

**BEFORE THE INDEPENDENT HEARING PANEL APPOINTED BY THE
QUEENSTOWN LAKES DISTRICT COUNCIL**

UNDER the Resource Management Act 1991 (RMA)
IN THE MATTER of the Te Pūtahi Ladies Mile Plan Variation in accordance
with section 80B and 80C, and Part 5 of Schedule 1 of the
Resource Management Act 1991.

**STATEMENT OF REBUTTAL EVIDENCE OF NATALIE DIANNE HAMPSON
10 November 2023**

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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 prepared a statement of evidence on behalf of Queenstown Lakes District Council (**QLDC** or **Council**) dated 27 September 2023 on the submissions and further submissions to the Te Pūtahi Ladies Mile Plan Variation (**TPLM Variation**). My evidence considered the RCG report and the proposed zoning and provisions for a commercial centre in the Te Pūtahi Ladies Mile Structure Plan area (**TPLM Structure Plan**), as well as responding to submissions relating to both the zoned extent and provisions notified and submissions requesting rezoning.
- 3 I have the qualifications and experience as set out at paragraphs 2 to 9 of my statement of evidence dated 27 September 2023.
- 4 I repeat the confirmation given in my evidence that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023, and that my evidence has been prepared in compliance with that Code.

Scope of rebuttal evidence

- 5 In preparing this rebuttal statement, I have read and considered the evidence filed on behalf of submitters as that evidence relates to my evidence on commercial activity in the TPLM Variation. I also attended the expert conferencing session on 31 October 2023 and have also read and considered the Joint Witness Statement produced at that expert conferencing session.
- 6 In this evidence I respond to the:
 - (a) Statement of Evidence of Tim Heath on behalf of the Anna Hutchinson Family Trust (107) dated 20 October 2023.
 - (b) Statement of Tim Church on behalf of the Anna Hutchinson Family Trust (107) dated 20 October 2023.
 - (c) Statement of Evidence of Adam Thompson on behalf of Glenpanel Development Ltd (73) dated 20 October 2023.
 - (d) Statement of Evidence of Mark Tylden on behalf of Glenpanel Development Ltd (73) dated 20 October 2023.

- (e) Statement of Evidence of Werner Murray on behalf of Glenpanel Development Ltd (73) dated 25 October 2023.
- (f) Statement of Evidence of Bruce Weir on behalf of Glenpanel Development Ltd (73) dated 20 October 2023.
- (g) Statement of Evidence of Alex Dunn on behalf of Doolytle and Son Limited (81) dated 20 October 2023;
- (h) Statement of Evidence of Brett Giddens on behalf of Winter Miles Airstream Limited (94) dated 20 October 2023;
- (i) Statement of Evidence of Megan Justice on behalf of Maryhill Limited (105) dated 20 October 2023;
- (j) Statement of Evidence of Erin Stagg on behalf of the Sanderson Group and Queenstown Commercial Limited (93) dated 20 October 2023;
- (k) Statement of Evidence of Jared Baronian on behalf of the Sanderson Group and Queenstown Commercial Limited (93) dated 20 October 2023;
- (l) The experts' joint witness statement (**JWS**) on economics, dated 2 November 2023.

Evidence of Mr Heath (Anna Hutchinson Family Trust)

- 7 Mr Heath's evidence supports the inclusion the 'Extension Area'¹ in the TPLM Structure Plan on the basis that it is an efficient location for urban development, the additional households will more effectively support the productivity and vitality of the Commercial Precinct, and there would be significant opportunity costs for future urban growth if the land was developed according to current zoning. There was high-level agreement with key aspects of Mr Heath's evidence in the conferencing of economic experts.²
- 8 The following provides further brief discussion on matters that were not agreed or agreed conditionally. For me, these centred on the mix of density to be provided in the Extension Area (should it be included in the TPLM Variation) and how this might compete with the High Density

¹ Being the area proposed for inclusion in Submission 107.

² Economics JWS, section 3.

