

QLDC Council
29 July 2021**Report for Agenda Item | Rīpoata moto e Rāraki take 3****Department: Planning & Development****Title | Taitara Te Pūtahi Ladies Mile Draft Masterplan and Plan Variation****PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

- 1 The purpose of this report is to report back on the non-statutory feedback received on the draft Te Pūtahi Ladies Mile Masterplan and draft plan variation documentation and to seek direction on how to proceed.

EXECUTIVE SUMMARY | WHAKARĀPOPOTOTANGA MATUA

- 2 At the 12 March 2020 Council meeting, Council approved procurement and works to proceed on the Te Pūtahi Ladies Mile Masterplan and Plan Variation. This decision was a result of previous Council meetings where it was agreed that the Te Pūtahi Ladies Mile area may be developed for urban purposes in the medium to long term, and that a proactive Council-led planning approach should be undertaken given the likelihood of the area being increasingly developed over time. This approach was to incorporate the wide range of community, housing, recreation, transport, green space and infrastructure considerations for Ladies Mile and the surrounding area.
- 3 Following extensive traffic modelling, engagement with landowners, multiple stakeholders (including Wakatipu Way to Go, Waka Kotahi (NZTA), Iwi, Ministry of Education (MoE)). The Ladies Mile Consortium (LMC) team produced a draft Masterplan and related planning provisions which was approved at the 29 April 2020 Council meeting, for a 20-working day public consultation period to provide an opportunity for the community to review and comment.
- 4 Over 500 submissions were received on the draft Te Pūtahi Ladies Mile Masterplan and associated planning rules. The feedback indicates that 86% of respondents do not support or have concerns regarding the draft Masterplan and Planning rules. Concerns focused on whether development was appropriate in this location and the impacts on traffic congestion in the area. Positive outcomes identified included the provision of additional facilities and open spaces.
- 5 This report considers the submissions and whether Council continues with a Council-led approach or to stop work on the Masterplan, acknowledging that private developers will likely apply for resource consents and/or private plan changes.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report;

2. **Note** that Transport remains a key constraint to the potential development of Te Pūtahi – Ladies Mile, and that additional work is necessary to confirm the proposed transport interventions, the timing of these interventions and how they would be funded;
3. **Note** in addition to the Transport constraints, that there are also a number of other matters that still require more work including:
 - a. The number of residential units to be provided and the height and density allowed for;
 - b. The management and funding for stormwater across the site;
 - c. The location of the high school;
 - d. The nature and extent of any community facilities;
 - e. The size, extent and the timing of the commercial and retail centre; and
 - f. The final form of the planning provisions that would ensure the delivery of the masterplan, including consideration of available planning mechanisms to defer development until matters 2 and 3 a. – e. have been resolved.
4. **Agree for the Te Pūtahi Ladies Mile area, that Council:**
 - a. Continues to work on a Council-led approach to develop a Masterplan to resolve the outstanding matters identified in matters 2 and 3 above, but at a lower density of development than consulted on; or alternatively
 - b. Halt any further work on a Council-led Masterplan, continue to work with Waka Kotahi and the Otago Regional Council on the proposed transport interventions, the timing of these interventions and how they would be funded and manage any future development proposals through the District Plan and Resource Management Act 1991 processes.

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CONTEXT | HOROPAKI

Background

- 6 Te Pūtahi Ladies Mile area has obvious attributes that make it an important consideration in planning future development in the district. It is sunny, flat, and an easily serviceable part of the Wakatipu Basin that is not prone to significant natural hazards or in an Outstanding Natural Landscape. Although it is an amenity landscape, relative to other parts of the Wakatipu Basin it has a high capacity to absorb urban development without affecting the wider rural setting.
- 7 It adjoins existing urban developments (Lakes Hayes Estate, Shotover Country and the Queenstown Country Club) and is near the major employment area of the Frankton Flats and its industrial, retail and mixed-use zones, employment centres and airport.
- 8 There is significant pressure to urbanise the area, with a number of major landowners along Te Pūtahi Ladies Mile, signalling their intention to seek development of their land in the short to medium term. In 2019, three Special Housing Area development applications were declined by Council through the now expired Housing Accords and Special Housing Area legislation, these landowners are still looking at mechanisms to develop their land.
- 9 In response, and at its 12 March 2020 meeting, the Council approved procurement and works to proceed on the Ladies Mile Masterplan and Plan Variation. This decision was a result of previous Council meetings where it was agreed that:
 - a. the Ladies Mile area may be developed for urban purposes in the medium to long term; and
 - b. a proactive Council-led planning approach should be undertaken, taking into account the wide range of community, housing, recreation, transport, green space and infrastructure considerations for Ladies Mile and the surrounding area.
- 10 It is considered that there will be ongoing development pressure that even in the absence of a Council-led Masterplan process will be difficult for the Council to stop, meaning that Te Pūtahi Ladies Mile will likely be developed to a greater or lesser extent in the future.
- 11 The 12 March 2020 Council Report comprehensively addressed the full history of Ladies Mile and a link to the report is provided in Attachment A.

