

QUEENSTOWN LAKES DISTRICT COUNCIL
Hearing of Submissions on the Proposed District Plan

Report 16.11

Report and Recommendations of Independent Commissioners
Regarding Upper Clutha Planning Maps

Wanaka Luggate Highway (SH 6) and Mt Barker Road
(Jeremy Bell Investments Limited)

Commissioners

Trevor Robinson (Chair)

Jenny Hudson

Calum MacLeod

CONTENTS

1. SUMMARY OF RECOMMENDATIONS.....	2
1.1. Overall Recommendation.....	2
1.2. Summary of Reasons.....	2
2. PRELIMINARY MATTERS.....	2
2.1. Outline of Relief Sought.....	2
2.2. Description of the Site and its Environs.....	2
2.3. Relevant Background.....	3
2.4. The Case for Rezoning.....	4
2.5. Discussion of Planning Framework.....	7
3. ISSUES.....	8
4. DISCUSSION OF ISSUES AND CONCLUSIONS.....	8
4.1. Demand Issues.....	8
4.2. Size of Proposed Zone and Range of Activities.....	9
4.3. Traffic Effects.....	11
4.4. Location and Related Landscape Effects.....	13
5. OVERALL CONCLUSIONS AND RECOMMENDATIONS.....	15

Further Submitter; FS 1340 Queenstown Airport Corporation

1. SUMMARY OF RECOMMENDATIONS

1.1. Overall Recommendation

1. We recommend the submission be rejected. It follows that the sole further submission should be accepted.

1.2. Summary of Reasons

2. The area proposed to be rezoned and the scale of potential demand for Airport Related Activities over the planning period creates a significant risk of adverse effects on both the Wanaka Town Centre and Three Parks, contrary to the strategic direction of the Plan. The PDP Rural Zone is more appropriate than the requested rezoning of Wanaka Airport Mixed Use Zone over the area because the Rural Zone has the most appropriate provisions to manage the wide variety of effects that are possible from the proposed mixed use zone.

2. PRELIMINARY MATTERS

2.1. Outline of Relief Sought

3. The submission sought rezoning of the site as a modified version of the Wanaka Airport Mixed Use Zone¹ from its current Rural Zone, as per Planning Maps 18 and 18a.

4. The further submission in opposition from QAC, the current operator of Wanaka Airport, raised concerns that rezoning the land may potentially result in adverse effects on Wanaka Airport that have not been appropriately assessed under section 32 of the RMA. We record that QAC did not provide evidence or attend the hearing on this submission. However, in a letter dated 9 June 2017, a letter from QAC was produced by the submitter's counsel Mr Page, on its position. We read that letter as expressing conditional support for the proposed rezoning of the JBIL land.

2.2. Description of the Site and its Environs

5. The site is a roughly boomerang-shaped area of land located on the southeastern corner of the Wanaka Luggate Highway (SH 6) and Mt Barker Road, opposite Wanaka Airport. The closest airport buildings (aircraft hangars) are set back approximately 24m from the airport's road boundary. West of the airport is a transport and toy museum on land zoned Rural Visitor (Windermere) in the ODP. The airport buildings are mostly single storey structures, albeit relatively large and utilitarian in design. By virtue of its large signs, the toy museum is the most visually prominent activity along the northern side of SH 6 within the airport environs.

6. The submission site is defined to the south and west by a steep terrace escarpment and is a small portion of the much larger Criffel Station that encompasses mountainous areas of the Criffel Range as well as lower terraces and flats. The site is flat adjacent to the road, rising to a wide elevated terrace that is not visible from close quarters, above the escarpment. The present use of the site is pastoral except for an area at the junction of the highway and Mt Barker Road occupied by the 'Crossfire' (previously 'Have a Shot') recreational facility. Apart from a line of willow trees along the toe of the escarpment and pasture grasses, there is little

¹ Recommended by the Stream 8 Hearing Panel to be incorporated into the renamed Airport Zone in Chapter 17

vegetation within the site. The wider landscape has an open rural character dominated by the Pisa/Criffel range. Mt Barker, a roche moutonnee classified as an ONF in the Plan, is also visible from the state highway, approximately 3.6 kms to the west.

7. The land on the opposite (southwestern) corner of SH 6 and Mt Barker Road is in pastoral use, mostly screened from the highway by a row of mature pine trees².