Residential (**HDR**) Precinct for housing demand and therefore take-up of development close to the Commercial Precinct.³

- 9 The HDR Precinct will play a key role in supporting the viability and vibrancy of development in the Commercial Precinct.⁴ Therefore, as more and more of the HDR Precinct is developed there is greater impetus to develop the Commercial Precinct. Correspondingly, as more of the Commercial Precinct is developed, the more impetus this provides to develop the HDR Precinct. The sooner the Commercial Precinct is developed the sooner it delivers functional and social amenity to all residents, visitors and workers in the primary (Eastern Corridor) and secondary trade catchment.
- 10 The submission (further refined by evidence) proposes a mix of medium and low density housing in the Extension Area. There was no agreement reached in conferencing about whether the Extension Area should be wholly low density housing (as supported in Ms Fairgray's statement of evidence at paragraph 114).⁵
- 11 On the one hand, this would not directly compete with development opportunities in the HDR precinct (which was agreed to provide a range of medium and higher density housing if the density *minima* is required to be met).⁶ This is on the basis that those seeking low density standalone dwellings in the Eastern Corridor are likely to be a separate market from those seeking higher density terrace or apartment dwellings in that location (although accepting that there is a degree of substitutability between lower density attached housing and standalone housing, so there is still some overlap).
- 12 As such, a wholly low density housing outcome in the Extension Area would have a low likelihood of slowing the potential uptake of development in the HDR Precinct. At the same time, the additional households in the Extension Area would further support businesses in

³ My evidence below also applies to Mr Osborne's evidence with regard to the risk (or otherwise) of a dilution of demand within the TPLM in the short-medium term arising from inclusion of the Extension Area.

⁴ And in turn, the Commercial Precinct will support the development of the HDR precinct by creating amenity for future households.

⁵ No firm views were formed from this discussion, but it is noted in the JWS that Susan Fairgray would like further time to consider the density issue.

⁶ Economics JWS section 4.

the Commercial Precinct through net additional spending power in its primary catchment.

- 13 My concern with a wholly low density housing mix in the Extension Area is that it may be inconsistent with the approach taken to intensification in the notified Intensification Variation to the Queenstown Lakes District Proposed District Plan. That Variation sought to intensify housing densities around nodes and along corridors and based on accessibility to a range of amenities. While I do not know if all or part of the Extension Area would meet the test for Medium Density Residential (**MDR**) as applied in the Intensification Variation,⁷ I consider that inclusion of MDR in the Extension Area would be a more efficient use of the land.
- 14 A potential cost associated with including MDR in the Extension Area is some dilution of Eastern Corridor demand for medium density housing in the short-medium term than may otherwise have occurred closer to the Commercial Precinct as part of the HDR Precinct.⁸ That is, potential impacts on an efficient urban form around the Commercial Precinct in the short-medium term. A benefit of including MDR in the Extension Area is more households overall in the Extension Area supporting spend in the Commercial Precinct in the short-medium term (albeit from further away in the primary catchment).⁹
- 15 Overall, these economic costs and benefits are considered minor and likely to balance out. In the long-term, there is only likely to be a net economic benefit for the Commercial Precinct from inclusion of the Extension Area. Hence the position I stated in the Economics JWS.¹⁰

Evidence of Mr Church (Anna Hutchinson Family Trust)

- 16 At paragraph 13d of Mr Church's urban design evidence, he states that there has been an *“over-emphasis on the town centre [Commercial Precinct] as the one ‘heart’ of the TPLM Structure Plan without fully recognising the supporting roles of both existing and potential additional neighbourhood centres, as part of a well-rounded centre strategy and*

⁷ This was an assessment carried out by urban designers.

⁸ I.e., a reduction in urban form efficiency *within* the TPLM Zone. This differs from the urban form efficiency that Mr Heath refers to in paragraph 67 of his evidence, which is the wider urban form efficiency (i.e., the whole urban environment of the Wakatipu Ward).

⁹ In addition, inclusion of the Extension Area increases competition in the housing market.

¹⁰ Economics JWS section 3a.

establishment of highly accessible and strong place-based neighbourhoods". I understand Mr Church's concern is directed at the TPLM Masterplan and the "*contextual analysis*"¹¹ that informed the Masterplan and suggests that this omission likely has urban form implications for the resulting centre strategy, accessibility and density spread.

