

**QLDC Council
29 September 2016**

Report for Agenda Item: 4

Department: Planning & Development

District Plan Review Stage 2

Purpose

- 1 The purpose of this report is to:
 - a. Provide an update on the District Plan Review.
 - b. Confirm the components to be reviewed in Stage 2 of the District Plan Review that could therefore be notified to form part of the Proposed District Plan.
 - c. Confirm specific components (i.e. areas of land) of the Operative District Plan that are excluded from the District Plan Review.
 - d. Confirm that the method for managing the excluded components from the Proposed District Plan is to locate them in a separate volume of the district plan.
 - e. Foreshadow that changes will be required to the Stage 1 Proposed District Plan to integrate Stage 2 and make consequential changes associated with separating the district plan into two volumes.
 - f. Outline the indicative timing of Stage 1 and Stage 2 processes.

Executive Summary

- 2 Five hearing streams on submissions on the PDP have been completed, involving the Strategic, Rural, Indigenous Vegetation and Wilding Exotic Trees, Heritage, Protected Trees, Subdivision and District Wide components comprising sixteen individual chapters.
- 3 A number of plan changes to the ODP that were underway when the PDP was notified, and were not included in the PDP, have been completed. It is recommended that they are excluded from the PDP.
- 4 It is recommended to separate specified areas of land from the District Plan Review (both Stage 1 and Stage 2). The result of this will be to split the District Plan by geographic area into two volumes.
- 5 **Volume A** would be the Stage 1 and Stage 2 PDP components as they become operative, including the recently made operative Signs and Earthworks components subject to minor changes to ensure cross referencing and consistency with the PDP.

- 6 **Volume B** would be the land covered by the following:
 - 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.
- 7 Volume B land would be excluded from the District Plan Review. A separate resolution would be required if any text in the PDP referencing these Volume B components were to be withdrawn from the PDP.
- 8 The table attached at **Attachment A** sets out identified issues, zones and district wide chapters that are recommended to be reviewed and notified as Stage 2, and what could be notified as a variation to the Stage 1 Proposed District Plan. Identified issues include:
 - a. Visitor Accommodation
 - b. Residential Development Guidelines
 - c. Gorge Road Natural Hazards
 - d. Affordable and Community Housing
 - e. Ferry Hill and Glenorchy Building Restriction Areas
- 9 Changes will be required to the Stage 1 PDP text and planning maps to reflect Stage 2 topics and make consequential changes associated with separating the district plan into two volumes. Other structural or advisory note changes suggested by the Hearings Panel through the hearings may also be initiated.
- 10 Overall, it is preferred to include as many components as practicable in Volume A, to provide the public with the most up to date and accessible volume of the District Plan in one document. For this reason it is considered less than ideal to advance any new plan changes to the Operative District Plan.
- 11 In particular, it is recommended that private plan changes should be discouraged unless there is a compelling reason not to, noting the requirements of the RMA as to accepting/rejecting plan change requests. Accepting private plan changes or initiating plan changes to the ODP would inflate Volume B. The current ODP is complicated and in addition to achieving environmental, economic and social well-being outcomes, a focus of the PDP is to simplify the district plan, make it more accessible and reduce transaction costs associated with administration of the district plan.

- 12 It would add to resourcing and administration costs for both the Council and the public if more land, in particular land zoned for residential purposes, were to be located in Volume B (the Operative District Plan).

Recommendation

That Council:

1. **Note** the contents of this report and:
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:
 - a. Township Zones
 - b. Industrial A and B Zones
 - c. Transportation Chapter
 - d. Hazardous Substances Chapter
 - e. Designations. Limited to five designations that were not identified by the New Zealand Transport Agency for notification as part of Stage 1
 - f. Open space and recreation
 - g. Open Space – Landscape Protection Zone
 - h. Affordable and Community Housing
 - i. Rural Visitor Zone
 - j. Penrith Park Zone
 - k. Bendemeer Zone
 - l. Hydro Generation Zone including Financial Contributions
 - m. Quail Rise Zone
 - n. Meadow Park Zone
 - o. Frankton Flats Zone
 - p. Mt Cardrona Station Zone
 - q. Ballantyne Road Mixed Use Zone
 - r. Three Parks Zone
 - s. Kingston Village Zone

