

PROPOSED TE PŪTAHI LADIES MILE PLAN VARIATION

RESPONSE OF NATALIE DIANNE HAMPSON ON BEHALF OF THE QUEENSTOWN LAKES DISTRICT COUNCIL

Introduction

- 1 My full name is Natalie Dianne Hampson. I am a Director at Savvy Consulting Limited (and previously a Director at Market Economics Limited).
- 2 I have prepared the following documents with regards to the Te Pūtahi Ladies Mile Plan Variation (**TPLM Variation**):
 - (a) Statement of evidence on behalf of Queenstown Lakes District Council (**QLDC** or **Council**) dated 27 September 2023;
 - (b) Rebuttal evidence on behalf of QLDC dated 10 November 2023;
 - (c) Written answers to questions from submitters dated 24 November 2023;
 - (d) Summary of evidence dated 4 December 2023 including Appendix A response to the Hearing Panel Minute: Pre-Hearing Questions.

Response to matters raised during the Hearing - Winter Miles Airstream Ltd

Consequent Amendments for Proposed Commercial Precinct

- 3 Mr Giddens' Evidence in Chief (EIC)¹ promoted the role of the proposed commercial centre on the Winter Miles Airstream land as being "*a relatively small local commercial area ... providing localised amenity such as a café or day care centre for example*" (paragraph 6.33). This was consistent with the submission² which sought smaller scale commercial zoning across the Structure Plan to respond to the demand arising from the urban zoning of Ladies Mile (with references to convenience, accessibility and meeting the needs of local residents). I therefore assessed the submission on the basis of it being akin to a neighbourhood centre.
- 4 I have already provided evidence on the net costs³ of providing for a small retail-based neighbourhood centre on the submitter's land and my assessment is unchanged. Consequential amendments proposed by Mr Giddens⁴ to ensure that a supermarket anchor is limited to the primary Commercial Precinct in sub-area D is appropriate but does not otherwise alter my assessment.
- 5 Mr Giddens has also identified the location of the proposed 2,500sqm Commercial Precinct on the Submitter's land in his supplementary statement dated 15 December 2023. By my estimates, the south-west corner of the proposed commercial area is around 215m from the north-east corner of the (expanded) primary Commercial Precinct. The proposed location does not change my evidence that the commercial area is in close proximity to the primary Commercial Precinct. It falls within the walkable catchment of the primary Commercial Precinct and therefore does not support an efficient network of commercial areas due to substantial overlap of centre catchments.
- 6 Mr Giddens acknowledges that the provisions already allow for potentially substantial commercial GFA (in aggregate) in the HDR Precinct over and above what is provided

¹ Dated 20 October 2023.

² Dated 9 June 2023.

³ I.e., while relatively minor, the costs would still outweigh the benefits.

⁴ Dated 15 December 2023.

in the primary Commercial Precinct.⁵ In his Supplementary Statement Mr Giddens has provided two options to help mitigate the cumulative effects of providing a 2,500sqm Commercial Precinct on the Submitter's land in addition to the existing rule that allows 100sqm of commercial activity per site as a permitted activity in the HDR Precinct (Rule 49.4.8).

- 7 At paragraph 4.21, Mr Giddens prefers the option that includes the Submitter's land (Lot 2 DP 359142) in Rule 49.4.16 which would make any additional commercial activities (up to 100sqm GFA per site) a restricted discretionary activity. This approach suggests that the Submitter is willing to trade-off the ability of potentially dispersed commercial activity up to 100sqm GFA per site (accepted as potentially facilitating the feasibility of higher density residential development)⁶ for consolidated commercial activity in a 2,500sqm proposed Commercial Precinct.
- 8 It is important to recognise that this potential commercial GFA is not wholly substitutable (i.e. tradeable) with dispersed commercial activity of up to 100sqm GFA per site. The provisions for the Commercial Precinct are far more enabling, including providing for larger tenancies, commercial visitor accommodation and more diverse activities. The economic role (costs and benefits) of a 2,500sqm Commercial Precinct will be very different from the economic role of the equivalent GFA yield achieved (in aggregate) under Rule 49.4.8, with far greater potential for adverse distributional effects on the primary Commercial Precinct.
- 9 So, while the preferred option assessed by Mr Giddens helps manage the cumulative risk of commercial development on the Submitter's land⁷ if a Commercial Precinct is included, it does not manage the adverse effects of that Commercial Precinct itself on the primary Commercial Precinct (which I consider to be much greater than the permitted baseline of the notified HDR Precinct provisions as applied to the Submitter's land).