- 17 Mr Church supports the inclusion of the Extension Area in the TPLM Structure Plan. In paragraph 34, he states that its inclusion "*would likely necessitate a review of the land use and transport relationship at the western end of the TPLM Structure Plan area, commensurate with a longer Te Pūtahi / Eastern Corridor and greater yield / population*". In paragraph 29, Mr Church states that the liveability and wellbeing of the community "*could be more optimally addressed with the provision of a complementary western neighbourhood centre*".
- 18 This design-led recommendation of a neighbourhood centre in the western end of the TPLM Structure Plan was not considered by the economic witnesses of the submitter (Mr Heath and Mr Osborne).
- 19 I have not been involved in the Masterplan process. However, in response to Mr Church's evidence, I note the following:
- (a) The RCG report described and took account of the existing centre network in the Wakatipu Basin, and trade catchment. This included a consented but undeveloped neighbourhood centre in Shotover Country, the existing Kawarau Park centre, Arrowtown Town Centre, Arrowtown Local Shopping Centre Zone (**LSCZ**) and the role of the higher-order centres in Frankton and central Queenstown.
 - (b) I also addressed the existing centre network and the roles of centres in my evidence¹². Both the RCG report, and my evidence took into account the existing centre network and proposed location and role of the Commercial Precinct and Glenpanel Precinct when considering the appropriateness of the size of the Commercial Precinct. This was also a factor in evaluating submissions requesting additional Commercial Precinct sites.

¹¹ Evidence of Mr Church, paragraph 22.

¹² EIC N Hampson, paragraphs 29-33.

- (c) My evidence supports the 'centre strategy' of the TPLM Structure Plan. The Commercial Precinct has been agreed as performing a local centre role¹³, and as the largest centre in the primary trade catchment, it is appropriate to emphasise it as the 'heart' of the TPLM Structure Plan and Eastern Corridor. It plays a key role in supporting development in the surrounding HDR precincts as well as helping meet the objectives of the TPLM Zone.
- (d) The Glenpanel Precinct has a complementary role and could function as a neighbourhood centre depending on what activities are developed with the redeveloped heritage building.
- (e) As notified (i.e., without inclusion of the Extension Area), I consider that the Commercial Precinct and Glenpanel Precinct are sufficient to provide convenient access to every day shopping needs within the TPLM Structure Plan community (in conjunction with the Kawarau Centre). While the proposed zoning west of the Commercial Precinct extends further than the proposed zoning east of the Commercial Precinct, the Glenpanel Precinct provides an intervening opportunity for some commercial activity, thus assisting with accessibility for future residents at the western end of the Structure Plan (particularly sub-areas A and B).
- (f) It is also important to keep in mind that the TPLM Variation provides for commercial activities up to 100sqm as a permitted activity in the HDR Precinct¹⁴ and a restricted discretionary activity in the MDR Precinct,¹⁵ which can also help meet the convenience needs of residents throughout the TPLM Structure Plan (albeit providing less functional and social amenity than occurs when activities are co-located in defined centres).

20 I agree with Mr Church that should the Extension Area be included in the TPLM Structure Plan, that it further lengthens the urban area of the Eastern Corridor (to the west) and that this does warrant reconsideration of the centre network planned for the TPLM Structure Plan, from an additional household yield (demand) and accessibility perspective.

¹³ Economics JWS, section 9.

¹⁴ Rule 49.4.8.

¹⁵ Rule 49.4.16, also applies to Low Density Residential Precinct.

- 21 On that basis, I agree that *only* if the Extension Area is included, that a small neighbourhood centre in sub-area A of the TPLM Structure Plan would improve access to convenience retail (and complementary activity) for future residents of the Extension Area, with the benefit of enhancing the access and amenity of sub-area A residents (and further supporting the realisation of medium density intensification¹⁶ in the area adjoining the centre) relative to the notified Structure Plan. The other economic experts support this outcome.¹⁷
- 22 I consider that this neighbourhood centre need only support a small number of tenancies to serve a neighbourhood centre role and that a gross site area of up to 2,000sqm would be appropriate¹⁸ and ensure that most day to day shopping spend from the western end of the Structure Plan area (including the Extension Area) was still directed to the Commercial Precinct.

