

**Queenstown Lakes District Proposed District Plan
Section 32 Evaluation
Stage 3 Components September 2019**

For:
Brownston Street, Wānaka MDR Variation

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1. EXECUTIVE SUMMARY

- 1.1. The Proposed District Plan (**PDP**) Stage 1¹ zoned two parcels of land, held within two sites, in Brownston Street Wānaka as Low Density Residential², amidst the surrounding urban zoning of Medium Density Residential Zone (**MDRZ**) generally bounded by Brownston Street, Russel Street, McDougall Street and Tenby Street.
- 1.2. It is understood that the zoning of these two sites as Low Density Residential Zone was not intended by the Council, and that these two sites were intended to be zoned Medium Density Residential. These four sites may have been zoned Low Density Residential owing to the notified 26 August 2015 plan maps showing an operative (for information purposes only) Visitor Accommodation Sub-Zone over these four sites, which may have obscured the underlying zoning annotation.
- 1.3. No submissions were made on these properties in Stage 1 to rezone the land from the notified Low Density Suburban Residential Zoning (**LDSRZ**). Subsequently the decisions on submissions version of Planning Map 21 identified these four sites as LDSRZ. The following report evaluates the most appropriate zone for these four properties, in particular whether the MDRZ should apply to these two sites, consistent with the surrounding urban zoning.
- 1.4. Having evaluated the costs, benefits, efficiency and effectiveness of applying different underlying zoning it is considered that the most appropriate zoning of these two sites would be MDRZ. MDRZ zoning will assist the Council to fulfil its statutory functions and responsibilities as required by the Resource Management Act 1991 (the Act or the RMA) through the following:
 - a. Provides for higher yield within the sites, in close proximity to the Wānaka town centre where a higher density can be well supported; and
 - b. Provides for built form consistent with the surrounding area as determined under the PDP.

2. INTRODUCTION

- 2.1. Section 32 of the Act requires objectives in proposals to be examined for their appropriateness in achieving the purpose of the Act, and the policies and methods of those proposals to be examined for their costs, benefits, efficiency, effectiveness and risk in achieving the objectives.
- 2.2. Accordingly, this report provides the following:

¹ Notified 26 August 2015.

² Renamed Lower Density Suburban Residential through decisions on submissions.

- a) A **background** to the context of the proposed zoning within the context of the district plan review;
- b) A description of the **statutory policy context** which sit behind the proposed provisions and review process;
- c) A description of the **resource management issues**;
- d) An evaluation of the **scale and significance** of the proposed provisions (**s32(1)(c)**);
- e) An **evaluation of the proposed objectives against section 32(1)(a)**;
- f) An **evaluation of the proposed provisions against section 32(1)(b)** and;
- g) An **assessment associated with the risk of not acting s32(2)(c)**

2.3. The purpose of this variation is to provide for zoning of the sites as MDR. The use of zones allows for different provisions to apply that reflect the effects anticipated.

2.4. The land subject to this variation is made up of four parcels of land held in two separate titles.

| Address | Legal Description | |
|---|--|---|
| <p>88-94 Brownston Street and 83 Upton Street (operated as the YHA)</p> | <p>Section 2-3 and 13 Block XXIII Wanaka Township contained in Computer Freehold Register OT5B/617</p> |  |
| <p>122 Brownston Street, Wānaka (operated as Wanaka Wanaka View Motel)</p> | <p>Section 2 Block XXII Wanaka Township contained in Computer Freehold Register OT2D/1400</p> |  |

2.5. Under the Operative District Plan these sites were zoned Low Density Residential Zone (**LDRZ**) with a Visitor Accommodation Sub Zone overlay. The surrounding area was also zoned LDRZ. Through the Stage 1 decisions, the sites are LDSRZ. The zoning is not in contention through any appeals received on Stage 1 decisions.

2.6. Medium Density Residential Zone (MDRZ) provisions were included in Stage 1 of the PDP review with the intention of the MDRZ enabling higher density development within areas able to support increased density close to the Wānaka Town Centre and local amenities such as Pembroke Park

and Roys Bay. Included within this zone was most of the area that sits to the south-west of Wānaka town centre, toward McDougal Street.

- 2.7. Both sites have a Visitor Accommodation Sub-Zone (**VASZ**) overlay that provides for visitor accommodation.
- 2.8. Both sites contain long-established existing commercial scale visitor accommodation. The VASZ was considered appropriate for these sites under Stage 2 of the PDP. No change to the VASZ is proposed under this variation.