- t. Shotover Country Zone
 - u. Arrowtown South Zone
 - v. Visitor Accommodation including the Registered Holiday Homes Appendix
 - w. Residential development guidelines
 - x. Gorge Road High Density Residential and Business zones
 - y. Gorge Road natural hazards investigation
 - z. Ferry Hill and Glenorchy building restriction areas
 - aa. Mapping sites of significance to iwi
 - bb. Include the stage 2 zones and structure plan guidance within PDP Chapter 27 Subdivision and Development
 - cc. Arrowtown Design Guidelines 2016 as they relate to the Stage 2 zones.
 - dd. Updating references and format of the Signs and Earthworks chapters.
3. **Note** that following the review of the matters in (a) to (dd) in 2 above, Council officers will report back to Council on the components recommended to be notified.
4. **Note** that the components that will be excluded from the District Plan Review have changed since the 17 April 2014 Council meeting, including the review of Community and affordable housing, which will now be included.
5. **Approve** the establishment of the preparation of the District Plan by way of territorial sections pursuant to section 73(3) of the RMA to create of two volumes to better manage the land excluded from the district plan review.
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.

7. **Note** while appreciating its duties to consider plan change requests under Clause 25 of Schedule 1 of the Resource Management Act 1991, council strongly discourages private plan change requests during the District Plan review.

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20/09/2016

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Background

- 13 Council formally commenced the District Plan Review (**DPR**) via a resolution at its meeting on 17 April 2014. This resolution excluded the following components of the ODP from the review:

TABLE 3: Not to be included in Review

No.	Section	Existing Chapter	Age years	Benefits	Staff
	Frankton Flats A	Existing	6		N/A
	Frankton Flats B (once operative)	New	0		N/A
	Remarkables Park	Existing	10	Excluded by agreement with landowner	N/A
	Mount Cardrona Station	Existing	2		N/A
	Three Parks	Existing	2		N/A
	Kingston Village Special Zone	Existing	3		N/A
	Registered Holiday Homes Appendix	Existing	4		N/A
	Open Space	Existing	6		N/A
	Affordable housing provisions	Existing policy	1		N/A
	Signs	Existing	10	Already notified in dependent of Review March 2014	TP

Figure 1. Table 3 of the April 2014 Resolution to formally commence the District plan Review.

- 14 At the 30 July 2015 Council meeting the Council approved the PDP (Stage 1) for notification pursuant to section 73 and clause 5 of the First Schedule of the Resource Management Act (**RMA**). The PDP was notified in August 2015, submissions and further submissions were substantially completed by the end of 2015 and hearings on submissions commenced in March 2016.

- 15 Five hearing streams have been completed involving the Strategic, Rural, Indigenous Vegetation and Wilding Exotic Trees, Heritage, Protected Trees, Subdivision and district wide components comprising sixteen individual chapters.
- 16 The residential hearing comprising five chapters will commence in early October. The Designations hearing is also being held in mid-October with a separate Hearings Panel presiding.
- 17 Following the hearing on strategic and rural chapters the Hearing Panel suggested a more detailed study be undertaken on the Wakatipu Basin floor. The Council agreed to undertake a study. The request for proposal for the Wakatipu Basin research has been released. The study will be completed in January 2017.
- 18 Depending on the outcome of the study, the Council can use the outcomes of the study as part of its evidence in the hearings on rezoning submissions or initiate a variation to Stage 1 of the PDP.
- 19 Variation one (incorporating by reference the Arrowtown Design Guidelines 2016) to the Proposed District Plan was notified on 20 July, submissions closed on 17 August. Only 28 submissions were received and this has enabled the hearing to be held as part of the Residential hearing Stream in October.
- 20 A table is attached at **Attachment A** that shows the Stage 1 and recommended Stage 2 components of the District Plan Review. The right hand column of the Table notes whether the Hearing on submissions has been completed, or when it is scheduled to be held for Stage 1 components.

Clarifying what is in and out of the District Plan Review.

Since notification of the proposed District Plan in August 2015, the following plan changes have been made to the ODP:

- a. Plan Change 45: Northlake Special Zone.
 - b. Plan Change 46: Ballantyne Road Industrial and Residential extension.
 - c. Plan Change 48: Signs.
 - d. Plan Change 49: Earthworks.
 - e. Plan Change 50: Queenstown Town Centre extension.
- 21 Plan Change 44: in addition, the decision on Plan Change 44 Hanley Downs was made in March 2016 and appealed. The appeals are expected to be settled within the next month. The land area covered by the Hanley Downs plan change is also part of the PDP Jacks Point Zone and is part of Stage 1 of the District Plan Review. The parties involved in the appeal on Plan Change 44 seek that this land is retained in the PDP and it is not recommended to exclude this land.
 - 22 Plan Change 51: Peninsula Bay North was notified in December 2015 and a hearing was held in August 2016. Commissioners have not yet recommended a decision to Council. It is anticipated a decision will be made before the end of this

year. If this plan change is approved it is recommended to form Volume B of the district plan