Evidence of Mr Thompson (Glenpanel Development Limited)

- 23 Mr Thompson's evidence supports a 0.6ha increase to the TPLM Zone on the submitters land. He states that this small expansion would "*most notably, enable additional residential units above the retail and commercial spaces*" which would allow the proposed Flints Park development to achieve the minimum density requirement (elsewhere stated¹⁹ as achieving 39 dwellings/ha under the current masterplan instead of the required minimum of 40 dwellings/ha in the notified MDR Precinct). While Mr Thompson states that the small expansion would have several economic benefits, he does not comment on any implications for commercial floorspace.
- 24 In the absence of further detail in Mr Thompson's evidence, Mr Tylden's evidence for GDL provides further context on the 0.6ha extension. He states (paragraphs 17-18) "*Having community facilities around the Homestead will be positive for the surrounding areas of the Mile,*

¹⁶ While Mr Church (paragraph 47) suggest high density housing around the neighbourhood centre. This position is not supported for reasons set out in the Economics JWS. The MDR Precinct provisions still provide the opportunity for relatively higher densities to be concentrated around the centre.

¹⁷ Economics JWS, section 3, point 2. The exception was Mr Thompson who was not opposed, but rather had not considered the evidence of Mr Church.

¹⁸ Indicatively, at 50% site coverage (for example), this would provide for 1,000sqm of building footprint which could support a small number of tenancies at a range of small format sizes.

¹⁹ Mr Thompson's evidence, paragraph 20.

particularly as more development occurs into the future. However, the historic Homestead also needs to “breathe”, and it makes sense to have some of its current grounds protected, if not extended. ... But the only way this will be successful, is if a critical mass of mixed use development can occur either side of the Homestead. Presently, the site is too constrained by the zoning to allow this”.

- 25 Based on a combination of images included in Mr Weir’s evidence and Mr Murray’s evidence for the submitter, it appears that the 0.6ha is a combination of additional MDR Precinct (west of the Glenpanel Precinct) and additional Glenpanel Precinct land, both north of the current TPLM Zone boundary (and existing Outstanding Natural Feature (**ONF**) boundary).
- 26 As stated in the Economics JWS (section 6), it was agreed²⁰ that in general, a 0.6ha extension to the TPLM Zone was very minor and would not have any material impact on the objectives of the variation as a whole.
- 27 Upon further review, I agree with Mr Thompson (and Mr Tylden) that additional MDR capacity adjoining the boundary of the Glenpanel Precinct, and the amenity it provides, will help support medium density housing at the higher end of the density range, which will complement medium density achieved on the flat land below (and assist with achieving a higher overall density as required on the Glenpanel landholding).
- 28 I also support the additional capacity enabled by the extension of the Glenpanel precinct from an economic perspective, as it is likely to increase the economic viability of re-developing the homestead and its surrounds, which will provide substantial amenity to the TPLM Structure Plan area.
- 29 While the extension may be used to enable more small-scale commercial activities (in accordance with the rules for that precinct), the additional commercial floorspace would be relatively minor, but otherwise benefit the functional amenity of the Glenpanel Precinct in its role as a neighbourhood centre within the TPLM Structure Plan, with no

²⁰ With the exception of Mr Thompson.

significant distributional effects on the Commercial Precinct (local centre).

- 30 I support the proposed extension from an economic perspective on the basis that it delivers a range of net economic benefits.

Evidence of Alex Dunn (Doolytle and Son Limited)

- 31 I provided a response to this submission starting at paragraph 198 of my Evidence in Chief. Mr Dunn provides planning evidence on the economic benefits of the relief sought by the submitter. Key additional 'economic' points raised in the evidence (over and above the discussion provided in the submission) include the following, which I respond to.

- (a) In paragraph 31, Mr Dunn states that the Kawarau Park centre "*will exist as an island of commercial activities disconnected from the commercial precinct*". Mr Dunn implies that that is a negative outcome. I don't understand this position. Centres, including those that have a neighbourhood role such as Kawarau Park, are dispersed across residential neighbourhoods. This is an efficient spatial pattern to maximise accessibility to convenience (and other) retail and service activity. The Kawarau Park centre is integrated with surrounding land use and forms part of the future centre network of the Eastern Corridor. There is no requirement for it to be 'connected' to the Commercial Precinct in order for it to support the economic and social wellbeing of the community. The Kawarau Park centre and the proposed Commercial Precinct (and their location relative to each other) are complementary, not problematic.
- (b) At paragraph 32 and 44, Mr Dunn states that zoning the submitter's land Commercial Precinct will "*provide a corridor of commercial activity to connect the variation land with the existing communities of Shotover Country and Lake Hayes Estate*". I disagree that a 'corridor' of commercial activity will be formed by the submission given the length of Open Space Precinct along Howards Drive between the Commercial Precinct and the submitter's land. Nor is a corridor (if one could be achieved) necessary to connect the residential areas of Lake Hayes Estate and Shotover Country. Having the submitters land zoned

Commercial Precinct will not facilitate their access or patronage to the notified Commercial Precinct.