3. CONSULTATION

- 3.1. Draft of the Stage 3 proposals, including variations were provided to the relevant iwi authorities for the area, Aukaha and Te Ao Marama Incorporated. No specific comment was received in relation to this proposed variation.

4. STATUTORY POLICY CONTEXT

- 4.1. The relevant requirements of the RMA, the Local Government Act 2002, and the two iwi management plans that apply in the District³ have been given appropriate regard in the preparation of this proposal.
- 4.2. The National Policy Statements for Urban Development Capacity is relevant. The NPS-UDC has an overall intention to require local authorities to provide sufficient residential and business land capacity over the short (0-3 years), medium (3-10 years) and long term (10-30 years) to enable urban environments to grow and change. This is supported by new sections 30 and 31(aa) RMA 1991 which require Councils to ensure sufficiency of supply of housing and business land as part of fulfilling its function in achieving Part 2 of the Act.
- 4.3. Queenstown Lakes is identified as a 'High Growth Urban Area' and the NPS-UDC applies to the District as a whole.
- 4.4. The MDRZ and LDSRZ provide for varying densities and as such the potential yield within the sites is different for each the zones. This variation considers the impact on land capacity.
- 4.5. The relevant provisions of the Otago Regional Policy Statement, both operative and proposed, have been considered in the preparation of this proposal. This proposal is required to give effect to the operative provisions of the RPS and have regard to the proposed provisions.

³ *The Cry of the People, Te Tangi a Taurira*: Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 (MNRMP 2008), and *Kāi Tahu ki Otago* Natural Resource Management Plan 2005 (KTKO NRMP 2005)

Proposed District Plan

- 4.6. The statutory policy document of most relevance to the proposal is the PDP. The following objectives and policies of the PDP are relevant and have been given due regard in the development of this proposal:

Strategic Direction Chapter 3

- 4.7. Strategic Direction Chapter 3 brings together key resource management issues for the District in a concise manner and provides a policy framework that establishes the rationale and intended direction for the other components of the District Plan. The Strategic Directions of the PDP overall focuses future urban development within identified urban growth boundaries with urban zones that provide for urban growth to meet the needs of the District.
- 4.8. The provisions of the MDRZ in the context of the areas to be zoned achieve these higher order objectives and policies through providing a consistent development pattern that is logical (Strategic Objective 3.2.2.1⁴) and could better enable enhancement of visitor accommodation within proximity to Wānaka town centre (Strategic Policy 3.3.1⁵).

Urban Development Chapter 4:

- 4.9. The PDP Chapter 4 (Urban Development) sets out the objectives and policies for managing the spatial location and layout of urban development within the District. They seek to provide for coordinated planning of urban capacity, infill development within existing urban areas, and for existing urban settlements to become better connected. A number of provisions relate to the need to provide for a range of housing needs and the efficient use of land through infill development to meet predicted growth, whilst also maintaining the amenity and character of the District's key urban settlements.
- 4.10. The proposed zoning would need to achieve these higher order objectives and policies through reflecting appropriate land use, with particular regard to representing urban development within the Wānaka urban growth boundary that is connected and integrated with the surrounding MDRZ, but is outside the two key commercial centres of Wānaka Town Centre and Three Parks Commercial Core within proximity to the Wānaka town centre (Policy 4.2.2.2(d)⁶ and Policy 4.2.2.3⁷).

⁴ Subject to ENV-2018-CHC-114, ENV-2018-CHC-127, ENV-2018-CHC-137 and ENV-2018-CHC-150

⁵ Subject to ENV-2018-CHC-127, ENV-2018-CHC-131, ENV-2018-CHC-138, ENV-2018-CHC-146, ENV-2018-CHC-150

⁶ Subject to ENV-2018-CHC-108

⁷ Subject to ENV-2018-CHC-098

Tangata Whenua Chapter 5

4.11. The proposed zoning does not directly implement these provisions of Chapter 5. However, the implementation methods established under Chapter 5, in addition to the information required to be submitted for resource consent applications under Schedule 4 (and the consideration of applications under section 104) provide a mechanism for the involvement of tangata whenua through the implementation of the PDP and for these policies to be considered.

Lower Density Suburban Residential Zone Chapter 7

4.12. Within the LDSRZ residential development is provided for at a range of densities within the identified urban growth boundaries. Typically detached houses are anticipated within sites of between 450m² and 1000m². Higher densities are encouraged where design takes account of the immediate context, provided the built form carefully considers bulk and location including reduced height (5.5m) and amenity and privacy both within the site and for adjoining sites.