The Masterplan Objectives

- 12 Part of the Masterplan brief provided to the LMC team was to look at how will Te Pūtahi Ladies Mile grow over the next 30 years and beyond, and how Council will ensure it grows in a way that provides the community at the centre of all thinking. The aim was to see Te Pūtahi Ladies Mile develop in a way that improved community outcomes, delivered improved transport solutions and offered a wide range of housing choices to current and future residents.
- 13 The specific Masterplan objectives included:

- a. Increased liveability, wellbeing and community cohesion for existing and future residents;
- b. Improved access to and from Ladies Mile with a transport network that can deliver its functions efficiently and effectively;
- c. Support enhanced public transport and active travel provision and utilisation through integrated land use solutions and connected neighbourhoods/communities;
- d. Has a strong community focus including a town centre and community hub that serves the existing and future residents;
- e. Reduce the demand for car-based travel across the Shotover river through integrated land use and sustainable transport solutions;
- f. A series of legible and distinctive neighbourhoods that have a strong sense of place including connections to the wider landscape;
- g. Integrate open space and low impact urban design into the Masterplan framework;
- h. A high quality gateway experience is achieved along SH6; and
- i. Quality high/medium density residential housing to support public transport, local commercial centres and community facilities.

Strategic Direction

- 14 Te Pūtahi Ladies Mile Masterplan has been developed in accordance with national, regional and local legislation and plans that require councils to respond to multiple factors, including; population growth, housing affordability and supply issues, and climate change. This includes the Resource Management Act, a number of recent National Policy Statements such as the 2020 National Policy Statement – Urban Development (NPS UD) and Council’s draft Spatial Plan (in partnership with Central Government and Mana Whenua) and Climate Action Plan.
- 15 The **2020 National Policy Statement – Urban Development** (NPS UD) is about ensuring that New Zealand’s towns and cities are well-functioning urban environments that meet the changing needs of diverse communities. It intends to remove overly restrictive barriers to development to allow growth ‘up’ and ‘out’ by ensuring that development is enabled in locations that have good access to existing services, public transport networks and infrastructure. It includes a number of objectives and policies that councils must give effect to in their resource management decisions to achieve:
 - a. Well-functioning urban environments that enable all people and communities to provide for their social, economic and cultural wellbeing, as well as their health and safety, now and into the future;

- b. Improvement in housing affordability by supporting competitive land and development markets; and
 - c. Intensification to enable more people to live in areas where there is high demand for housing and there is accessibility to existing or planned active or public transport.
- 16 Of other relevance is Council's Housing and Business development capacity assessments (HBA), produced every three years as per the requirement of the NPS UD. The 2017 HBA (housing) assessment found that whilst the district has enough zoned capacity to meet population projections over the next 30 years, the:
- a. Predominant typology of housing is standalone at 71%, with 21.5% of housing attached (town houses, terraced houses, apartments).
 - b. In respect of housing, there is a shortfall of feasible capacity in the lower to medium band priced housing (attached housing).
 - c. This shortfall capacity in the lower to medium band priced housing is set to continue even though demand for this housing will increase.
- 17 The 2021 HBA (housing) assessment is currently underway and the early advice indicates that whilst there is progress being made in housing growth numbers, the type of housing being delivered within the larger growth areas, such as Shotover Country, Jacks Point, Hanley Downs, Northlake and Hāwea are overwhelmingly delivering standalone houses. In contrast, the growth areas zoned in Frankton and Queenstown Town Centre (Plan Change 50) are expected to deliver mainly attached housing but this supply has yet to be realised (or is being realised at a slower rate compared to greenfield developments). The latest HBA (housing) indicates that 84% of dwellings are standalone houses (2020). This compares with an estimate of 71% in the previous 2017 HBA (housing).
- 18 It is considered that the Te Pūtahi Ladies Mile Masterplan supports the HBA (housing) through the provision of medium and high density housing with affordable housing options provided through the different typologies, housing types and sizes.
- 19 The **Proposed Otago Regional Policy Statement (PORPS)** was notified on 26 June 2021 and the submission period is open until 3 September 2021. The entire PORPS (excluding the parts that relate to coastal environments) will have relevance to varying degrees to current and future land uses on Te Pūtahi - Ladies Mile. As the PORPS is in proposed form (not yet operative), 'regard' must be had to it, rather than it being required to be 'given effect to'. The PORPS may be amended through the submission and decision process, including through any subsequent appeal process.
- 20 The part of the PORPS that has most relevance for the Te Pūtahi Ladies Mile project is the UFD – Urban Form and Development chapter. This section sets out objectives for the form and function of urban areas, development of urban areas, strategic planning, development in rural areas and climate change. The policy framework that implements the objectives includes a requirement that strategic planning processes must precede urban growth and development.