- 23 Plan Change 46: Northlake Special Zone and, Plan Change 50: Queenstown Town Centre extension, were appealed to the Environment Court. Both appeals have been resolved and the provisions now form part of the ODP. It is possible the same issues could be submitted on and appealed if these matters were again open to submission through the District Plan Review. This would be inefficient, costly and unnecessary, and create plan integration risks. It also creates uncertainty for development of this land in the interim.
- 24 Changes to the ODP after notification of the PDP create complexities in terms of the relationship between the ODP and PDP. Ideally, there would be no changes made to the ODP once the PDP is notified because the aim of the PDP is to replace the ODP and this is frustrated when changes are made to the ODP during this process.
- 25 To integrate these components of the ODP into the PDP, it is possible to notify these components as part of the notification of Stage 2, however this is not recommended in most instances because it would 'reopen' the ability for submissions and appeals.
- 26 It is recommended therefore, that the district plan is separated into two volumes:
 - a. **Volume A** would comprise the PDP Stage 1 and Stage 2 land (and associated chapters) and District Wide Chapters including the Signs and Earthworks Chapters (subject to reference and format changes) that have recently been made Operative.
 - b. **Volume B** would be the ODP as it relates to the geographic areas that have been the subject of recent plan changes PC 19: Frankton Flats B Zone, PC 45: Northlake, PC 46: Ballantyne, PC 50: Queenstown Town Centre and PC 51: Peninsula Bay North (if approved). In addition, the geographic area and chapter of the Remarkables Park Zone would also be included as this zone is subject to an agreement with the landowner that excludes this zone from the district plan review until 2018. Any further plan changes to the ODP would also form Volume B of the district plan.
- 27 The separation of these components into two volumes will provide certainty for the public and the PDP Hearings Panel. To integrate the PDP as it becomes operative, consequential changes are likely to be required to the Operative Signs and Earthworks Chapters to align numbering and cross referencing, and to change terminology where zone names have changed.
- 28 It is likely that a plan change to the Signs Chapter, or alternatively a variation to some of the PDP Stage 1 chapters would be required to ensure alignment. For example, the Large Lot Residential Zone (PDP Chapter 11) does not currently have any rules relating to signs, and the Operative Signs Chapter does not identify the Large Lot Residential Zone because this zone is new in the PDP.
- 29 Work on Stage 2 components has been initiated, and subject to resourcing and budget constraints, all the Stage 2 components could be notified by September

2017. The timing of notification is also subject to whether the Council seek to undertake consultation over and above the statutory consultation required under the RMA. If it is the Council's desire to expedite the notification of Stage 2, there would not be time for full consultation. However the majority of the land area of the District and the Strategic Directions were notified as part of Stage 1 and it is not likely that the same level of consultation would be necessary for the Stage 2 components.

- 30 It is however, preferable that the Stage 2 components are notified before the hearings on rezoning and mapping annotations commence. The hearings on Stage 1 Chapters are scheduled to run up until the end of March 2017 and the rezoning hearings are planned to commence after Easter 2017. Work is underway planning the hearing and assessing submissions.
- 31 Notifying the Stage 2 components before the hearings commence on rezoning submissions would assist the public and the Hearings Panel to assess the overall environmental outcomes envisaged by the PDP.
- 32 For instance, notification of the Transportation Chapter would assist because it would set out a regulatory framework for car parking and on site manoeuvring and the consequential opportunities or constraints for activities in the respective zones, as well as dealing with the approach to roads and addressing existing uncertainty, arising from the ODP not having a zone or regulatory regime for roads. The Transportation Chapter could also provide a framework to encourage other types of transport in addition to private vehicle use, and reinforce a desire for any future development to occur around key transportation routes.
- 33 On the basis that it is not likely the full set of Stage 2 components would be ready to be notified before the hearings commence on mapping after Easter 2017, it is likely that Council officers will recommend that the remaining District Wide Chapters, and any necessary variations to Stage 1 are notified in advance, if possible. The identified operative District Wide components that are recommended to be reviewed are:
 - a. Transportation Chapter
 - b. Hazardous Substances Chapter
 - c. Designations. Limited to five designations that were not identified by the New Zealand Transport Agency for notification as part of Stage 1
 - d. Open space and recreation
 - e. Open Space – Landscape Protection Zone
- 34 While from an administration perspective this is not as efficient as notifying all of the Stage 2 components at once, it is considered important to assist the public and the Hearings Panel understand the regulatory effect that any District Wide rules might have on their land, and the overall implications associated with submissions for rezoning requests.