Medium Density Residential Chapter 8

4.13. Chapter 8 sets out the objective and provisions to provide residential development at a greater density than for those areas that are LDSRZ. The zone has been applied where connection to town centres and active transport routes are available. The primary land use is intended as residential with a diversity of housing options provided for. A high standard of urban design is sought with the maintenance of amenity values enjoyed on adjoining sites reasonably maintained.

4.14. The MDRSZ within the sites achieve this intention being located between approximately 50m and 230m from the edge of the Wānaka town centre where there is a range of amenities and services (Objective 8.2.1, Policies 8.2.1.1, 8.2.1.3). The surrounding area is MDRZ and therefore the level of effects and the extent that maintenance of amenity values for adjoining site would be consistent with the surrounding areas.

Local Shopping Centre Zone Chapter 15

4.15. The Local Shopping Centre Zone (**LSCZ**) is intended to provide for discrete areas where small scale commercial and business activities are enabled. Within the Wānaka area this includes Albert Town and Cardrona Valley Road. These areas are intended to supplement the function of town centres (Objective 15.2.1).

4.16. An alternative to zones that provide for residential activity would be to apply a LTCZ. This would enable non-residential activities to establish within the sites. However, the sites are in close

proximity to the Wānaka town centre where commercial and business activities are enabled and accessible. In addition, it is noted that whilst not excluded, residential activity and visitor activity are limited to above ground floor. Furthermore, the site coverage would be inconsistent with the surrounding areas at 75% (Rule 15.5.1).

- 4.17. For completeness, it is noted that no other commercial zoning has been considered as these sites are not contained within the homogenous areas of either the Wānaka town centre or Business Mixed Use. To apply such zoning would not be consistent with the higher order strategic approach of the PDP.

Open Space and Recreation Zone Chapter 38

- 4.18. Chapter 38 Open Space and Recreation Zone (**OSRZ**) enables recreation activities and provide for infrastructure associated with these activities in a way that provides for values, including landscape and amenity values to be protected, maintained or enhanced. The zone applies to Council reserve land and other publically owned areas with limited numbers of private open space areas. Previously, the planning mechanism that has been used to provide for these activities has been designation of the sites.

- 4.19. Pembroke Park is located on the north-western side of Brownston Street, opposite the two sites. This is Informal Recreation Zone with the purpose of a for the park area. Within the context of considering potential underlying zoning for the two sites, although an area of OSRZ adjoins these sites, the scale, extent that they are currently developed and the private ownership, notwithstanding the proximity of the zone, there would be no basis for consideration of such a zone.

5. RESOURCE MANAGEMENT ISSUES

- 5.1. The key resource management issue is the most appropriate zoning of the two sites. The presence of the LDSRZ does not provide a consistent approach with the surrounding area. Spot zones are generally not considered an appropriate planning approach unless there is an otherwise sound resource management reason. As such, it is considered there is a case for zoning the sites as MDRZ, which better reflects the use of the sites and integration with the surrounding MDRZ.

- 5.2. The LDSRZ as confirmed by the decisions on Stage 1 includes standards relating to bulk and location of built form that would apply to residential and visitor accommodation development within the site. These differ from the provisions that apply to the surrounding MDRZ.

6. SCALE AND SIGNIFICANCE EVALUATION

6.1. The level of detailed analysis undertaken for the evaluation of the proposed objectives and provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions. In making this assessment, regard has been had to whether the objectives and provisions:

- Fulfil the Council's role and functions under the Act as required by s 31 and 74(1)(b);
- Impose increased costs or restrictions on individuals, communities or businesses;
- Result in a significant variance from the existing baseline in the Plan;
- Have effects on matters of national importance;
- Adversely affect those resources overseen by special interests groups and statutory bodies;
- Involve effects that have been considered implicitly or explicitly by higher order documents;
- and
- Whether the proposed provisions are more appropriate in achieving the purpose of the Act than the ODP

6.2. The level of detail of analysis in this report is low given the limited area where the zoning applies and the extent of changes that would result from the difference in provisions.

7. EVALUATION OF PROPOSED OBJECTIVES

7.1. Section 32(1)(a) requires an examination of the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the Act. This variation does not propose any new objectives or changes to existing objectives. In this case, an examination of the extent to which the purpose of the proposal is the most appropriate way to achieve the purpose of the Act is required (s32(6)). The purpose of this variation is to examine the most appropriate provision in the form of zoning to the two sites.