- 21 It is noted that Policy UFD-P4-urban expansion of the PORPS sets out seven criteria to be met when considering the suitability of expanding existing urban areas. Criteria 6 of Policy UFD-P4, requires that urban expansion avoids highly productive land as the first priority.
- 22 A **Proposed National Policy Statement for Highly Productive Land (NPS-HPL)** was published in 2019, with submissions closing in July 2020. The NPS-HPL is not yet operative and is programmed to take effect in the second half of 2021. The provisions in the NPS-HPL will sit alongside the National Policy Statement on Urban Development. The two documents are designed to assist councils to better assess and balance the trade-offs between protecting highly productive land for primary production while providing for greater urban capacity.
- 23 Whilst the Proposed NPS HPL is not yet operative, the draft Spatial Plan was prepared having regard to the two national policy statements, assessing the value of the rural productive potential of the Te Pūtahi Ladies Mile area against urban growth criteria such as the existing land use and how it may be developed under the Proposed District Plan (PDP) as well as the level of fragmented land ownership. This assessment concluded that the Te Pūtahi Ladies Mile area was suitable for urban growth.
- 24 Once adopted, the Spatial Plan will have satisfied the requirements of Objectives UFD-03 and UFD-04 of the PORPS that strategic planning be undertaken prior to urban development.
- 25 QLDC, central government and Kāi Tahu are working in partnership to produce a joint **Spatial Plan** that aims to set the strategic direction for the district's growth and development for the next 30 years plus.
- 26 The draft Spatial Plan^[1], promotes a consolidated and mixed-use approach to accommodating growth in the district, with future growth focusing on locations with good access to facilities, jobs, and public transport. Development within these areas will require:
- a. enabling higher densities;
 - b. enabling a greater mix of uses within existing urban areas; and
 - c. efficiently developing new urban areas that are serviced by public transport.
- 27 The draft Spatial Plan, identifies Ladies Mile (Eastern Corridor) as one of two of the Wakatipu's future urban and priority development areas. As a priority development area, Te Pūtahi Ladies Mile has been identified as a new transit orientated neighbourhood offering new housing choices that will require working in partnership to deliver a public transport solution to unlock the potential of this site.

^[1] The Spatial Plan goes to Full Council for adoption 29 July 2021

28 The **2019-22 Climate Action Plan (CAP)** adopted 21 March 2021, aims to help guide local action as well as meet the challenge of the climate change emergency. CAP has five key outcomes:

- a. The community looks to QLDC for leadership and action;
- b. Queenstown Lake has a low-carbon transport system;
- c. Built environment and infrastructure is climate responsive;
- d. Communities are climate conscious and resilient; and
- e. Our economy and natural environment thrive together.

29 A significant part of the CAP relates to QLDC leading by example and QLDC has been progressing a number of climate change initiatives. This also includes the consideration of future projects and in terms of Land Use / Development, ensuring that future plan changes consider transit orientated developments and reducing reliance on cars.

30 It is considered that the Te Pūtahi - Ladies Mile Masterplan supports the CAP through increasing density to a more compact form, and supporting enhanced public transport and active travel provision through integrated land use solutions and connected neighbourhoods/communities, reducing the demand for car-based travel across the Shotover River.

Drafting of the Masterplan for public feedback

31 At its 29th April 2021 meeting, Council approved the adoption of the draft Te Pūtahi Ladies Mile Masterplan and draft plan variation documentation, for a 20-working day non-statutory public feedback period. The 29 April 2021 Council Report¹ comprehensively addressed the development of the Te Pūtahi Ladies Mile Masterplan.

32 In summary **the draft Masterplan** included a context analysis, design response to feedback received in November 2020, and the seven design principles used to inform the development of the draft Masterplan. This is summarised in Table 1 below:

Design Principles	Key Moves
Consider SH6 as a gateway to Queenstown	- SH6 is valued and considered in its role in the arrival experience into Queenstown
Reflect a unique and enduring identity	- Maintain key views to Lake Hayes, Slope Hill and the Remarkables - Celebrate built and landscape heritage
Support a healthy environment and ecology	- Establish a strong holistic landscape framework - Water is managed in a way that gives effect to Te Mana o te Wai

¹ A link to the 29th April 2021 Council report is provided in Attachment B

Design Principles	Key Moves
	<ul style="list-style-type: none"> - Maintain ecological value of Lake Hayes wetland edge, and improve connections between the lake and river - Support kaitiakitanga of the environment and connections to nature
Create self-sustained and connected communities	<ul style="list-style-type: none"> - Establish a community and commercial heart for both existing and new neighbourhoods - Provides places for community interaction and shared amenity
Enable sustainable transport networks	<ul style="list-style-type: none"> - Promote a step change by prioritising public transport and active mode share - Ensure quality and pedestrian cycle networks within Te Pūtahi and connections to trails beyond
Do density well, provide quality and diverse housing	<ul style="list-style-type: none"> - Offer a choice of lifestyles through a range of quality housing typologies, sizes and affordability - Establish medium/high density living to support public transport, commercial activity and community facilities
Develop a resilient and adaptable framework	<ul style="list-style-type: none"> - Set out a legible and clear structure to mitigate sporadic development - Identify an appropriate development response that is sympathetic to the local context