Confirmation of what is to be included in Stage 2 of the District Plan Review

- 35 The table attached at **Attachment A** identifies the components to be reviewed as part of Stage 2.
- 36 It is considered important to reiterate that the Stage 2 components are those where there is reasonable certainty at this time that these issues should be reviewed. It is possible that other matters may arise and require review, or a variation to a component notified as part of Stage 1. If this is the case, these matters will be subject to a further resolution of Council.
- 37 It is also possible that the review of these components could identify that it is not practicable, necessary or efficient to make significant modifications to a zone or chapter. It is likely the scope of the Stage 2 notification would then be confined to marrying the existing component with the PDP, while acknowledging that notifying a chapter in full would open it up to potentially a broad range of submissions.
- 38 The Council can use mechanisms such as initiating a variation to the notified Stage 1 PDP, or formally withdrawing text, both of which would require additional resolutions from the Council. The Council can also use Clause 16 of the first Schedule of the RMA to make minor changes. The latter mechanism sits within Council officers' delegations and does not require a resolution from Council. The majority of changes are likely to be associated with the Stage 1 District Wide chapters and not on the strategic chapters or zone chapters of the PDP.
- 39 The following provides a summary of the respective Stage 2 components and a brief rationale for review. It is also noted that agreeing to review these components does not necessarily predetermine there would be significant modification or replacement of the components, but a review to identify resource management issues and determine whether changes (if any) are the best practicable option.

General components to be reviewed

- 40 Those parts of the ODP subject to the following zones, and the following existing District Wide Chapters of the ODP, are recommended to be reviewed. Many of these have been operative for more than ten years and under the RMA they are obliged to be reviewed:
- a. Township Zones
 - Lake Hawea
 - Albert Town
 - Makarora
 - Glenorchy
 - Kingston

- Kinloch
- b. Industrial A and B Zones
- c. Transportation Chapter. Including research encouraging multiple types of transportation and a move away from reliance on private vehicle usage where alternative transportation options are possible.
- d. Hazardous Substances Chapter
- e. Designations. Limited to five designations that were not identified by the New Zealand Transport Agency for notification of Stage 1.
- f. Open Space and recreation (existing Operative District Wide Chapter)
- g. Open Space Zone – Landscape Protection Zone
- h. Affordable and Community Housing (existing Operative District Wide Chapter)
- i. Rural Visitor Zone
- j. Penrith Park Zone
- k. Bendemeer Zone
- l. Hydro Generation Zone including Financial Contributions in terms of the Operative Subdivision Chapter (Part 14 ODP)
- m. Quail Rise Zone
- n. Meadow Park Zone
- o. Frankton Flats A Zone
- p. Mt Cardrona Station Zone
- q. Ballantyne Road Mixed Use Zone
- r. Three Parks Zone
- s. Kingston Village Zone
- t. Shotover Country Zone
- u. Arrowtown South Zone
- v. Visitor Accommodation including the Registered Holiday Homes Appendix (refer to discussion below).
- w. Residential development guidelines (refer to discussion below)
- x. Gorge Road High Density Residential and Business zones

- y. Gorge Road natural hazards investigation (refer to discussion below)
- z. Ferry Hill and Glenorchy building restriction areas (refer to discussion below)
- aa. Mapping sites of significance to iwi (refer to discussion below)
- bb. Include the stage 2 zones and structure plan guidance within PDP Chapter 27 Subdivision and Development
- cc. Arrowtown Design Guidelines 2016 as they relate to the Stage 2 zones.
- dd. Updating references and format of the Signs and Earthworks chapters.
- ee. Updating references and format of the Signs and Earthworks chapters.