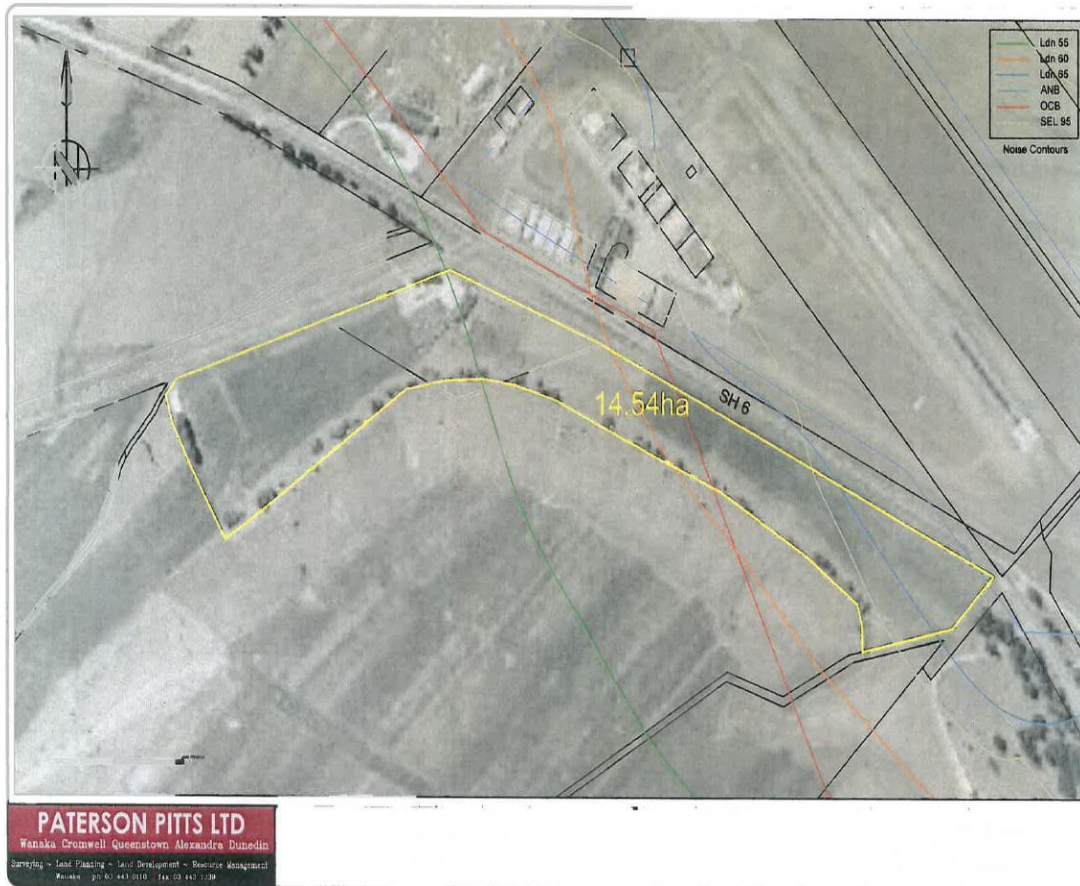


Figure 1: land as identified in submission 782 outlined in yellow

2.3. Relevant Background

8. JBIL's submission and the evidence presented at the hearing by the landowner, Mr Jeremy Bell³, outlined the history of a plan change notified in 2010 (Plan Change 26) to the ODP which, when notified, proposed to introduce new air noise boundaries (ANB) around Wanaka Airport to provide for its future expansion. Part of Criffel Station, at the corner of SH 6 and Mt Barker Road, was within the ANB, and the decision on the plan change was appealed by JBIL seeking to ensure that PC 26 did not preclude future development of the JBIL land for airport-related purposes. This resulted in a mediated agreement in 2012 that the Council would investigate a mixed use zone at Wanaka airport. The Wanaka Airport Management Committee also, in 2012, undertook to review the extent of land requirements for airport-related activities and

² This site has been the subject of an unsuccessful resource consent application to allow the establishment of a commercial entertainment facility - *Staufenberg Family Trust No 2 and J A and M C Feint v QLDC and Young Family Trust* [2013] NZEnvC 100; Affirmed on appeal, *Young Family Trust v QLDC* [2014] NZHC414

³ Evidence of J Bell dated 4 April 2017

the possibility of introducing an airport-use zone, involving consultation with JBIL. Mr Bell told us that, in reliance on these undertakings, JBIL withdrew its appeal on PC 26.

9. The PDP has since been notified, with the submitter's land zoned Rural. A part of the submission site is within the Wanaka Airport Outer Control Boundary. Within the Outer Control Boundary, new building platforms and activities sensitive to airport noise are prohibited activities under the recommended rules for Chapter 21⁴.
10. JBIL complains that contrary to the agreement between the parties to the PC26 appeal, it has not been consulted about the proposed Wanaka Airport Mixed Use Zone. The suggestion appears to be that the failure to even consider zoning the JBIL land for airport-related activities is in bad faith.
11. JBIL has requested that a similar objective, policy and rule framework to that proposed in Chapter 17 be applied to the subject land and advises that QAC is now working with JBIL on its plans. We note that it was not suggested that a zoning should be approved because of the (alleged) failure to comply with the agreement reached on PC26.