7.2. Overall, the MDRZ provides for greater yield in an area where a greater density is able to be supported within the site and is also anticipated within the surrounding area. The overall objectives and provisions within the MDR zone promote good urban design outcomes and would provide for a range of housing types. On this basis, the MDRZ being applied to these sites addresses the issue identified in the most efficient and effective way.

8. EVALUATION OF THE PROPOSED PROVISIONS

8.1. Section 32(1)(b) of the Act requires an assessment of whether the proposed provisions (policies and methods) are the most appropriate way to achieve the objective or purpose of the proposal. This assessment must:

- identify other reasonably practicable options for achieving the objectives
- assess the efficiency and effectiveness of the provisions in achieving the objectives, including consideration of the benefits and costs anticipated from the implementation of the provisions, and the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.
- summarise the reasons for deciding on the provisions.

8.2. The assessment of the provisions against the objectives requires an assessment against the purpose of the proposal, and also against the relevant objectives of the PDP (in accordance with s32(3)). The relevant objectives of the PDP are identified in Section 5 of this report.

Reasonably practicable options

8.3. The broad options to zone these two sites are;

- Option 1: retain LDSRZ
- Option 2: apply MDSR
- Option 3: apply OSRZ
- Option 4: apply LTSCZ

8.4. The following table assesses these options:

| | Option One: Status Quo/No change | Option 2: Apply surrounding MDRZ | Option 3: Apply adjoining OSRZ zone | Option 4: Apply LSCZ |
|--------------|--|---|--|---|
| Costs | Does not address the identified issue and would retain what appears as unintentional ad-hoc zoning. May result in higher resource consent requirements. | Visual and amenity effects of increased density on the sites. | Inconsistent zoning with adjoining residential sites. Would not provide for residential activity. | Limits the residential yield of the sites, Limits visitor accommodation within the sites. Proximity to Wānaka town centre would distract from, rather than supplement the town centre activities. |

| | | | | |
|-------------------------------------|---|--|-------------------------------------|---|
| Benefits | No change in approach. | Provides for a higher residential yield. | None identified. | Enable the property owners to commercially develop their sites. |
| Effectiveness and Efficiency | Inconsistency with the surrounding area and strategic approach promoted within the PDP. | Consistency with strategic approach promoted within the PDP. | Would not reflect current land use. | Would not reflect the current land use. |

8.5. Option 3 and 4 are not considered to fit well within the broader statutory framework (refer to discussion in Section 4 of this report). Enabling residential development better meets this framework. For this reason, the following provides more detailed evaluation of the LDSRZ and MDSR zones.

8.6. The zoning directs the provisions, including rules and standards that set out anticipated development within a zone. For the purposes of evaluation, the provisions, as they are set out for LDSRZ and MDR are compared.

8.7. *Table 1* below sets out the differences in standards that relate to permitted bulk and location for built form under both the existing LDSRZ and proposed MDRZ. A consistent approach to recession planes and a maximum building height of 7m (Rule 7.5.8 and Rule 8.5.6) applies for both zones and has therefore not been included as a comparison.

Table 1: Comparison of bulk and density provisions of the LDSRZ and MDRZ

| | Lower Density Suburban Residential (LDSRZ) | Medium Density Residential Zone (MDR) |
|---------------------------------------|--|---|
| Building coverage | 40% Rule 7.5.5 ⁸ | 45% Rule 8.5.5 |
| Density | one residential unit per 450m ² (net area), up to one residential unit per 300m ² (net area) with a maximum height of 5.5m Rule 7.5.11 ⁹ | one residential unit per 250m ² (net area) and up to three units per site (Rule 8.4.6) Rule 8.5.4 |
| Landscaped permeable surface coverage | At least 30% of the site | At least 25% of the site |

⁸ Subject to ENV-2018-CHC-115

⁹ Subject to ENV-2018-CHC-093

| | | |
|---|-------------|--|
| | Rule 7.5.6 | Rule 8.5.7 |
| Road Boundary Setback | 4.5m | 3m Except for garages which are required to be set back 4.5m. |
| | Rule 7.5.8 | Rule 8.5.8 |
| Internal setbacks (Except for accessory buildings for residential activities not exceeding 7.5m in length, where no windows or openings) | 2m | 1.5m |
| | Rule 7.5.8 | Rule 8.5.8 |
| Continuous building length Length of any building façade above the ground floor level | 16m | 24m |
| | Rule 7.5.10 | Rule 8.5.9 |

8.8. The identified LDSRZ rules as set out in the stage 1 decisions version, except for Rule 7.5.5 and Rule 7.5.11, can be treated as operative. Under the ODP, the anticipated density and building coverage in LDR are consistent with those set out in LDSRZ rules.