Visitor Accommodation (VA)

- 41 The provisions of the PDP relating to visitor accommodation in the Low Density Residential, Medium Density Residential, High Density Residential, Large Lot Residential and Arrowtown Residential Historic Management Zone were withdrawn from the PDP in November 2015.
- 42 The relatively recent proliferation of 'peer-to-peer' accommodation such as 'airbnb', coupled with high visitor numbers and a lack of capacity in dedicated motel type accommodation led the Council to become concerned that VA was exacerbating the already tight market for longer term rental and permanent accommodation options. In particular, the use of residential housing in the Queenstown area for peer-to-peer VA. It was agreed that further research was needed into different policy responses possible in the different zones and the consequences (unintended as well as intended), as evidenced already in resorts overseas.
- 43 A primary reason for the withdrawal was associated with the perceived effects of VA utilising housing supply exacerbating the shortage of permanent accommodation options, particularly in Queenstown. The focus of the PDP VA rules as notified was on managing the effects on amenity. The following points were recorded in Council's resolution of 23 October 2015 associated with the withdrawal of the VA provisions:

"Agrees the following reasons for the withdrawal:

- ***Provides greater public certainty as to Council's position.***
- ***Removes the potential perceptions of inconsistency and uncertainty in Council's approach.***
- ***Allows for a more in-depth and robust study and analysis of issues and policy options, and for potential non-statutory consultation with key stakeholders."***

- 44 The following passage from the Agenda report is considered to provide important context and is cited below:

Visitor Accommodation- Withdrawal of Particular Provisions in the Proposed District Plan

- 12 Regulating the commercial letting of dwellings in the District is a complex matter for a number of reasons. Whilst this form of visitor accommodation is growing in popularity, and is an important part of the District's tourism offering, its increasing popularity means it is becoming an increasingly lucrative business. Evolving analysis suggests the growing use of residential dwellings for commercial letting may be having a significant impact on both the availability and cost of both permanent rental accommodation and seasonal rental accommodation, with resulting socio-economic impacts. Questions still remain, too, as to potential impacts on the cohesion and amenity values of residential neighbourhoods resulting from this land use activity.*
- 13 Consideration was given to submitting, as part of the Corporate Submission, to seek an amendment to the provisions relating to the commercial letting of dwellings as visitor accommodation, with a reversion to the generally more restrictive status quo (with slight variation). This would have recognised the complexities and issues raised above, and indicated that Council was reconsidering the proposed approach. However, it is considered that a cleaner, less ambiguous and more transparent approach is to formally withdraw particular visitor accommodation provisions from the Proposed District Plan.*
- 14 This will allow further analysis and investigations to proceed in Stage 2 of the District Plan Review. The final proposed provisions will be notified as part of Stage 2 in 2017. In the meantime, the status quo (Operative District Plan provisions) applies.*
- 45 It is also important to acknowledge that the effects of VA and housing/accommodation supply could be different between Wanaka and Queenstown. Wanaka has less formal, motel or resort type VA, however Wanaka also suffers from a lack of accommodation options for shorter term residential housing for seasonal workers.
- 46 It is further acknowledged that the use of VA including Airbnb type activities has positive effects for those undertaking the activity. This matter will also be taken into account as part of the research and recommended regulatory approach.
- 47 The Stage 2 work intended for VA is to research the matter and determine the extent to which residential housing supply is affected by VA, and what are the best practicable options and resource management methods to manage these matters. It is expected that methods used by other New Zealand councils and

overseas will be investigated, including alternative regulatory options to district plan regulation.

Community and Affordable Housing

- 48 The Council initially decided not to review the specific ODP provisions for community and affordable housing in the April 2014 resolution, because these had been made operative relatively recently and involved substantial litigation.
- 49 Plan Change 24: Community and Affordable Housing was notified in 2007 and made operative in August 2013. The plan change was appealed to the Environment Court, High Court and Court of Appeal. The mediated result was significantly different from the original plan change, which had provided much of the initial resource for the Queenstown Lakes Housing Trust.
- 50 The PDP Strategic Direction and Urban Development Chapters are alive to the District's housing supply and affordability issues. The Objectives and policies in the PDP Strategic Chapters flow through to the respective residential chapters through increasing density opportunities to provide more housing options.
- 51 Housing affordability and accommodation options for shorter term/seasonal workers and permanent residents/families is a significant issue in this District.
- 52 By way of background, discussion at the 30 April 2015 Council meeting between Council and the Community Housing Trust led to subsequent agreement from Council to include discussion on affordable and community housing in Stage 2 of the District Plan review.
- 53 Furthermore, Resolution 8 of the 3 June 2015 Council meeting on the first wave of Special Housing Area expressions of interest confirmed the following:

“Instruct the General Manager Planning and Development to table a report on how to progress the broader issues of housing affordability in the district. This to include, but not be limited to, how to balance the housing needs and special character of Arrowtown, the District Plan review, availability of Council land, an expert forum, and the participation of nationwide developers, Queenstown Lakes Community Housing Trust and the government.”