- (c) Mr Dunn associates continued “*high use of private vehicles still being used to access commercial services on the western side of the Shotover Bridge*” with a “*lack of commercial zoning*” in the TPLM Structure Plan (paragraph 33). Mr Dunn provides no quantified retail demand assessment to substantiate a lack of commercial zoning in the TPLM Structure Plan.
- (d) Many of the benefits that Mr Dunn relies on are predicated on their being demand to sustain potentially 3,900-4,750sqm GFA of ground floor retail and service space (plus additional commercial activity on upper floors) on the submitter's land (by my estimates) in addition to the capacity provided in the larger Commercial Precinct, Glenpanel Precinct and Kawarau Park Centre. This includes sustaining additional LFR in direct competition with supply in Frankton. I do not consider that the site has the locational attributes to attract office activity or LFR. Further, I do not consider that Mr Dunn fully understands the demand needed to sustain many LFR operators.
- (e) Given the choice of locating in the notified Commercial Precinct or the submitter's land, I consider that a supermarket operator, office based businesses and small scale retail and service activities will favour the notified Commercial Precinct on account of its larger size (critical mass), visibility to the State Highway, and denser walkable catchment.
- (f) *Should* there be sufficient demand to sustain more Commercial Precinct land than has been notified, the most efficient location for that would be a cohesive expansion of the notified Commercial Precinct (to make a larger node) rather than create a separate node that is already in close proximity to both the Kawarau Park neighbourhood centre and the Commercial Precinct. As centres increase in size, they generate more functional and social amenity. These benefits will far exceed the marginal (and in my view, negligible for car-based shopping trips) accessibility benefits that

Mr Dunn relies on. The submitters land is not “*a logical extension of the proposed commercial precinct*”²¹ in my view.

- (g) Mr Dunn considers that the submitters site would provide additional flexibility for a supermarket operator(s) (paragraph 52). He considers (paragraph 141) that a supermarket could “*could also be surrounded by smaller retail tenancies*”. I have estimated the building footprint likely to be achieved for a LFR development outcome. This is 3,900sqm GFA. This would sustain one full-service supermarket and little or nothing else unless the size of the supermarket was compromised. Wherever possible, supermarkets should be located in centres where other retail and service activity can co-locate to maximise efficient shopping behaviour. The Commercial Precinct provides the only opportunity to deliver a supermarket that is appropriately scaled (commensurate with demand) and for substantial co-location of other small scale commercial activities.
- (h) Mr Dunn is critical that my evidence is “*primarily concerned*” that there will not be demand for another supermarket (paragraph 141). He appears to equate providing competition with sustaining additional floorspace development. He qualifies his support for providing more zoned land for LFR in the Eastern Corridor with the fact that such operators would do their own due diligence to determine if there was sufficient demand in that location or not. I have carried out many such assessments for LFR operators (including, but not limited to supermarket operators) over my 22+ plus years of experience. That experience has informed my evidence on both catchment demand (viability) and the suitability (or otherwise) of LFR in the Eastern Corridor.
- (i) Mr Dunn states that if the submitter’s land is not zoned for commercial, the notified Commercial Precinct “*may not be successful for several reasons. These reasons include a lack of ‘interesting’ commercial tenancies, and commercial tenancies that provide services that are not of use to nearby residents*” due to the tenancy floorspace rules notified (paragraph 110). This is very novel but unsubstantiated economic evidence. I am not aware of

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Mr Dunn’s evidence, paragraph 96.

any evidence by economic experts, including in the economic JWS, that indicates that the Commercial Precinct will not provide a viable and vibrant centre that enhances the social and economic wellbeing of the primary and secondary trade catchment community.

- 32 Mr Dunn's evidence does not alter my position stated in my Evidence in Chief. I do not support the relief for Commercial Precinct zoning on the site for the reasons set out in my Evidence in Chief and above. Mr Heath, Mr Osborne and Ms Fairgray similarly do not support the relief as confirmed in the Economics JWS section 8.