2.4. The Case for Rezoning

12. Mr Bell's evidence in support of rezoning his land was based on: the need to increase and diversify income streams to support the viability of Criffel Station, the suitability of the flats and terrace face adjacent to SH 6 around the intersection with Mt Barker Road for a mixed use zoning, the presence of the 'Have a Shot' (now 'Crossfire') tourist business, and the adverse effects of a noisy environment on deer farming which rendered the land unsuitable for that purpose at certain times of the year.
13. Mr Bell also commented on the tourism businesses that have been attracted to and become established at the airport, some but not all of which have a connection with the airport⁵. He told us that by advertising the submission site for sale, it has been possible to test the market. As a result, a number of parties expressed strong interest in a location close to the airport for tourism and logistics-type businesses, as well as existing tenants on airport land who he described as "being under pressure to leave the Airport by the Wanaka Airport Management Committee so that it can free up space for other developments."
14. Expert evidence was provided in support of rezoning the land. JBIL's planning consultant, Mr Jeff Brown, considered that recent and predicted future population growth and visitor numbers in Wanaka and Queenstown would justify a need for more facilities, infrastructure, activities and zones for both residents and visitors.⁶ He compared trends in Wanaka with historical growth in Queenstown as a basis for his argument that Wanaka was at a similar level of population and visitor numbers as Queenstown 20 years ago. In his opinion the numbers were sufficient to foresee future demand for a regional airport providing scheduled services.
15. In coming to this conclusion, he was critical of a recent report by Astral Limited advising QLDC and QAC on the major issues facing the airport over the next 40-50 years, and suggesting proposals to address them⁷. That report identified potential for growth at the airport for a range of facilities serving fixed wing and helicopter aircraft including aircraft parking, hangars, aircraft maintenance, charter air services and helicopter bases. He told us that over a 40 year

⁴ Rolling over provisions inserted into the ODP by PC26 in this regard.

⁵ Evidence of Jeremy Bell at paragraph 11

⁶ Evidence of Jeff Brown dated 4 April 2017 at paragraph 2.3

⁷ Astral Limited: *Final Report - Wanaka Airport Planning and Development*, prepared for QLDC and QAC dated 20 April 2016 - as referred to in the Council's Right of Reply to the Stream 8 (Airport Zone) provisions

planning horizon for the airport, Astral estimated that 32 ha would be required to accommodate mainly airside facilities⁸. However, the Astral report did not consider it likely that scheduled aircraft services would resume in the immediate future, an assertion with which Mr Brown disagreed. He opined that that was a short-sighted view given the high growth in visitor numbers.⁹

16. Mr Brown outlined the attributes of the JBIL land as a suitable location for services and facilities that support airport operations, but do not need airside access, in comparison with those activities that formed the focus of the Astral report. Activities could include rental vehicles, freight and logistics, storage, airline catering, tourist services, offices and administration, and visitor accommodation.
17. Attached to his evidence was a proposed set of zone provisions and a concept plan for the site ('Structure Plan A'), that included an objective, policy and rules intended to merge into Chapter 17 (Airport Zone) of the PDP. These provisions were further modified and discussed in Mr Brown's summary statement of evidence produced at the hearing. At our request, additional noise rules to protect the internal acoustic environment for the proposed visitor accommodation were submitted later.¹⁰ The final iteration of the requested zone includes (but is not limited to) the following key provisions:
 - a. in Chapter 17.1 (zone purpose) a new sentence to be added stating:

"Development in the area adjacent to SH 6 and Mt Barker Road opposite Wanaka Airport will be managed by a structure plan to promote values;"
 - b. A new policy to be numbered 17.2.3.4 *"On the western side of SH 6 and Mt Barker Road opposite Wanaka Airport, promote quality design and amenity outcomes by developing in accordance with a structure plan;"*
 - c. a range of activities including Airport Activities, Airport Related Activities, a single visitor accommodation facility limited to 30 units, Scientific Aviation and Space Research Activities, Aviation Schools and miscellaneous other aviation-focussed activities such as air shows, museums, aero recreation and Military Training Operations;
 - d. three subzones with height restrictions of 7m, 10m and 12m;
 - e. an amenity planting strip at the toe of the terrace riser along the back boundary of the site;
 - f. a landscape protection area between the amenity planting strip and the toe of the terrace riser;
 - g. a building setback along both road frontages of varying width;
 - h. restrictions on site coverage and Gross Floor Area;
 - i. acoustic design criteria for any visitor accommodation on the site.
18. Mr Brown's evidence also included a section 32 analysis of relevant objectives and policies and his assessment of those in the context of the submission.
19. The proposed zone, as originally detailed in section 3 of Mr Brown's primary evidence, would be able to accommodate buildings occupying a footprint of approximately 55,000m² within the 14.54 ha site, allowing for parking, circulation, a landscaped road frontage and building restriction (landscape protection) areas (noting that the proposed height limits in two of the sub-zones would allow for 3 - 4 storeys and therefore a larger total GFA). Mr Brown explained

⁸ As referred to by Mr Brown at paragraph 9, Summary Statement of Evidence

⁹ Evidence of Jeff Brown at paragraph 2.8

¹⁰ Supplementary statement of evidence of J Brown dated 13 June 2017

that the single 30-unit visitor accommodation facility was intended for people wanting or needing to be close to the airport, for example those attending training courses.