- 54 While this report has not yet been advanced, relevant components identified to be undertaken are underway through the following work streams:
 - a. Variation 1: Arrowtown Design Guidelines 2016, and
 - b. The Wakatipu Basin Land Use Planning Study, explained further in Paragraph 70 below.
 - c. Investigations are also underway to provide a structured land use and planning approach to the areas adjacent to State Highway 6 in the Ladies Mile and Lake Hayes and Shotover Country areas associated with Special Housing Area expressions of interest.

- d. The assessment of submissions on Stage 1 of the PDP and preparation of evidence for the hearings on submissions. In particular, the finalising of evidence to address submissions and advance the Council's position on the upcoming Residential Hearing Stream to be held in October 2016 comprising the Low, Medium and High Density Residential Zones. The Arrowtown Residential Historic Management Zone, and the Large Lot Residential Zone (located in Wanaka).
- e. In addition to (d) above, the Heritage and Protected Trees hearing stream (3) completed in June 2016 responded to submissions on the Council's position to identify and protect trees through a regulatory approach in the District Plan. This includes the survey and identification of trees to be protected on private land and the blanket protection of trees on streets and public places within the Arrowtown Residential Historic Management zone.
- f. Work has commenced on the refinement of the Council's Dwelling Capacity Model (DCM) as part of the Council's evidence basis on the District Plan Review and to foreshadow the introduction by Government of the National Policy Statement on Urban Development Capacity (NPSUDC), which is expected to be in effect in the next 12 months. The NPSUDC would require councils to create and keep up to date a dwelling capacity model and that it include market related parameters to ensure the models are not just based on theoretical supply. The NPSUDC would encourage councils to have an oversupply of land. The Council is considered well placed in terms of this work and its evidence base to support Stage 1 of the PDP.

In addition, Council formally received the Roadmap and Report of the Queenstown Lakes Community Affordable Housing Group, identifying a broad range of initiatives for local and central government and the broader community over two, ten and thirty-year horizons, at an extraordinary meeting on March 1. This work, led by Catalyst Trust, provided input from a range of sectors (including financial, planning, architectural, business and community) on the broad issues of housing affordability and helped trigger various work streams being adopted for the Chief Executive's 2016/17 work plan, including a review of strategic property into possible affordable housing sites within Council property holdings and investigation of a housing policy.

- 55 Based on the above it is important to revisit this matter through research and investigations of Stage 2 of the District Plan Review. It is important to note that this does not predetermine that any substantive changes to the Operative provisions that resulted from Plan Change 24 would follow, but to advance complementary provisions that encourage the betterment of housing affordability in the District, not just in Queenstown but Wanaka.

Residential Design Guidelines

- 56 It is important that quality urban planning and design are given appropriate consideration in the Medium and High Density Residential Zones, because the built environment of these areas has a higher impact on the environment. Good quality development makes a positive impact on the amenity of residents and the

street and public spaces, making them better places to both live and visit. It is considered good practice to provide guidelines for these two zones.

- 57 This research could also further advance the encouragement and use of Green Star and Homestar building efficiency techniques and the benefits to the occupants that can be derived from sustainable approaches to building design and energy consumption.
- 58 It is intended that these residential development guidelines would be incorporated by reference into the PDP, similar to the process and reference for the Arrowtown Design Guidelines 2016. A variation may be required to integrate them into the Stage 1 residential zones.
- 59 It is noted in Council's resolution of 23 October 2015 on the Council's corporate submission on Stage 1 of the PDP that a commitment would be made to preparing the guidelines.
- 60 In particular, the following components of the 23 October Agenda Report are considered to be particularly important:

Urban Design and Related Provisions

9 Good design is an important aspect of increasing the density of development. Whilst the Proposed District Plan contains a number of provisions promoting good design, it is considered that a Residential Design Guide, which is ultimately incorporated by reference in to the Proposed District Plan, would help reinforce design expectations. A workstream will be pursued to develop a Design Guide, with community and design professional involvement.