Table 1: Key moves of draft Masterplan presented to the public

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

Feedback on the Te Pūtahi Ladies Mile Masterplan, Planning Provisions and Transport Strategy

33 The community provided feedback on the draft Te Pūtahi Ladies Mile Masterplan and planning provisions via an online survey that ran on Let’s Talk from the 30 April 2021 for a period of four weeks. A summary of the submissions can be read in the Te Pūtahi Ladies Mile Summary of Submissions (refer to Attachment C), at a high level, 86% of the 500 responses are opposed to the Masterplan development, the reasons for opposition and support can be broken down into the following:

Let’s Talk Oppose submissions

34 **Transport** and traffic congestion was cited as the biggest issue, this includes bridge capacity, increasing queuing times along the State Highway, and the viability of alternative routes west. Concerns were also raised as to whether the required mode shift from car to public transport is achievable and the lack of car parking proposed. Suggested solutions to the transport congestion issues focused on either expanding the existing Shotover Bridge to two additional lanes or the provision of a new bridge. Noting, that Waka Kotahi is not supportive of a new bridge.

35 **Housing**; the density of 2,400 units proposed in the draft Masterplan was considered too high, and the inclusion of “high rise” apartment blocks was considered wrong for the area. Height was the second largest concern relating to housing, with many respondents

identifying seven storey buildings to be too tall. It should be noted that the Masterplan identified six storeys but included an additional 2m for structural tolerance that would allow developers to move to a timber structure as opposed to steel. However, if developers went for a steel structure, it would be possible to construct seven levels.

36 **General opposition to development;** opposition to development in this specific area, other areas better suited e.g. Frankton, Arrowtown and Queenstown. Suggested solutions from the Lake Hayes Shotover Country Residents Association included;

- a. deferred zoning until these other areas are intensified;
- b. traffic solutions are found that meet the needs for the existing communities; and
- c. that community facilities are established that provide for the existing community and any future growth.

37 **Process;** concerns that Council was not listening to the feedback received.

38 **Other;** within the oppose category, it was noted that a number of respondents agreed that the provision of open space, schools, community facilities, and retail, was supported. It was recognised that affordable housing is needed and that if the area was to be developed, that a comprehensive Council-led Masterplan was preferred to a developer led ad-hoc approach.

39 **Planning provisions;** concerns regarding the lack of flexibility in a number of key planning rules and the impact that these may have on development outcomes.

Let's Talk Support (including neutral views) submissions

40 **Housing;** the efficient use of land for housing and the provision of different housing types and affordable housing was supported.

41 **Facilities;** the community facilities, shops and other services (including the potential job opportunities) in the town centre, and the schools are all seen as positive.

42 **Amenity;** the provision and integration of open green spaces, including the retention of views is supported.

43 **Transport;** those that support the Masterplan supported the emphasis on alternative transport modes in the draft Masterplan, particularly the provision of cycleways and walkways, and the identification of a bus lane.

44 **Planning Provisions;** general support for utilising existing zones with amendments to the rules as required.

45 **Other;** within the neutral category, concerns relating to traffic congestions were raised.

Feedback from key stakeholders

Ministry of Education (MoE)

- 46 The draft Masterplan identified LMC's preferred locations for schools, with a primary school to the west and a high school to the east, both in close walking distance to the proposed town centre. The high school has a more centralised location and is located adjacent to the amenity of the Sports and Community hub on Council's 516 Frankton Ladies Mile Highway (516) site. The school fields will provide needed open space and character to the surrounding residential density, whilst also maintaining views through to Slope Hill.
- 47 The MoE feedback stated that whilst they support the general location of the primary school site and are in discussions with the relevant landowners, they do not agree with the proposed High School site, and their preferred location is the 516 site. Further discussions will be required with the MoE and Council will need to decide whether they are willing to consider a High School site on 516.

Site Specific feedback from Landowners

- 48 Nine landowners provided feedback which was received via the Let's Talk online survey platform and is summarised within the Te Pūtahi Ladies Mile Summary of Submissions (refer to Attachment C). Feedback predominantly focused on the draft planning provisions or on the Masterplan/site specific matters.
- 49 More than half of landowners who responded support the development of Ladies Mile, though not necessarily the Masterplan as proposed. The high-level site-specific comments received from the landowners comprised of:
- a. Two landowners had concerns with the proposed density and height, with one noting a preference for a mixture of rural lifestyle, large lot residential, and some low and medium density residential;
 - b. Three landowners had concerns around existing and neighbouring land uses and how they would be protected from the effects of urban development;
 - c. The centralised stormwater management systems are proposed to be located over three separate properties, one of the landowners did not support this; and
 - d. The proposed location of the High School was not supported by one of the affected landowners, who sought that their site be residential instead.
- 50 In respect of the planning provisions, the feedback was mainly concerned with the strict adherence of the following planning provisions, this included opposition to;
- a. The use of Sub-Area Spatial Plans, requiring landowners to integrate with each other;
 - b. The requirement for infrastructure to be in place prior to development occurring;

- c. Restrictions on standalone units on the northern side of Highway; and
- d. Strict adherence to the minimum density standards.