20. He considered that even without the kinds of activities associated with passenger services and logistics, facilities such as those described above (rental car services etc) were routinely found at airports around New Zealand.
21. In response to Mr Barr's concerns regarding traffic effects and effects on the Wanaka town centre¹¹, Mr Brown suggested a new rule 17.5.15 to limit the total GFA to 50% of the lot area. This would enable up to 72,700m² of GFA, with the amount of site coverage reducing as the number of storeys increased.
22. Mr Carr's traffic evidence on behalf of the submitter considered the existing and likely future traffic environment, based on his analysis of a mix of activities enabled by the zoning as supplied to him by Mr Brown and with a total GFA of 55,000m² as outlined above. He had modelled the likely peak hour traffic generation as well as the performance of the two accesses using SIDRA. He supported the proposed rezoning on the basis that traffic effects could be appropriately managed, subject to improvements being made to the SH 6/Mt Barker Road intersection and SH 6/Airport Way intersection through the provision of auxiliary turning lanes.
23. Ms Snodgrass gave evidence for the submitter on landscape character and amenity and her key conclusion was that the landscape effect of the proposed zone will result in a substantial change in landscape character, but where she differed from Ms Mellsop was in her view that this change would be to the site only, and not to the landscape "beyond the node of tourist activities centred on the airport".¹²
24. Ms Mellsop, the Council's landscape expert, agreed that the site has the potential to absorb sensitively designed development directly opposite airport buildings, without significantly degrading landscape quality or character, or visual amenity from the state highway. However, she did not offer unqualified support for rezoning because of wider landscape character and amenity effects that could be created by that part of the site fronting Mt Barker Road¹³ as well as effects from development at the eastern end of the site. In addition, she did not consider the proposed zone provisions would be effective in achieving appropriate design outcomes.
25. In his section 42A report, the Council's planner Mr Barr evaluated the submission and further submission, concluding that Rural zoning was the most appropriate, and that the relief sought by the submitter should be rejected. In reaching his conclusions, he had regard to the opinion of the Council's traffic expert Ms Wendy Banks that the requested zoning could result in inappropriate adverse effects from traffic crossing the state highway and that traffic effects had not been considered. He had also noted Mr Glasner's opposition based on a lack of water and wastewater services.
26. After considering the pre-lodged planning evidence of Mr Brown, Mr Barr reiterated his opinion that even with the modifications to the zoning as outlined in Mr Brown's evidence, the requested zoning would be contrary to Plan policy in respect of effects on the Airport Zone area and the Strategic Directions of the PDP that seek to consolidate urban growth within the Wanaka UGB. He referred to the recent acquisition of land to the north and west of the airport runway by QAC for future airport expansion (a total of 106 ha) and the absence of qualified

¹¹ C Barr section 42A report

¹² Summary evidence of M Snodgrass at paragraph 4

¹³ The location of proposed visitor accommodation

evidence demonstrating the necessity or justification for the zoning in these circumstances. He was strongly of the opinion that the proposal was contrary to the Plan's strategic objectives and policies seeking to avoid commercial activities undermining the Wanaka town centre and Three Parks centre. His overall conclusion was that the constraint of SH 6 would discourage airport-related activities, that any future activities would most likely only be loosely affiliated with Wanaka Airport and that there would be a precedent effect from rezoning of the submitter's land, resulting in a strong likelihood of urban sprawl along the highway as well as a significant risk of development (given its scale) negatively affecting the town centre and Three Parks.

27. In his right of reply, he confirmed that his opinion had not changed, notwithstanding the modifications to the Structure Plan outlined in Mr Brown's summary statement of evidence.

2.5. Discussion of Planning Framework

28. We have considered the wider strategic objectives in Chapters 3 and 4 as discussed and recommended by the Stream 1B panel, many of which are cross referenced in our Report 16, most relevantly those relating to urban growth and landscape character and amenity values. Strategic Objective 3.2.2.1 sets out the broad strategy which underpins the more detailed objectives and policies that follow in ensuing chapters, the intent being that urban development occurs in a logical manner so as to, amongst other things, promote a compact, well designed and integrated urban form, protect the District's rural landscapes from sporadic and sprawling development and is integrated with existing, and planned future, infrastructure.

29. Strategic objectives and policies in Chapters 3 and 4 acknowledge the importance of Wanaka Airport as regionally significant infrastructure, and the significant economic benefits of tourism (Objective 3.3.1.4) in which airports play an essential role, are also applicable, as is Strategic Objective 3.2.1.2 that refers to the Queenstown and Wanaka town centres as the primary focus for the District's economic activity. Policy 3.3.3 specifically refers to avoiding commercial development that could undermine the role of these centres. The role of the Three Parks Commercial Area is also recognised in the strategic objectives because it is projected to be a significant element of the economy of the Upper Clutha Basin over the planning period covered by the PDP. Recommended objective 3.2.1.4 is: *"The key function of the commercial core of Three Parks is focussed on large format retail development"*. Chapter 4 has relevant objectives and policies referring to co-ordination of infrastructure with urban development, as in Recommended Policy 4.2.2.1 which reads *"Integrate urban development with existing or planned infrastructure so that the capacity of that infrastructure is not exceeded and reverse sensitivity effects on regionally significant infrastructure are minimised."*

30. It is also necessary to consider the proposed provisions alongside the recommended version of Chapter 17 as this provides the overall context and policy direction for development in, and near, Wanaka Airport. The airport has a specific objective 17.2.2 being: *"Wanaka Airport remains a key strategic infrastructural asset supporting the well-being of the District."* Policy 17.2.2.2 has a strong focus on ensuring Airport and Airport Related Activities have a legitimate relationship to Airport Activities, as defined, and are a size that cumulatively do not adversely affect the key local service and employment function of Wanaka Town Centre or other commercially zoned areas within the District.