8.9. In addition to the above, within the LDSRZ detached dwellings within a site are required to be separated by a minimum of 4m. There is no equivalent separation requirement under the MDRZ rules. Additional density is able to be achieved, at a rate of 1 per 300m², with restrictions on maximum heights of any additional unit to 5.5m.

8.10. There are no appeals relating to the MDRZ rules identified above, and as such all of these rules would be treated as operative to any sites within the MDRZ.

8.11. The proposed MDR would result in the following variance in yield when compared to the existing LDSRZ as follows:

| Residential Units | LDSRZ | MDR |
|--------------------------|--------------|------------|
| Wanaka View Motel | 2 | 3 |
| YHA | 7 | 23 |

8.12. To achieve the full yield of the MDRZ, as it relates to the YHA site, would require a resource consent for a restricted discretionary activity under Rule 8.4.10. The permitted yield is limited to three residential units under this rule. However, the matters of discretion primarily relate to layout and design matters, and density is not a matter of discretion. On this basis, it is still considered reasonable to anticipate a yield as set out above.

8.13. The yield of 2 residential units on the Wanaka Lakeview Motel site would require resource consent and would require the more restrictive height of built form and consideration of amenity and privacy both within the site and for adjoining sites.

8.14. Rule 27.5.8¹⁰ for urban subdivision applies to both LDSRZ and MDRZ, with minimum lot sizes set out in Rule 27.6.1. The minimum lot area for LDSRZ is 450m² (net area), although an appeal has been received seeking a minimum lots size of 700m². The medium density minimum lots area is 250m² (net area). The minimum lot areas reflect the density set through land use controls.

8.15. Having undertaken the above assessment, MDRZ is the preferred option because it achieves the purpose of the variation and the relevant objectives of the PDP.

Efficiency and effectiveness

8.16. The following table considers the efficiency and effectiveness of the proposed provisions, including their costs and benefits.

| Costs | Benefits | Effectiveness and Efficiency |
|--|---|--|
| <ul style="list-style-type: none"> - Environmental and social cost to the community as a result of visual and amenity effects on the surrounding area, due to increased density on the sites. This effect is considered to be low as it would be appropriately managed by the standards in the MDRZ zone. - There are not considered to be any economic or cultural costs. | <ul style="list-style-type: none"> - Environmental and social benefit to the community of consistent zoning with surrounding area, meaning the amenity effects from the sites will match those of the surrounding sites. This benefit is considered to be low. - Economic benefit to the landowners and social benefit to the community from higher residential unit yield potential. This benefit is considered to be moderate. - Environmental and social benefit to the community of stronger urban design focus in the MDRZ rules. This is | <ul style="list-style-type: none"> - Change to MDRZ is effective as it will promote a more consistent approach under the PDP and achieve the purpose of the proposal and the relevant objectives of the PDP. It is efficient as the benefits of the rules outweigh the costs. |

¹⁰ Subject to Appeal ENV-2018-CHC-072, ENV-2018-CHC-086, ENV-2018-CHC-099, ENV-2018-CHC-103, ENV-2018-CHC-108, ENV-2018-CHC-124, ENV-2018-CHC-136, ENV-2018-CHC-141, ENV-2018-CHC-150

| | | |
|--|---|--|
| | <p>considered to be a low benefit.</p> <ul style="list-style-type: none"> - There are considered to be no cultural benefits of the proposal. | |
|--|---|--|

8.17. Section 32(c) of the RMA requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions. It is considered that the information about the zoning of this site is certain and sufficient, and there is no need to assess the risk of acting or not acting.

Reasons for deciding on the provisions

8.18. The proposed provisions are considered the most appropriate because:

- a) They are efficient and effective at achieving the purpose of the variation and the relevant objectives of the PDP.
- b) The provisions are in accordance with the strategic direction of the Proposed District Plan.
- c) They are in accordance with the functions of territorial authorities in s31 of the RMA and the sustainable management purpose of Part 2 of the RMA.

Regard has been had to the PORPS 19 and account has been taken of the two relevant iwi management plans, which are not considered to have significant bearing on this proposal.