51 As identified, a number of different concerns have been raised in relation to the proposed planning provisions that still need to be worked through. This includes whether the Northern or Southern side of SH6 is the most appropriate location for the High School.

Transport Issues

52 Transport was the single biggest issue raised by submitters as identified above. These concerns have been well understood from the onset of the project, with the Masterplan proposing land uses and densities that would encourage trip internalisation and support the move to public transport, reducing car dependency and the number of trips required to cross the Shotover Bridge. Alongside integrated land use, the following transport interventions were proposed in the draft Transport Strategy:

- Improved vehicular access as a result of new roundabouts, road links and priority intersections;
- Speed limits on SH6 reduced over time;
- New bus infrastructure such as bus priority lanes, both eastbound and westbound with funding secured for the westbound lane via NZUP in 2024;
- High quality bus stops to be provided along State Highway 6;
- Bus Service Improvements;
- Temporary Park and Ride on Council's land at 516 Ladies Mile;
- Implementation of the Way to Go Active mode improvements;
- Traffic signalisation along Ladies Mile on State Highway 6 to be introduced over time;
- Car share and carpooling schemes;
- Travel behaviour changes - these include implementing planned Way to Go measures as well as additional measures identified as part of the Transport Strategy; and
- Demand Management with the introduction of maximum car parking provisions to be adopted through the proposed planning provisions.

53 In respect of the transport measures proposed, only the westbound bus lane and the Howards Drive roundabout has any funding certainty. All other infrastructure would be required to go through the relevant funding, planning and business case processes.

54 It is understood from Way to Go that whilst planning for investment in transport is complete in some areas, there are other work streams progressing, such as the Otago Regional Council (ORC) Public Transport Services Business Case which has just started and will take two years to complete.

55 The draft Te Pūtahi Ladies Mile Masterplan has been considered by the Way To Go Board and Management Team who provided the following comments:

- a. The development of the site has the potential to create a self-sufficient urban area in terms of transport, by reducing the need to travel on the congested state highway, especially at peak times. A concern is that if the development is not well planned it is likely to be developed in an ad-hoc manner and is unlikely to achieve the required mode share/shift or support a more self-sufficient community, which will simply add to the existing congestion;
- b. A high level of provision for modal choice is required to be available from the beginning of occupation to prevent car centric behaviours being embedded early on;
- c. That the provision of community facilities, local centre, employment and educational facilities should occur before any residential development, Way To Go would like to see additional work on these elements;
- d. The Transport Strategy proposes a speed reduction on the State Highway, any reduction below 80km/h is not certain and will be the subject of a future review once a significant level of development has been established;
- e. In respect of the integrated transport measures proposed, only the westbound bus lane and Howards Drive roundabout funded by NZUP (New Zealand Upgrade Programme) have any funding certainty. All other infrastructure, including any underpasses would be expected to be provided by developers.
- f. That the wider transport network outcomes including mode shift, public transport, active travel and potentially alternative routes are the responsibility of the individual Way To Go transport partners not the Te Pūtahi Ladies Mile Masterplan.

56 Waka Kotahi submitted separately and in addition to the above:

- a. Expressed concerns that the proposed densities will result in an increase in vehicular traffic above what currently exists and above that which would be generated by the 1,100 houses envisioned by the Housing Infrastructure Fund Detailed Business Case (HIF DCB); and
- b. Suggestion that in order to manage the traffic, that land use development of Ladies Mile should be staged to ensure mode shift targets or equivalent are included.

57 In summary, both Way To Go and Waka Kotahi are supportive of a well-planned and carefully managed development, however, there are still a number of unresolved concerns and potential issues that still need to be worked through.

58 Through the Masterplan process, there have been calls for transport interventions to be in place before any development occurs. The concern with this approach, is that traffic issues will continue to increase from development capacity available in Frankton, Arrowtown, Gibbston, or further afield from Cromwell.

59 In addition, it may not be possible to delay development indefinitely, especially if the interventions rely on third parties such as schools or commercial areas existing first. The

viability of different land uses is often reliant on the surrounding densities being in place to support the economic viability of such centres.

- 60 It should be acknowledged that the Masterplan process was about ensuring that land use supported the move to public transport and reduce car dependency. The Masterplan has highlighted the benefit of what can be achieved through strategic planning, but there is still a need to undertake the relevant funding, planning and business case processes with the relevant agencies.