Office Building Outcome

- 10 Despite the Submission and Mr Giddens' EIC referring to a neighbourhood centre on the proposed Commercial Precinct, at the hearing Mr Wensley and Mr Giddens were largely focussed on providing for an office building on the proposed 2,500sqm site. In paragraph 16 of Mr Wensley's Supplementary Statement⁸ he stated that they were "*in discussion with large employers to provide office space and apartments to accommodate staff*". Mr Giddens described office space potentially occurring over multiple floors. The visual amenity of an 'office building' was also discussed through questioning.
- 11 A high intensity office (or office with apartments) building within the HDR precinct had not previously been mentioned in the Submission or EIC (albeit that I accept that office activities are enabled in the Commercial Precinct zoning sought).
- 12 On the basis that this was new evidence not previously considered and appeared of interest to the landowner, I respond to the prospect of providing an office building within the HDR Precinct. To help put this in context, a 2,500sqm Commercial Precinct area could deliver a building envelope of between 7,500sqm total GFA (assuming

⁵ Giddens' Supplementary Evidence, paragraph 4.2.

⁶ Paragraph 4.14.

⁷ There are multiple land owners east of the primary Commercial Precinct that could still take advantage of Rule 49.4.8 or Rule 49.4.16.

⁸ Dated 15 December 2023.

50% site coverage and 6 storeys in height), and 12,000sqm total GFA (assuming 80% site coverage and 6 storeys in height as set out by Mr Giddens).⁹

- 13 In summary I consider that the adverse effects and opportunity costs of placing concentrated office activity in a separate location from the primary Commercial Precinct would be even greater than those associated with convenience retail and service activity that would likely to be limited to the ground floor (and reiterated above).
- 14 Mr Giddens's EIC on the proposed Commercial Precinct was premised on minimising vehicle trips and improving convenient access. This does not align well with developing an office building. While the proposal of an office building would offer convenient access for any workers of those offices who might live above, nearby or elsewhere in Ladies Mile, convenience and accessibility are not typical characteristics associated with office-based activities in a residential area. Many office-based businesses would be unlikely to provide functional amenity to surrounding residents in the eastern part of the Structure Plan area. An office building would therefore do little to meet the day to day needs of the local community, as intended by the Commercial Precinct.
- 15 A dense office development on the site would potentially support substantial employment (and relatively more employment than a retail-based neighbourhood centre) in a location that does not provide the same level of surrounding amenity to that offered to workers in the primary Commercial Precinct. While workers would easily walk the distance to the primary Commercial Precinct to access retail, food and beverage and commercial service activity etc (and help support businesses therein), this highlights the relative inefficiency of locating an office building on the Submitter's land compared to encouraging those office-based businesses (and their employees) to locate in the primary Commercial Precinct in the first instance.
- 16 An office building on the Submitter's site would compete with the primary Commercial Precinct for office floorspace demand, and therefore diminish/slow the commercial feasibility of providing mixed use buildings in the primary Commercial Precinct (and the vibrancy benefits that come with that).
- 17 In his presentation, Mr Wensley stated that there was not enough capacity (for office activity) in the Commercial Precinct. As stated in my evidence, capacity for office development is the least constrained activity within the primary Commercial Precinct as it can occupy a portion of the ground floor, and if developers were minded to delivering it, up to 5 storeys of above-ground floorspace.
- 18 While I considered it more likely that office activity in the primary Commercial Precinct would be limited to the first floor (giving total likely retail and commercial floorspace of between 16,900-20,500sqm GFA), the actual plan enabled building envelope of the primary Commercial Precinct (increased in size and allowing for up to 30% used for internal roads) is a significant 43,300-50,700sqm GFA gross by my estimates,¹⁰ with office potentially able to take up 33,000-40,400sqm GFA gross if one assumed none on the ground floor.
- 19 Even if I conservatively estimated that a third of the above ground building envelope was for common areas (lifts/landings, hallways, toilets) At an average tenancy size of 200sqm, this would provide for 110-134 office tenants. At an average tenancy size of 300sqm, this would provide for 73-90 office tenants. While unquantified, the number of office-based businesses established in the much larger and central Five

⁹ Supplementary Evidence, paragraph 4.10.

¹⁰ Based on site coverage of 45-50% only.

Mile/Queenstown Central development would be a fraction of that, further highlighting the scale of the development opportunity enabled by the primary Commercial Precinct for office activity. There is no basis to say that the provisions do not provide enough capacity for office activity.