31. *Policy 17.2.2.3 is to "only allow retail and food and beverage facilities which are designed and operated and of a nature, scale and intensity to service visitors, passengers or workers engaged in or associated with Airport Activities or Airport Related Activities within the Wanaka Airport zone, and are unlikely to attract significant patronage outside of this purpose."*

32. Policy 17.2.2.4 refers to ensuring adequate services are provided including sufficient water for firefighting.
33. Objective 17.2.3 and its supporting policy refer to provision of Airport Related Activities while maintaining amenity visitor values within the airport and for residents on neighbouring land.
34. These objectives and policies are clearly intended to ensure two key outcomes:
 - a. that land within the Wanaka Airport zone is used for activities with a legitimate relationship with airport activities;
 - b. that economic impacts on the Wanaka Town Centre and Three Parks from the establishment including cumulative impacts, of commercial activities and services at the airport are avoided.

3. ISSUES

35. Having regard to the above, we have identified the following key issues:
 - a. Demand for additional Airport Zone land;
 - b. Suitability of size of zone and proposed mix of activities:
 - i. Relationship to Airport
 - ii. Potential effects on Wanaka Town Centre and/or Three Parks
 - iii. Traffic generation and potential effects on the state highway
 - c. Whether the location of the requested zone is appropriate in terms of landscape values and rural amenity.

4. DISCUSSION OF ISSUES AND CONCLUSIONS

4.1. Demand Issues

36. The likelihood or otherwise of the recommencement of scheduled air services into Wanaka Airport is, in our view, a significant factor in regard to the timing, location, extent and nature of provision for future airport-related activities that do not require an airside location.
37. While Mr Brown drew a comparison between Wanaka and where Queenstown airport was 20 years ago as justification for the need to zone land as part of the current district plan review process, we see a clear distinction between the two given that 20 years ago, Queenstown did not have another major airport less than 65 kms away.
38. When we discussed with Mr Brown the rate of development anticipated for the JBIL site, he told us it was likely to take 30 - 40 years for a full build-out to be achieved. Taking that into account, we accept that as a general principle the types of non-airside activities described in his evidence should be enabled and provided for to support the core functions of the airport. This is anticipated by the Chapter 17 objectives and policies referred to above, and enabled within the notified Airport Zone boundaries. Even without scheduled services, it can be foreseen that airport activity will increase for tourist flights, pilot training, private aircraft arrivals and departures, and similar activities. With all due respect to Mr Brown, however, we had no hard evidence that demonstrated a shortfall in available land (particularly given QAC's recent land purchase), or commercial land needs - shortcomings identified in Mr Barr's reply evidence.¹⁴

¹⁴ C Barr right of reply at paragraph 31.2

39. While it is a well-established principle that zoning is not be used as a form of licensing, neither should zoning be applied in a way that potentially provides unbridled scope for new land uses to establish, or that results in the inefficient use of land. In response to the panel's questions, Mr Brown conceded that the larger the amount of available space in the zone relative to demand, the greater the pressure to use it for more marginal (ie less airport-related) activities. Indeed, several of the witnesses for both the Council and the submitter commented on the influence that existing tourist-focussed businesses already have in creating a drawcard (and justification) for 'more of the same' around the airport. Instead of the airport being centred on aviation activity, we gained the impression that it is beginning to be perceived as a 'tourist node' (to use Ms Snodgrass's description).
40. We anticipate that if there is low demand for airport-related activity (whether on the airport land or the JBIL site), there will also be a greater likelihood of activities establishing at the airport that draw off Wanaka Town Centre and/or Three Parks. In this regard, we think it likely that at least in the next few years, the requested zoning would inevitably result in a sporadic spread of activities across both the Airport and JBIL sites and this would be neither efficient nor effective. There is also a risk that, without evidence of demand for the types of activities intended to be the core functions of the Airport zone, rezoning the JBIL land now would lead to adverse outcomes in terms of the Plan's policy focus on ensuring that the role of the Wanaka and Three Parks centres is not undermined. In this respect, we do not consider that the submitter has made its case for the requested relief.