Other Assessments and feedback

- 61 Assessments around the provision of water, wastewater and stormwater have been undertaken. In respect of water and wastewater the Council's infrastructure team have confirmed that there are both short term and mid-term solutions available to meet the expected demand densities proposed.
- 62 In respect of stormwater, the Masterplan proposes a centralised system where all stormwater runoff from Slope would be diverted to swales and the flood management detention basins, this would then infiltrate back into the ground after water quality treatment. Importantly, the proposed reticulated stormwater would not discharge to Lake Hayes. The proposed centralised system has a number of positive outcomes which include:
- a. Uses approximately 20% less land than a decentralised approach (where each individual landowner is responsible for their own stormwater management), resulting in a more efficient use of land;
 - b. Creates large, useable open areas, adding high amenity to the area including along key roads and the town centre; and
 - c. Lower asset management costs over the long term (two devices vs eight smaller devices)
- 63 Whilst this is the preferred approach from a Masterplan perspective, there are some substantial costs and matters to further consider which have not been resolved at this time and would need to be subject to additional work, these include:
- a. It may require upfront implementation led by the Council to facilitate development (although site-specific temporary solutions are still possible);
 - b. There would be significant land costs involved in purchasing the land, which Council may need to front, this could be managed by the developers themselves but this could be complex given there are seven landowners, and the centralised systems are located on three properties;
 - c. With the high cost of land, development contributions would be significant; and
 - d. One landowner is not supportive of the centralised system on their land.

Next steps

- 64 Whilst the Masterplan identified a preferred density and the necessary infrastructure requirements to achieve what has been proposed, it is clear further work is required on a coordinated approach to that will need to focus on the costs of infrastructure, timing of infrastructure and the party responsible for financing for the following:
- a. The proposed Masterplan transport interventions;
 - b. Resolving the wider transport issues that impact not just the Te Pūtahi Ladies Mile area but also the wider district;
 - c. The proposed densities and heights of buildings;
 - d. A centralised stormwater system vs a de-centralised system; and
 - e. The location of the High School.
- 65 Given the additional work required, adoption of the Masterplan is not recommend at this time. Instead, there are two pathways to consider. The first is whether a Council-led process is still the preferred approach and if so, to what extent? If this is not preferred, the second pathway would be to not to proceed with the Council-led Masterplan and to process any future private plan change or resource consent applications for development as they are received.
- 66 It should be noted that under any of the below pathways, traffic volumes are expected to continue to increase on the State Highway, irrespective of any future development at Te Pūtahi Ladies Mile as a result of development potential to the east of the Shotover Bridge, including the Gibbston Valley and Cromwell. The wider network transport interventions that are being considered by Way To Go will be required to be delivered in the near future if the existing congestion is to be reduced.

Pathway 1 – Council-led approach

- 67 This option is consistent with previous Council decisions where it was agreed that the Ladies Mile area may be developed for urban purposes in the medium to long term and that a proactive Council-led planning approach should be undertaken to ensure a legible and clear structure to mitigate sporadic development.
- 68 Within a Council-led approach, there are sub options:
- a. Continue with the densities as proposed in the Masterplan, however place development of Masterplan on hold while continuing with additional work on resolving infrastructure design, funding and implementation (particularly transport and stormwater).
 - b. Redevelop the Masterplan at a lower density, and continue with additional work on resolving infrastructure design, funding and implementation (particularly transport and stormwater).

- 69 The level of lower density development will determine whether key elements of the Masterplan can still be supported, such as a commercial town centre or achieve the modal shift to public transport and other modes of travel (such as car share).
- 70 Either of these sub-options would provide the opportunity to continue working with Otago Regional Council and Waka Kotahi on delivering a transport solution that addresses the needs of both the existing and future communities of Te Pūtahi Ladies Mile.
- 71 There are a number of advantages and disadvantages with these sub options which have been fully outlined in the Te Pūtahi Ladies Mile Scenario Testing Table (refer Attachment D).

Deferred Zoning/Future Urban Zone

- 72 In addition to the above, If Council decides to continue with a Council-led masterplan process, but wants to ensure that development does not occur until after the transport interventions have been confirmed, then it has been suggested that a Deferred Zoning or Future Urban Zones are an option that could be used to effectively hold development of the Te Pūtahi – Ladies Mile Zone until certain parameters are met. In this case these could include transportation and stormwater solutions to enable high density development.
- 73 While this is a possibility, a First schedule process to rezone the land as a Deferred Zone would still be required. A Deferred Zone would need to be fit for purpose as notified and would need to include all the objectives, policies and methods that would enable development to occur, with additional rules that disable that development until certain parameters are met. The parameters would need to be well defined and offer security to landowners that a Non-Complying or Prohibited Status for implementation of the zone will be removed as soon as circumstances allow.
- 74 A Future Urban Zone can be applied to greenfield land that has been identified as suitable for urbanisation. A Future Urban Zone is a transitional zone where no decision has been made as to what type urban zoning is appropriate. Land may be used for a range of general rural activities but cannot be used for urban activities until the site is rezoned for urban purposes. This also requires a consultation process under the First Schedule of the RMA.
- 75 Neither option offers timeliness or security as it will still be subject to the consultation, submissions and potential Environment Court appeals. The Council could request that the rules take effect at notification (as opposed to only at the time of Council’s decision) under Section 86D of the Act, however the Council would need to prove that this option is necessary. Given the Council instigated a master planning process for the Ladies Mile and has earmarked it for development this request may not be assured. As the timeframe for these processes is long the Council will still be required to process resource consents and private plan changes in the meantime.