- 20 The potential to indicatively deliver an intensive office building on the Submitter's land, as enabled by the Commercial Precinct provisions, further strengthens my view that providing for Commercial Precinct zoning east of the primary Commercial Precinct, including in the location proposed on the Submitter's land, is an inefficient outcome from an economic perspective. There is not sufficient demand to support additional commercial zoning in the east of the Structure Plan over and above the capacity already provided by the primary Commercial Precinct.

Response to matters raised during the Hearing - Doolytle and Sons

- 21 At the hearing, the Panel were interested in whether the Commercial Precinct within the TPLM Zone was appropriate for the types activities sought by the submitter for the site, or whether some sort of PDP zoning for the site that would enable a "neighbourhood centre" would be more appropriate.
- 22 At the outset, I note that it remains my opinion that the Doolytle & Sons land should not be zoned Commercial Precinct as sought by the submitter. I do support the use of the land for more intensive residential development (as recommended by Mr Brown). However, if the Panel were minded to provide for a 'neighbourhood centre' outcome on the Doolytle site, I consider that the PDP Local Shopping Centre Zone would be more appropriate than Commercial Precinct as I explain further below.
- 23 The PDP does not currently give full effect to the centre hierarchy provided for within the National Planning Standards (to the extent applicable to a district the size of Queenstown-Lakes). The centre network is a combination of commercial centre zones in the PDP and precincts within Special Zones. The PDP zones include Town Centre Zones (**TCZ**) and Local Shopping Centre Zones (**LCSZ**). Specific to Wanaka is the Three Parks Commercial Zone, which has a Large Format Retail focus to complement the existing Wanaka TCZ. Key to the question from the Panel is that there is no Neighbourhood Centre Zone in the PDP – that is, something smaller than a LSCZ.
- 24 A number of centres zoned LSCZ in the district do function more like neighbourhood centre zones, but this is by virtue of their zoned size only, not the activities that they do and do not enable. Further, a number of LSCZ locations within the district include site specific standards that help manage the scale and quantum of activity, including anchor retail tenancy exceptions and total retail and/or office GFA caps. These have been introduced to help create certainty of development outcomes, ensure viability, or manage distributional effects on other existing centres (and particularly higher order centres).
- 25 There is a degree of overlap in the (hearing version) rules of the proposed Commercial Precinct (excluding a LFR anchor not sought by the Submitter) and the PDP LSCZ. Some of the key similarities include:
- (a) Individual retail activities shall not exceed 300sqm GFA.
 - (b) Individual office activities shall not exceed 200sqm GFA (although the Commercial Precinct provides an exception for co-working office space).
- 26 Some of the key differences include:

- (a) Appliance Stores, Electronic and Electrical goods Stores, Fashion Stores, Furniture and Floor Covering Stores are non-complying in the LSCZ, whereas the Commercial Precinct does not exclude any particular types of retail activity.
 - (b) Service stations are permitted in the LSCZ but are recommended as non-complying in the Commercial Precinct.
 - (c) The LSCZ prescribes a maximum building coverage of 75% while the Commercial Precinct does not have a maximum (other than 20% landscape requirement).
 - (d) Visitor Accommodation is discretionary in the Commercial Precinct but restricted discretionary in the LSCZ (above ground floor).
 - (e) Residential Visitor Accommodation is non-complying in the Commercial Precinct but permitted above ground floor in the LSCZ.
 - (f) Licensed premises in the Commercial Precinct are controlled but restricted discretionary in the LSCZ.
- 27 The above is not a comprehensive comparison. There are instances where the LSCZ may be considered more enabling than the Commercial Precinct and vice versa. Overall though, I consider the Commercial Precinct to be more enabling than the LSCZ, particularly when combined with its ability to provide for a full-service supermarket anchor and the building heights enabled. The Commercial Precinct could develop as a much more vibrant and comprehensive (functional) centre than the equivalent sized LSCZ.
- 28 While I defer to planning expertise, my understanding is that the provisions of the PDP LSCZ are more in-tune with having adjoining low or medium density housing in terms of the scale and nature of development anticipated. This could be advantageous for the site, albeit that there are not immediate residential neighbours given the terrace formation.
- 29 As noted above, if the Panel were minded to provide for a 'neighbourhood centre' outcome on the Doolytle site, I consider that the PDP LSCZ would be more appropriate than Commercial Precinct. It already excludes LFR and limits some types of retail activity that may be attracted to the Commercial Precinct – thus creating a point of difference. The building height of 12m sought by the Submitter is higher than (but still closer to) the maximum building height of the LSCZ (which is 10m). There are some exceptions in the PDP, but these are lower (i.e., 7m). A site specific height exception could be added if 12m was preferred.

Natalie Dianne Hampson

16 January 2024