL. PC52 is viewed as a variation on that theme; it does not radically depart from what the Council notified as part of PC18. There is no great need for the Council to adopt and therefore modify PC52.
 - 43 The plan change is not contrary to the Council's strategic direction set out in the Council's right of reply to Hearing Stream 1A dated 7 April 2016, and the plan change would contribute to the goals of the Long Term Plan through promoting a more resilient and prosperous economy through the creation of development stimulus for the Cardrona community. In this respect, the plan change is wholly contained to the land governed by the operative MCSSZ, however seeks changes in order to ensure that the zone is more resilient through promotion of a broader tourism focus.
 - 44 Adopting the plan change as a Council plan change would have financial consequences as the ratepayers would need to meet the cost of reviewing the MCSSZ rather than MCSL meeting the cost. At a time that the Council is also advancing the District Plan review would add additional costs already being borne by the community.
 - 45 As such, adopting the plan change as a Council-led plan change is not considered effective or efficient.

d) Accept the Plan Change Request for processing

- 46 Under this scenario the private plan change is publicly notified in the form prepared by the requestor, subject to any modifications that are agreed to between the requestor and the Council, and the Council processes the plan change request in accordance with the First Schedule. This means:
 - The Council takes a neutral position on the proposal at the time of notification; neither supporting nor opposing the proposal. The Council can however lodge a submission that will be considered by commissioners.
 - The requestor determines the nature of the plan change that is notified but it can be modified prior to notification with the consent of the requestor.
 - The plan change does not have any effect until the decision is operative.
 - The requestor bears the cost of the plan change process (except for costs incurred by the Council in relation to any Environment Court proceedings).
- 47 It is considered appropriate to accept the plan change request for the following reasons:

- There is sufficient information to notify the plan change. I.e. A person could read the plan change and understand what is proposed and determine any potential effects.
- The Council will have the opportunity to obtain further advice and information through the submission process and the planner's report.
- The Council is able to make a submission on the merits of the plan change, and to give Commissioners scope to make changes, if this is considered necessary.
- The Council does not bear the costs of processing the plan change, except those costs that it might incur as a result of having to defend its decision in the Environment Court, should it be appealed.
- The plan change would have no weight until operative, removing the risk of resource consent decisions pre-empting the outcome.
- Amending the MCSSZ to integrate a golf course and make further changes to the MCSSZ structure plans is not a Council priority to the extent that it would wish to adopt it as its own, given its priority focus on the Proposed District Plan.

48 This report recommends **Option (d)** above in order to address the matter.

Significance and Engagement

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

- Its impact on the community and environment is able to be considered and the effects avoided or mitigated through the RMA process.
- While there is likely to be public interest in the matter, the RMA process can adequately accommodate this.
- The plan change is not considered contrary to the Council's strategic direction set out in the Council's right of reply to Hearing Stream 1A dated 7 April 2016 to the District Plan review, and the plan change would contribute to the goals of the Long Term Plan.
- It will not adversely affect Council's capacity to carry out, or the cost to the Council in carrying out, any activity identified in the Long-Term Council Community Plan as the cost of processing the plan change will be borne by the Requestor.

Risk

50 This matter does not have significant risk. Assuming the Council adopts the recommendation to *accept* the plan change request for processing, the risk is

classed as low. Accepting the plan change request for processing does not predetermine any outcome, as the RMA process needs to be followed.

Financial Implications

51 There are no direct operational and capital expenditure requirements or other budget or cost implications resulting from the decision recommended in this report.

Council Policies, Strategies and Bylaws

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

- Queenstown Lakes District Plan
- Queenstown Lakes Proposed District Plan (2015)
- Wanaka 2020 (2002) and Wanaka Structure Plan (2007)
- Growth Management Strategy (2007)
- Long Term Council Community Plan (2015-2025)

53 The recommended option is consistent with the principles set out in the above policies.

54 This matter is included in the 10-Year Plan to the extent there is a small contingency for the processing of private plan changes and there is not anticipated to be any costs to Council at least in the 2016-17 period.

Local Government Act 2002 Purpose Provisions

55 The recommended option:

- Can be implemented through current funding under the 10-Year Plan and Annual Plan; and
- Fulfils the need for good-quality performance of regulatory functions
- Is consistent with the Council's plans and policies in that it is enabling a private party to pursue their interests through an established RMA process, including responding to a number of identified shortcomings of the existing MCSSZ.

Consultation: Community Views and Preferences

56 Those affected by or interested in this matter are statutory bodies such as the Ministries for the Environment and Conservation and ORC; residents and ratepayers of the Queenstown Lakes district community (particularly those in the Wanaka community generally); iwi; and those individuals and groups who could potentially be directly affected by the zone change.

57 The requestor of a private plan change is responsible for undertaking consultation prior to lodging the request with the Council. It is understood that the requestor has liaised with adjoining landowners, including key stakeholders such as Real Journeys owner of Cardrona Ski Field and the Cardrona Valley

Residents and Ratepayers Society Incorporated (who have confirmed support of the proposed plan change).

58 The Council has not, itself, undertaken any consultation in relation to this plan change request but, rather, will rely on the formal consultation process as stipulated by the RMA.

59 Should the recommendation be adopted by Council, the formal consultation provisions of the RMA will ensure that parties will have the opportunity to comment on the application and speak to their submission at a public hearing.

Legal Considerations and Statutory Responsibilities

60 The processes set out in the First Schedule of the RMA must be complied with in the processing of this plan change. It has not been necessary to obtain any legal advice on any matter thus far.

Attachments

(All attachments can be viewed [here](#))

- A Document 1 - Proposed Plan Change 52 entitled "Mount Cardrona Station – Request for a Change to the Operative Queenstown District Plan, 6 December 2016"
- B Document 2 - The Change – Proposed Amendments to the Operative District Plan
- C Document 3 - The Assessment of Effects on the Environment
- D Document 4 - The Evaluation Under Section 32 of the RMA
- E Document 5 - Golf Assessment prepared by Golf Strategy Group – Greg Turner
- F Document 6 - Market / Economics Assessment prepared by Fraser Colegrave of Insight Economics
- G Document 7 - Urban Design Assessment prepared by Ian Munro
- H Document 8 - Cultural Impact Assessment prepared by Kai Tahu ki Otago – Chris Rosenbrock
- I Document 9 - Ecological Assessment prepared by Neill Simpson
- J Document 10 - Landscape Assessment prepared by Ben Espie of Vivian+Espie
- K Document 11 - Archaeological Assessment prepared by Angela Middleton
- L Document 12 - Transport Assessment prepared by Traffic Design Group – Don McKenzie / Chris Rossiter
- M Document 13 - Geotechnical Assessment prepared by Geosolve – Fraser Wilson

- N Document 14 - Soil Contamination Assessment prepared by Davis Consultants – Glenn Davis
- O Document 15 – Letter of Support from the Cardrona Valley Residents and Ratepayers Society Incorporated
- P Document 16 – Letter of clarification for servicing infrastructure and management