Pathway 2 – Developer-led approach

- 76 The other option would be to stop work on the Masterplan, acknowledging that private developers will likely apply for resource consents and/or private plan changes.

- 77 This option involves changing position on the urbanisation of Ladies Mile and implementing the zoning and plan provisions in the PDP which provide for Rural Lifestyle and Large Lot residential zones. If landowners developed as per the PDP zoning, the Rural Lifestyle zoning on the northern side could result in approximately 35 new dwellings and the Large lot Residential zoning on the southern side could result in approximately 99 additional dwellings.
- 78 Developers seeking an urban form of development (including higher density residential and/or commercial town centre) would need to apply for either resource consent approval or request private plan change(s).
- 79 As part of the Proposed District Plan (PDP) process, the Wakatipu Basin Land Use Planning Study 2017 recommended that Ladies Mile was highly suitable for more urban development. Due to the narrow scope of submissions, and evidence on the lack of capacity of the Shotover Bridge, decisions on the PDP zoned the area as Rural Lifestyle and Large Lot Residential. There are a number of outstanding appeals in regards to the PDP on the Te Pūtahi Ladies Mile area relating to additional land zoning requests. These appeals are currently on hold awaiting the outcome of the Te Pūtahi Ladies Mile Masterplan process.
- 80 The level of density under a series of private plan changes or resource consents is unknown, but it should be noted that previous work undertaken such as the Housing Infrastructure Fund Detailed Business Case has indicated that Te Pūtahi Ladies Mile could accommodate another 1,100 houses before the bridge reaches capacity (subject to future public transport infrastructure and modal shift). This information could be used to support private plan changes and resource consents.
- 81 This option could ultimately mean Council losing the opportunity of developing the Ladies Mile for urban purposes in a controlled manner that ensures development is integrated with the existing urban areas and is coordinated with the provision of infrastructure as Council is less able to direct development outcomes.
- 82 With private plan change requests, given the Operative District Plan (ODP) still has status, Council would be obliged to consider private plan change applications, with very limited grounds for rejection by Council under Clause 25. It should also be noted that the NPS UD 2020 includes a policy that require decision makers to be responsive to plan changes that would add significant capacity and contribute to well-functioning urban environments, even if unanticipated by RMA planning documents or include out of sequence planned land release.
- 83 In respect of Resource Consents, one landowner has already applied to the Minister for a fast track resource consent for between 170 residential units and a potential primary school (or 300 residential units if no primary school). The fast track consent is roughly aligned with the Masterplan work to date in terms of the density and housing typologies as well as the primary school location.

Financials

- 84 The original budget for the Te Pūtahi Ladies Mile masterplan and planning variation was approved via a Council resolution 23 July 2020, the total budget approved was \$1.4m. The Te Pūtahi - Ladies Mile project is still within the overall budget of \$1.4m with total spend expected to reach \$1,221,683.
- 85 If Council were to continue with a Council Led approach, additional work on investigating the options for funding and implementation of the Transport Interventions and other matters are required. The remaining budget of \$178,317 to the maximum of \$1.4m would be required, but as all costs are unknown, it is likely that additional budget would be needed.

OPTIONS

- 86 There are a number of advantages and disadvantages with each option summarised here which have been more fully outlined in the attached Te Pūtahi Ladies Mile Scenario Testing Table (please refer Attachment D).

Option 1: Continue with a Council-led approach and continue with the Masterplan as proposed and consulted on.

- 87 This would entail continuing with the suggested 2,400 dwellings that would support the Masterplan objectives, but place development of Masterplan on hold while continuing with additional work on resolving infrastructure design, funding and implementation. (particularly transport and stormwater).
- 88 It should be noted that with all options, traffic issues are expected to continue to increase from development capacity available in Frankton, Arrowtown, Gibbston, or further afield from Cromwell.

89 *Advantages*

- a. Offer a range of quality housing typologies, sizes and affordability that would support public transport, commercial activity and community facilities for the area;
- b. A Council-led Masterplan and plan variation will set out a legible and clear structure to mitigate sporadic development; and
- c. Provides opportunity to continue working with Otago Regional Council & Waka Kotahi on delivering a transport solution that addresses the needs of both the existing and future communities of Te Pūtahi Ladies Mile;

90 *Disadvantages*

- a. The feedback received shows a low level of community support;
- b. There are still a number of additional but unknown costs associated with the implementation, these still need to be understood; and

- c. Even with additional work, it may not be possible to achieve the desired transport solutions ahead of residential development.

Option 2: Continue with a Council-led approach but redevelop the Masterplan at a lower density, continue to work through best options for funding and implementation of Transport Interventions and Stormwater.