Evidence of Mr Giddens (Winter Miles Airstream Limited)

- 33 I responded to the submission by Winter Miles Airstream Limited in my Evidence in Chief, starting at paragraph 192. The submission sought a 5,000sqm area of Commercial Precinct on their land which I estimated to be approximately 310 metres from the Commercial Precinct.
- 34 Mr Giddens's evidence supports revised relief to reduce the Commercial Precinct on the submitters land to a site area of 2,500sqm (paragraph 6.31). This is half the size originally proposed. I estimate that this could support around 1,250sqm GFA of ground floor commercial space, or between 4-12 tenancies depending on size. Mr Giddens considers that this will have "*no measurable effects on the commercial precinct in Ladies Mile*" (paragraph 6.31).
- 35 While the reduction in size is more appropriate for a neighbourhood centre role in the context of the TPLM Structure Plan, I do not agree that it would have no measurable effect on the Commercial Precinct. I maintain my position that such a neighbourhood centre is not the most efficient way to support the economic and social wellbeing of the future community east of the Commercial Precinct.
- 36 I consider that the community east of the Commercial Precinct will be in walking distance of the Commercial Precinct, with many in an easy/short walking distance. Directing as much of that community's day to day shopping demand as possible to the Commercial Precinct will support a more viable and vibrant centre, which will have widespread benefits for the whole trade catchment.

- 37 I note that Mr Giddens indicates that the proposed Commercial Precinct on the submitter's land could provide for localised amenity such as a café or childcare centre. It is important to remember that both example activities would be permitted activities on the submitters land (HDR Precinct) within appropriate size limits.

Evidence of Megan Justice (Maryhill Limited)

- 38 Ms Justice's evidence has proposed amended relief seeking commercial activities in the HDR Precinct that are 100-300sqm GFA as a discretionary activity (with activities up to 100sqm permitted in the notified provisions). While Ms Justice (paragraph 38) considers that this relief would provide "some limited scope for larger commercial activities", my concern is threefold.
- 39 First, the relief is general and applies to all commercial activity which means it could enable commercial office activity greater than enabled in the Commercial Precinct or Glenpanel Precinct. In the two centre precincts, office activity is permitted up to 200sqm with the exception of coworking space, elsewhere it is a non-complying activity. This outcome would not support a centres-based approach.
- 40 Second, these 'larger' commercial activities (i.e., up to 300sqm GFA) are most efficiently located in the Commercial Precinct (and Glenpanel Precinct) where their externalities can be better managed, and their foot traffic and employment can contribute to the vitality and vibrancy of those centres.
- 41 Third, the extent of the HDR Precinct still means that there is a risk of a large amount of GFA being proposed in aggregate for commercial activities outside of the centre Precincts. While this risk also applies to permitted activities up to 100sqm, the effect of larger commercial activities compounds the risks to the viability and vitality of the planned centres. This proposed rule puts greater onus on Council to make decisions that take into account the cumulative effects of such commercial activities across a large area of the TPLM Structure Plan. In my experience, cumulative effects of out of centre retail are more challenging to capture and the risk to the centre Precincts may not be effectively managed.
- 42 The proposed relief is out of step with the rules in the High Density Zone in the PDP (where commercial activities greater than 100sqm are non-

complying). I consider that non-complying (as notified) remains the most efficient approach for the HDR Precinct in the TPLM Variation. This proposal was addressed in the Economics JWS (section 7). All those economic experts that considered it, did not support the relief.

- 43 The economic expert conferencing also considered the proposal by the submitter for a Storage Zone Overlay in the TPLM Structure Plan and considered the evidence of Ms Justice on this relief. This relief was not previously addressed in my Evidence in Chief.
- 44 As documented in the Economics JWS section 13, those that considered it, agreed that the relief would have minor economic costs and benefits. For example, it was agreed it would reduce the capacity for housing in the HDR Precinct relative to the notified provisions to a minor degree (cost), but that storage activities help meet day to day needs of communities (particularly in higher density housing) and was consistent with the objective of making Ladies Mile more self-sufficient. It was agreed a storage facility within the TPLM structure plan would support (to a minor extent) high density living. Overall, I consider that there may be minor net economic benefits to enabling a storage facility within the TPLM Structure Plan, and it will contribute to the economic and social wellbeing of the future Ladies Mile community.