Gorge Road Natural Hazards Investigation

- 61 The land currently zoned operative High Density Residential in the Gorge Road area of Queenstown was intended to be included in Stage 1. Initial non-statutory consultation was undertaken in 2015. An outcome of this exercise was acknowledgement that collation of geotechnical information already held in Council files under building and resource consents and additional technical engineering work would be of benefit in fully understanding the known hazards in this area and developing a suitably balanced policy and regulatory response. For this reason, this area was to be deferred until Stage 2 of the District Plan Review.
- 62 At the 30 July 2015 Council meeting, a resolution was made to agree that the operative High Density Residential Zone land in the Gorge Road area was to be deferred until Stage 2 of the DPR. In particular, the matter of alluvial fan hazards will be further researched.

Ferry Hill and Glenorchy Building restriction areas

- 63 These two areas were intended to have building restriction areas identified over them on the PDP Planning Maps, replicating long standing Operative District Plan

provisions. These were inadvertently left out of the respective PDP Planning Maps at the date of notification. These planning map annotations will need to be notified in Stage 2.

Mapping of sites of significance to iwi

- 64 An outcome of Hearing Stream 1A (Introduction and Tangata Whenua) held in March 2016 is that iwi will identify and map sites of significance in the Planning Maps. It is acknowledged that the result of separating the District Plan into two volumes means that any sites identified by iwi on land contained in Volume B, would not apply. However the land subject to Volume B has been through relatively recent plan changes and iwi have had the opportunity through statutory consultation processes to submit on these plan changes, if sites of significance were present.

Subdivision and Development

- 65 The PDP subdivision chapter will require a variation to include the Stage 2 zones. This would include zone specific site standards and existing provisions that are still applicable. It also provides the opportunity to improve, or remove provisions where the subdivision and development have been completed.
- 66 The notified subdivision chapter encourages future plan changes to include a structure plan. However this could be made clearer. It is recommended that research is undertaken with a view to including information requirements and guidance for future structure plans associated with future plan changes in this chapter.

Special Housing Areas (SHA)

- 67 Immediately prior to or since notification of the PDP, the Council has approved 7 Special Housing Areas under the Housing Accords and Special Housing Areas Act 2013 in various locations around the Wakatipu Basin.
- 68 It is noted that the SHA process is not related to the statutory requirements and processes of the RMA associated with the district plan review. However, any changes to the environment from SHA approvals will be taken into account as part of the ongoing research associated with the district plan review.

Wakatipu Basin Land Use Planning Study

- 69 Upon completion of the hearing of submissions on the Strategic Direction, Landscape, Urban Development and Rural Zone chapters, the Hearing Panel issued a memorandum on 1 July 2016 which stated:

that continuation of the fully discretionary development regime of the Rural General Zone of the ODP, as proposed by the PDP, was unlikely to achieve the Strategic Direction of the PDP in the Wakatipu Basin over the life of the PDP. We are concerned that, without careful assessment, further development within the Wakatipu Basin has the potential to cumulatively and irreversibly damage the

character and amenity values which attracts residents and other activities to the area

In addition, we consider there is some merit in the proposition that the rural character and amenity values of the Wakatipu Basin do not derive predominantly from farming and agricultural practices.

70 The Hearing Panel considered that an additional study of the Wakatipu Basin was required and the Council has agreed to undertake such a study. In their memo, the Panel's preliminary view was that a detailed study was required so as to:

- a. Identify the environmental characteristics and amenity values of the area that should be maintained and enhanced, noting that these will vary across the Wakatipu Basin floor;
- b. Identify those areas able to absorb development without adversely affecting the values derived in (a) and without adversely affecting the values associated with the surrounding Outstanding Natural Landscapes and Outstanding Natural Features;
- c. Identify those areas that are unable to absorb such development;
- d. Determine whether, given the residual development already consented, there is any capacity for further development in the Wakatipu Basin floor and, if there is, where it should be located and what form it should take;

71 The Council has also requested that the study identify, at a high level, other constraints and opportunities for land use planning in the Wakatipu Basin including hazards, transportation and infrastructure.

72 The results of this investigation will be used to assist the Council in determining how it can address the matters raised by the Hearings Panel and submissions on the PDP. By way of example, two options include either using this information as part of the evidence for the hearings on submissions for rezoning and mapping to be held in 2017, or initiating a variation to Stage 1 of the PDP.

Exclusion of the Remarkables Park Zone and Frankton Flats B ODP Zone from the district plan review

73 Part of the settlement of Plan Change 19 (Frankton Flats B Zone), involved the signing of a deed between Shotover Park Limited, Remarkables Park Limited and the Council.

74 The parties entered a deed to settle a judicial review proceeding in respect of the Five Mile shopping centre development. The deed of agreement sets out that the Council will not initiate or support any plan review or plan changes within the boundaries of the PC 19 land from the date it is made operative.