91 The LMC team have suggested that a lower average density of 52 units per hectare (approx. 1,890 dwellings) could still support the key elements of the Masterplan i.e. public transport, commercial town centre as well as the schools and community amenities

92 Another option would be lower again at 40 or 46 units per hectare (approx. 1,452 dwellings), acknowledging that the commercial town centre would need to reduce in size.

93 *Advantages:*

- a. A lower density Masterplan could result in more community support;
- b. Council and the community still retain control over how the area will develop; and
- c. Provides opportunity to continue working with Otago Regional Council and Waka Kotahi on delivering a transport solution that addresses the needs of both the existing and future communities of Te Pūtahi Ladies Mile.

94 *Disadvantages:*

- a. Too low a density will not support a commercial town centre or achieve the modal shift to Public Transport;
- b. Infrastructure costs likely to remain the same, resulting in higher costs per dwelling units; and
- c. Any form of Council led development may result in the Community still not feeling listened to.

Option 3: Status Quo –Stop any further work on a Council-led Master Plan and manage any future development proposals through the Resource Management Act Proposed District Plan and resource consent processes.

95 This option involves changing position on the urbanisation of Ladies Mile and implementing the zoning and plan provisions in the PDP which provide for Rural Lifestyle and Large Lot residential zones. This could ultimately mean losing the opportunity to more fully manage the urban outcomes of any future development of the Ladies Mile, acknowledging that private developers will likely apply for resource consents or private plan change(s) in support of their development aspirations for their land.

96 *Advantages:*

- a. Council can continue to work on progressing the district wide transport interventions;
- b. Private developers will take on a greater level of the risks and more of the costs;
- c. It is unlikely the high density residential outcome as proposed by the Masterplan would be carried out as some landowners have indicated a preference for lower density; and
- d. The district plan work for this area is essentially done if very limited future development of the area is preferred.

97 *Disadvantages:*

- a. Private developers may lodge ad-hoc resource consents and private plan changes which will result in limited Council control over future development;
- b. Lose ability to require density which supports shift to public transport and a viable town centre. Traffic issues are expected to continue to increase from development capacity available in Frankton, Arrowtown, Gibbston, or further afield from Cromwell;
- c. Risk that the land is further fragmented under the current rural densities, meaning any intention to urbanise effectively in the future will be limited, resulting in sub-optimal planning and urban design outcomes.

98 This report recommends **Option 2** to continue with a Council-led approach but redevelop the Masterplan at a lower density, continue to work through best options for funding and implementation of Transport Interventions and Stormwater.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

99 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because of the social, economic and environmental importance the plan has locally.

100 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community, central government agencies, other local and central government agencies, Council staff, and local residents.

> MĀORI CONSULTATION | IWI RŪNANGA

101 The Council has consulted with iwi on this particular matter, both Aukaha and Te Ao Marama have been included as part of the broader consultation on the emerging plan and plan variation documentation.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

102 This matter relates to the Community & Wellbeing risk category. It is associated with RISK00056: Ineffective provision for the future planning and development needs of the district within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

103 The original budget for the Te Pūtahi Ladies Mile masterplan and planning variation was approved via a Council resolution 23 July 2020, the total budget approved was \$1.4M. The Te Pūtahi Ladies Mile project is still within the overall budget of \$1.4M. Total spend is expected to reach \$1,221,683. If Council were to approve Option 2, to proceed with the additional work on investigating the options for funding and implementation of the Transport Interventions and other matters, then the remaining budget of \$178,317 to the maximum of \$1.4M would be required. But as all costs are unknown, it is likely that additional budget would be required.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

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

- The Operative and Proposed District Plan;
- Housing Our People in our Environment Strategy 2007;
- Wakatipu Basin Land Use Strategy 2017;
- 2020/2021 Annual Plan Mahere ā-Tau;
- Ten Year Plan 2021-2031;
- Significance and Engagement Policy 2017;
- Queenstown Integrated Transport Business Case 2017;
- The Draft Spatial Plan 2021.
- The Climate Change Action Plan

105 The recommended option is consistent with the principles set out in the named policy/policies.

106 This matter is included in the draft 2021-2031 Ten Year Plan/Annual Plan.

LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE

107 There is no statutory requirement to review the District Plan provisions for the Ladies Mile area at the present time. Master planning is a non-statutory process that falls under the general provisions of the Local Government Act 2002 around decision making and meeting the needs of communities and for infrastructure services (see section below).

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

108 The recommended option:

- Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act because it serves to provide for and manage growth;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan; and
- Is consistent with the Council's plans and policies.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	29 April 2021 Council Report - ITEM 1 - https://www.qldc.govt.nz/your-council/council-documents/agendas-minutes/full-council
B	12 March 2020 Council Report - ITEM 3 - https://www.qldc.govt.nz/your-council/council-documents/agendas-minutes/full-council
C	Te Pūtahi Ladies Mile Summary of Submissions
D	Te Pūtahi - Ladies Mile Scenario Testing Table