4.2. Size of Proposed Zone and Range of Activities

41. While there appears to be a degree of consensus between Mr Brown and Mr Barr that over a 40 year planning horizon, it may be appropriate for a range of activities associated with the airport to be provided for, Mr Brown's argument in favour of the range of activities enabled by the requested zone is premised on the need to provide for airport-related facilities that do not require an airside location. The difficulty with this line of reasoning is that we now know that the acquisition of additional land around the airport by QAC would appear to 'future proof' it for future growth and development in a manner that does not raise the same traffic and landscape issues that development on the JBIL land would do (as discussed below) for some time to come.
42. Turning to the specifics of the proposed zone's provisions, the core permitted activities proposed in the Structure Plan for the site are Airport Activities excluding Aircraft Operations and Buildings, and Airport Related Activities excluding Buildings. The definitions of these as recommended by the Stream 10 Hearing Panel are:

Airport Activity

Means land used wholly or partly for the landing, departure, and surface movement of aircraft, including:

- a. aircraft operations, which include private aircraft traffic, domestic and international aircraft traffic, rotary wing operations;*
- b. aircraft servicing, general aviation, airport or aircraft training facilities and associated offices;*
- c. runways, taxiways, aprons, and other aircraft movement areas;*
- d. terminal buildings, hangars, air traffic control facilities, flight information services, navigation and safety aids, rescue facilities, lighting, car parking, maintenance and service facilities, fuel storage and fuelling facilities, and facilities for the handling and storage of hazardous substances.*

and

Airport Related Activity

Means an ancillary activity or service that provides support to the airport. This includes:

- a. land transport activities;*
- b. buildings and structures;*
- c. servicing and infrastructure;*
- d. police stations, fire stations, medical facilities and education facilities provided they serve an aviation related purpose;*
- e. retail and commercial services, and industry associated with the needs of Airport passengers, visitors and employees and/or aircraft movements and Airport businesses;*
- f. catering facilities;*
- g. quarantine and incineration facilities;*
- h. border control and immigration facilities,*
- i. administrative offices (provided they are ancillary to an Airport or Airport Related Activity)¹⁵*

43. Clearly, the combined provisions for 'Airport Activity' (excluding airport operations), together with 'Airport Related Activities' and visitor accommodation, would enable a very broad range of activities within the site and that notwithstanding the proposed 50% limit on the total GFA for the site, a development of up to 72,700m² GFA would be regarded as substantial by any measure.
44. In relation to Airport Related Activities, Mr Barr's has commented as follows:

"...the case is made for the JBIL rezoning based on managing the effects of the development on the immediate surrounds, and while this is important, I note that the submitter has readily adopted the recommended rules of the Wanaka Airport Zone that manages the proliferation of unrelated commercial activities establishing at Wanaka Airport Zone. I consider that further investigations into the demand for ancillary activities and ensuring that any related commercial activities are ancillary to the airport and do not undermine the viability of the Wanaka Town Centre and Three Parks business zones.

31.11 *I also note that in her Reply for Chapter 17 (Airport Zone)⁴⁹ Ms Holden for the Council recommended that the rule limiting commercial activities across the zone to 1000m² is removed (Rule 17.5.14) because the gross floor area for airport related activities already exceeds 1000m² and that activities can be controlled by the rules and definitions that require commercial activities to be ancillary. Ms Holden has recommended retaining Rule 17.5.10 that limits any cafés, food and beverage facilities, retail activities and offices to 100m².*

31.12 *Although I understand Ms Holden's reasons for recommending the deletion of this rule, the fact that there is already over 1000m² of commercial or retail activities is cause for concern. In addition the absence of this rule in light of the JBIL and Young Family Trust submissions further increases my concern with the proliferation of commercial activities in this location under the guise of them being associated with and ancillary to the core activities of the airport, particularly where SH6 is located*

¹⁵ Report 14, Appendix 1

between the airport and these sites. I consider that a cap to assess the potential for incremental small activities having a cumulative effect on the viability of the Wanaka Town Centre and business zones, as originally recommended for the Wanaka Airport Zone is important.

31.13 My understanding from both Mr Brown and Mr Pages' appearances for JBIL at the hearing is that they readily accept the 1000m² cap be applied as part of assurances that activities would be genuinely associated with Wanaka Airport. Overall, I maintain my opinion that the submission should be rejected. If the Panel accept the JBIL submission I recommend they consider retaining Rule 17.5.14 as originally drafted by the Council."