75 According to this deed the Frankton Flats B Zone cannot be reviewed until 12 December 2024, ten years from the date it is made operative.

- 76 The deed also states that any District Plan review process commenced before 2018 does not affect, compromise or remove any of the existing development opportunities contained within the Operative District Plan Remarkables Park Zone.
- 77 The deed does not require the exclusion outright of the RPZ, however, the drafting does not provide certainty for the Council as to whether any PDP provisions promulgated would 'affect' the RPZ. Therefore, it is recommended that the RPZ zone is excluded from the PDP and located within Volume B.

Options

- 78 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:
- 79 The first step is to identify all "reasonably practicable" options. If an option is not reasonably practicable, then it will not require consultation. One option that should always be considered is the option of doing nothing – the status quo.

80 Option 1 Do nothing

Advantages:

- 81 None identified.

Disadvantages:

- 82 Doing nothing would add to uncertainty and complexities associated with the status of the PDP Stage 1 and recently completed plan changes to the ODP.

83 Option 2 Include the abovementioned plan changes in the PDP.

Advantages:

- 84 The end result would be one district plan. All areas of the District would be located in one document. The ODP could be phased out and in the long term this would assist with reducing complexities and transaction costs.

Disadvantages:

- 85 It would require the notification of the land covered by these plan changes and open this land up to litigation processes that have already occurred. This could be costly and time consuming and discourage, or even halt the development of this land that is provided for in the ODP.

86 Option 3 Separate the District Plan into territorial sections.

Advantages:

- 87 This method provides certainty for the public and the Hearings Panel on the status of the PDP and land covered by Plan Changes 45, 46, 50, 51 and the Remarkables Park Zone. The land can be developed as contemplated by the

ODP provisions and does not face the uncertainty of being open to further regulatory changes through the PDP submission process.

- 88 This method will make the research and statutory processes associated with Stage 2 of the District Plan review more efficient and certain.

Disadvantages:

- 89 It is less than ideal to have two volumes of the District Plan and it will create an administrative burden to keep a legacy plan current when the overall intent of a district plan review is to replace and phase out dated components. However this is considered a minor cost relative to the disadvantages of pursuing with Option 2.
- 90 This report recommends Option 3 for addressing the matter because overall the costs associated with having two volumes are outweighed by the benefits in terms of providing certainty to investment in the land covered by these areas to be located in Volume B, and clarity associated with administration of the PDP.

Significance and Engagement

- 91 This matter is of high significance as determined by reference to the Council's Significance and Engagement Policy because the matter relates to the confirmation of a substantial component of the district plan review and makes a recommendation to exclude specified areas of land from the district plan review. the district plan, meaning both the ODP and PDP are significant statutory documents in terms of the social, economic and environmental wellbeing of the District.

Risk

- 92 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 matter relates to this risk because it is considered to be of significant importance in terms of the managed growth and regulation of development for the District.
- 93 The recommended options considered above mitigate the risk by:
- 94 Treating the risk – putting measures in place which directly impact the risk.
- 95 Council resolving to confirm the components of Stage 2 of the Proposed District Plan, and resolving to separate specified land areas from the district plan review process addresses the risk by providing certainty of the relationship of the PDP with land that is subject to a recently completed, or in-train plan change.

Financial Implications

- 96 The recommended option provides certainty and will assist with increasing the efficiency of the PDP process, which has already been budgeted for. More certainty moving forward will reduce the potential for matters of scope arising. There are not any direct financial implications.

Council Policies, Strategies and Bylaws

97 There are no Council policies, strategies or bylaws relating to this matter because it is primarily associated with process.

98 This matter is included in the 10-Year Plan/Annual Plan as part of the District Plan commitment.

Local Government Act 2002 Purpose Provisions

99 The recommended option:

- 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;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

100 The persons who are affected by or interested in this matter are parties who have submitted on the Proposed District Plan or a Plan Change. It is also noted that the Remarkables park Zone representatives prefer that the Remarkables park Zone is excluded from the District plan review.

Legal Considerations and Statutory Responsibilities

101 Development of the PDP has occurred in accordance with the requirements of the RMA. Particular clauses of relevance include Sections 5-11, 31 and 32 and Schedule 1. The recommendations accord with the provisions of the RMA. In particular section 73(3) that allows a district plan to be prepared in territorial sections.

Attachments

Attachment A: Table 1 Stage 2 Review Programme.