Evidence of Erin Stagg (Sanderson Group and Queenstown Commercial Limited)

- 45 I have set out my response to the proposed expansion of the Commercial Precinct sought by Sanderson Group and Queenstown Commercial Limited in my Evidence in Chief (paragraphs 143-154) and do not repeat that evidence here. I note that the Sanderson submission was not discussed in the expert conferencing due to time constraints, although noting that it had not been considered by the other experts in any case and so would have been limited to high-level consideration only. Some additional points raised in Ms Stagg's evidence on this issue are as follows, with my further response.
- 46 One of the examples the Ms Stagg provides for justifying the larger area is the increase in remote working opportunities, with shared office space facilities likely to be popular in the Commercial Precinct (paragraph 57). The Commercial Precinct as notified includes land that enables up to 6 storeys of commercial development. Of all potential activities enabled in

the Commercial Precinct, capacity for office space is the least likely to be constrained. If there is strong demand for office space, developers have the opportunity to provide up to 5 floors of office space (above the ground floor). This in itself, is not a strong rationale for expanding the Commercial Precinct.

- 47 Ms Stagg identifies that additional Commercial Precinct land will support the opportunity for more residential apartments in mixed-use buildings and that this will add to the vitality and overall density of TPLM (paragraph 57). I agree that while high density (4-6 storey) apartment buildings are not reasonably expected to be realised in the current market in the Eastern Corridor (and are a longer term prospect as agreed in the Economics JWS), the ability to provide commercial activity as part of higher rise buildings (i.e., mixed-use buildings) is likely to assist with delivering more apartments in TPLM in the short-medium term while still supporting a centres based approach to commercial development. This would be one economic benefit of expanding the Commercial Precinct.
- 48 In paragraph 59 Ms Stagg states that if the Ladies Mile Pet Lodge – which occupies over half²² of the proposed commercial area – continues to operate for the foreseeable future (as indicated in their submission), that expanding the Commercial Precinct will “*enable the employment, retail and service needs of the community to be provided in the shorter term, while enabling the expansion of the commercial area over the long term*”. I accept that the intentions of the Ladies Mile Pet Lodge create added uncertainty as to when the Commercial Precinct would be developed to its notified potential. ‘Land banking’ is not uncommon, with some landowners often holding on to their land for prolonged periods, including in commercial areas.
- 49 Ordinarily, this alone would not justify shifting or expanding a commercial centre. Without the Ladies Mile Pet Lodge land, half of the Commercial Precinct could still be developed in the short-medium term. This could be considered commensurate with the residential take up in the TPLM Structure Plan area during that period.
- 50 However, the Commercial Precinct does play a critical role in the overall efficiency of the Eastern Corridor and the ability to achieve the wider

²² This is Ms Stagg’s evidence and I have not verified the percentage share.

zone objectives (including providing much needed amenity for the existing residents of Lake Hayes Estate and Shotover Country). If greater weight was put on achieving a functional local centre in the near future, then some form of expansion of the Commercial Precinct could help achieve that. As Ms Stagg notes, the Ladies Mile Pet Lodge land then becomes the 'future commercial zone' – a scenario I raised in my Evidence in Chief (paragraph 153), but, if the Pet Lodge's submission is to be relied on, without the same opportunity costs for the landowner, given that a delay in development matches their intentions to continue with their current land use for the time being.

- 51 Further to Ms Stagg's evidence I have given more consideration to the proposal to expand the Commercial Precinct. One key assumption that I relied on in my Evidence in Chief (paragraph 117c) was that the gross area of the Precinct equated to the net developable land area (i.e., given its long narrow shape with good road frontage, it did not require any intersecting roads (only internal access areas)²³. On the basis of this assumption, I considered that the 2.13ha would be sufficient if it developed with a building coverage of 40-50% (with the 40% linked to the area where the anchor supermarket may establish).
- 52 I have briefly raised the potential of needing roads through/within the Commercial Precinct with the Council's urban design experts and they indicated that this could be a likely outcome (accepting that ultimately this will be up to the landowner). Depending on the amount of land lost to road reserves, the potential commercial GFA yield would be lower. If up to 30% was lost, then the total GFA would be 30% less (in the order of 11,200-13,700sqm GFA, compared to 16,100-19,600sqm GFA previously estimated).
- 53 On the basis that some gross land area in the Commercial Precinct may be lost to roading, combined with the S42A recommendation to provide the opportunity for a larger supermarket and a petrol station (both of which require a lower intensity of development), as well as commercial and residential visitor accommodation above ground floor - and which

²³ This was in combination with a particular site plan that showed a school abutting the rear of the Commercial Precinct which would not need any connections to/through it. I accept now that the location of schools is not certain and housing may be just as likely on the eastern boundary of the Commercial Precinct, which may support road connections.