45. We agree with Mr Barr that the presence of more than 1000m² of retail and commercial activity already established within the airport signals the risk of adverse effects if further commercial activity gains a foothold and undermines the town centre and Three Parks - contrary to the strategic direction referenced in our discussion of the planning framework and more fully summarised in Report 3.
 46. In relation to the proposal for one 30 unit visitor accommodation facility, Ms Mellsop's comments related to the change in character and landscape values that would arise from any built form in the western part of the site irrespective of its intended use for visitor accommodation, but not limited to that activity. Mr Barr has also taken a strategic view rather than comment on specific aspects of the proposed zone, other than to acknowledge that the inclusion of an acoustic design standard for visitor accommodation would be appropriate.
 47. Although not an issue that on its own is determinative in regard to the zoning request, we have identified significant shortcomings with the inclusion of a bespoke visitor accommodation rule. We consider that restricting such a facility to airport users and visitors is impractical and unenforceable, especially as a permitted activity, and that it might equally appeal to visitors to the toy museum or to winter skiers. We also consider provision for "related activities" in 17.5.17 of the proposed Table 4 to be ambiguous and so wide in scope that the facility would have the potential to become an event centre. We consider that once visitor accommodation is established on the site, there could well be a domino effect as landowners on adjacent land seek similar opportunities - leading to adverse effects on the town centre and cumulative visual amenity and landscape character effects at the airport. Again, while not decisive, we also think it significant that reference to 'visitor accommodation' has been deleted from the definition of 'airport related activity'.
 48. Furthermore, we have doubts about the compatibility of activities within the site. For example, a logistics or transport business wanting to operate 24/7, or quarantine or incineration facilities, are unlikely to be a suitable neighbour for visitor accommodation. When we discussed this issue with Mr Brown, he helpfully submitted a suggested noise rule which would require any visitor accommodation to be designed to achieve an appropriate internal acoustic standard. However, we do not think this goes far enough in ensuring noise or other nuisance effects would be adequately avoided or mitigated, particularly given the proposed permitted activity status of these activities.
- 4.3. Traffic Effects**
49. Ms Banks's initial opposition to the requested zoning was based on the necessity to cross SH 6 to/from the airport (which at that stage had not been assessed by the submitter). While she

also mentioned potential nuisance effects of dust and noise on Mt Barker Road as well as safety issues for drivers on a gravel road, we noted from our site visit that Mt Barker Road is sealed at the intersection with SH 6 at least as far as the entrance to Crossfire and have therefore disregarded those concerns. In her rebuttal evidence, Ms Banks noted that the expected level of development assumed by Mr Carr (the 55,000m²) was less than what she had initially considered could be enabled based on the 75% site coverage permitted in the Wanaka Airport Mixed Use Zone. She also commented that no assessment had been undertaken of the current performance of the Mt Barker Rd/SH 6 intersection, and that the safety implications of high traffic generators on the site had not been addressed in evidence.

50. These were matters which Mr Carr discussed in his evidence at the hearing. In view of Ms Banks's concerns and Mr Barr's comments, we were especially interested in the long-term implications of allowing development that by virtue of its intended function as a support centre for the airport, would attract a considerable amount of vehicular and pedestrian traffic to and from the airport environs across SH 6. The highway was described by Mr Carr as a primary route to and from Wanaka approximately 9km to the northwest¹⁶. In response to our questions, he suggested various possible options for crossing the highway if they proved to be necessary, including a pedestrian underpass. He did not consider the cross movements to be insurmountable and referred to the use of underpasses in rural areas to move farm animals across roads.
51. However, we were not persuaded that the technical solutions to this cross movement, as offered by Mr Carr, would be an appropriate outcome for this airport and we do not consider it appropriate for the traffic effects that may be generated by the level of development that would be enabled on the site, to be assessed in an ad hoc manner as each new activity is proposed. The better option in our view is to limit activities to the airport side of the highway. As a general principle, and in the absence of concrete examples of similar scenarios at other comparable airports¹⁷, we think that enabling a large and intensive development across a state highway is inefficient and ineffective in achieving integrated land use and transport planning.
52. In relation to potential effects of traffic movements at the intersection of SH 6 and Mt Barker Road, Mr Carr considered that there was ample room within the road corridor to create additional traffic lanes to safely accommodate all turning movements at the intersection and access ways. He expected that Level of Service (LOS) D or better could be achieved with the anticipated range of activities in the requested zone, but predicted that this would drop to LOS E at the intersection. Ms Banks identified this as an issue of concern to her, noting that the modelling undertaken by Mr Carr was based on a development scenario of 55,000 m² GFA whereas 72,700m² GFA is possible at full build-out. Currently SH 6 operates at LOS B and Mt Barker Road at LOS A. While, as Mr Carr pointed out, in this environment, only a small numerical decrease in the predicted (and in his opinion, conservative) number of vehicle movements in the order of 20 vehicles per hour would maintain the LOS at acceptable levels of C or D, we note that the converse is also true and the Level of Service could well drop to LOS E or worse.
53. Although we heard no evidence regarding the process by which assessment of traffic effects is triggered in either the ODP or PDP, we are aware that in both plans (Transport being a Stage 2 topic recently notified for public submissions) there are different thresholds that would apply

¹⁶ Evidence of Mr A Carr dated 4 April 2017 at paragraph 24

¹⁷ Noting that in the locations provided by Mr Brown as examples (Queenstown and Auckland), airport related traffic crosses/travels down state highways and other substantial roads within a much more urban context (and speed) than at Wanaka.

to proposed activities at subdivision or resource consent stage and that any necessary road upgrades would be considered accordingly. Despite Ms Banks's concerns, we are also mindful that Wanaka airport is currently a small regional facility and that significant growth in traffic from airport-related businesses will not occur overnight, but over several years. Over time, we would anticipate that along with the necessary roading improvements at the intersections outlined by Mr Carr, other traffic management measures might also become necessary.

54. Overall, we have concluded that potential traffic effects are not determinative in regard to airport-related activities, although we do not consider it appropriate to enable a large scale and potentially intensive development across a state highway. The key issue is the likelihood of cumulative effects from high traffic generators on the JBIL site that are at best only loosely associated with the airport, together with the potential for incremental development of adjacent sites on SH 6.
55. While the NZTA was not a party to this specific hearing, the Agency has made submissions relating to the need to maintain a safe and efficient highway network, and to ensure integrated land use and transport planning. We were not persuaded that the proposed bespoke provisions for the JBIL site would achieve this.

4.4. Location and Related Landscape Effects

56. We note that three or four storey buildings might be located in the areas within the site that are proposed to have either a 10m or 12m height limit. Whereas Ms Snodgrass thought that the proposed zone will fit into and consolidate an existing node of development, Ms Mellsop's overall conclusion was that *"buildings in the western area of the site, including 12-metre high visitor accommodation buildings within Area A2, would significantly detract from the natural and pastoral character of available views. Existing airport buildings are only partly visible from this rural road, while built development within the western part of the proposed rezoning area would be immediately adjacent to the road and would obscure the majority of views to the escarpment behind"*¹⁸.
57. Clearly, any future development at, or opposite the airport will change the character of the landscape in the immediate area and in our view, that is an inevitable consequence of future growth. We accept that the landscape has the capacity to absorb some change. However, we agree with Ms Mellsop that the potential height (12m) and overall bulk of building(s) - likely to be visitor accommodation - on the western portion of the site fronting Mt Barker Road and therefore highly visible to traffic approaching the airport from the west - is inappropriate from a landscape character and visual amenity perspective.
58. In an Environment Court decision in relation to a proposal for a commercial recreation facility across the road from the Crossfire site at the corner of SH 6 and Mt Barker Road, the Court's majority decision expressed concern at the effects of buildings on that site which would impede views of Mt Barker and the Cardrona mountains beyond. The Court also found that *"the development is on a highly sensitive corner which will present as a concentrated built environment"* and that *"the form and density is not appropriate for this rural landscape."*¹⁹ While the JBIL site has the advantage of being topographically contained by the escarpment behind, at its western end, it is separated only by the width of Mt Barker Rd from the site considered by the Environment Court in its decision. Relevantly, the bulk and scale of buildings

¹⁸ H Mellsop right of reply

¹⁹ *Staufenberg Family Trust No 2 and J A and M C Feint v QLDC and Young Family Trust [2013] NZEnvC 100* at paragraph 94

enabled in the proposed Airport Zone structure plan would be significantly greater than those considered to be inappropriate on the opposite corner.

59. We consider that the *Staufenberg* decision has established a high hurdle for any commercial activity to overcome, not only in terms of landscape character and amenity effects from development on individual sites, but also potential cumulative effects arising over time from development clustered around the Mt Barker Rd intersection and stretching along both sides of the highway.
60. This was a point also made by the Environment Court in *Staufenberg*, where it said "*As we have already noted - both Mt Barker Road, and in particular the State Highway provide a clear and defensible edge separating the commercial operations associated with the airport (sic) and Have-A-Shot facility from the remainder of the Rural General Zone. To allow this proposal to broach this edge considerably weakens the state highway in particular as a boundary between commercial activity and the Rural General Zone and in our opinion opens the door for future like applications*".²⁰
61. We conclude, having considered the evidence and the findings of the Court in *Staufenberg*, that the type of development enabled by the requested zoning would have significant adverse landscape character and amenity effects.
62. Furthermore, in terms of the more fundamental issues of the Plan's strategic direction, we prefer the planning opinion of Mr Barr, who raised a number of valid concerns. We find that the requested zoning would be directly contrary to (inter alia) recommended strategic Objectives 3.2.2 and Policies 3.2.2.1, 3.2.5.2, 3.3.3, 3.3.24, and 3.3.32 relating to the management of urban growth in a strategic and integrated way, that protects the District's landscapes from sporadic and sprawling development, is integrated with existing and planned infrastructure, avoids commercial zoning that could undermine Wanaka Town Centre and Three Parks, and limits land use changes in Rural Character Landscapes so that landscape character and amenity values are not materially degraded.
63. As we have concluded that the zoning requested by JBIL is not the most appropriate, and is not efficient or effective in achieving the Plan's objectives, it is not necessary for us to consider whether or not further amendments to Chapter 17 are required.

²⁰ *Staufenberg* at paragraph 142

5. OVERALL CONCLUSIONS AND RECOMMENDATIONS

64. In summary, for the reasons set out in our report, we recommend that the submission of Jeremy Bell Investments Ltd seeking rezoning of land opposite Wanaka Airport be rejected. It follows that the further submission of Queenstown Airport Corporation stating opposition to the proposed rezoning should be accepted.

For the Hearing Panel



Trevor Robinson, Chair
Dated: 27 March 2018