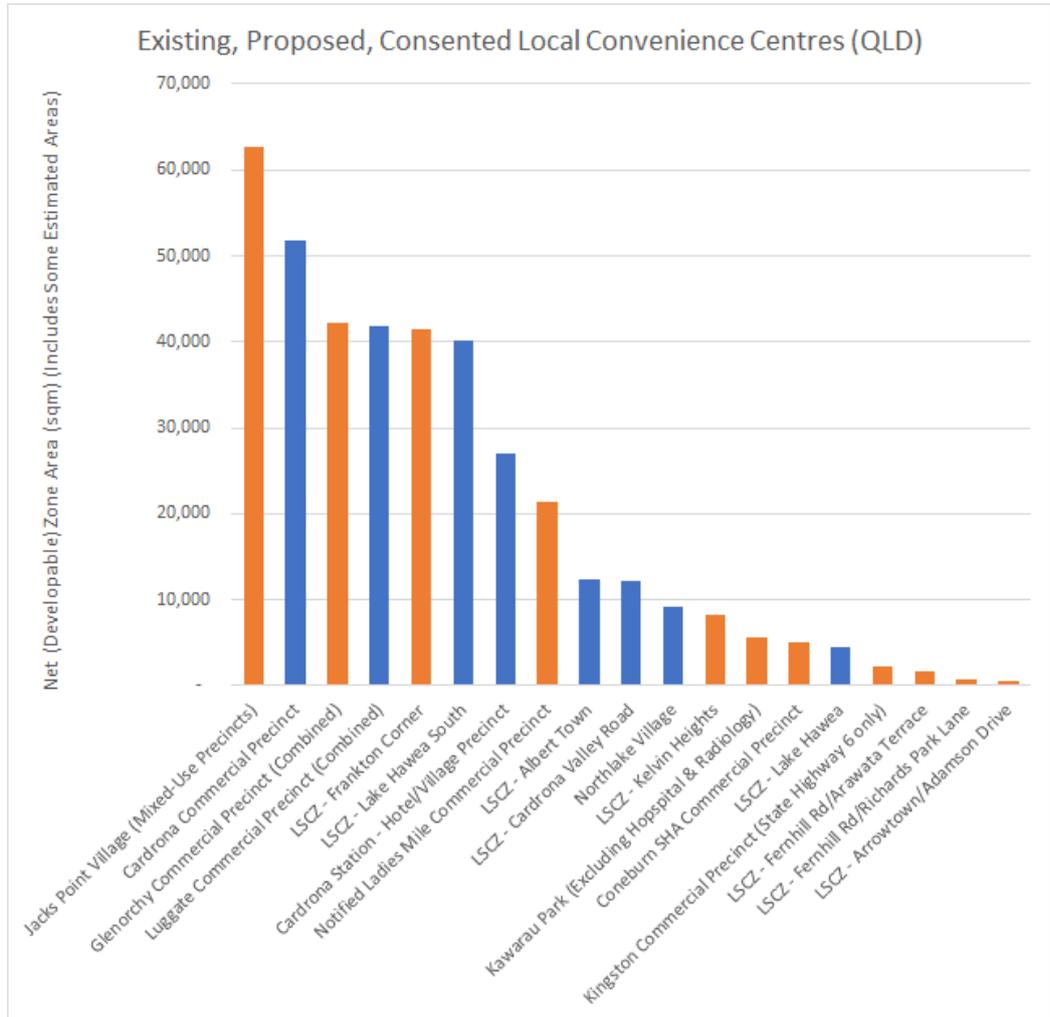
can now all be considered in combination - I now accept that some expansion of the commercial precinct may be beneficial to ensure that sufficient commercial GFA can still be achieved to meet projected demand. Some expansion also minimises the risk associated with the potential impact of the Ladies Mile Pet Lodge submission in the short-medium term.

- 54 The rationale for this support is to effectively maintain the GFA yield originally considered sustainable by catchment demand, primarily through potential loss of road reserves not shown on the Structure Plan, not necessarily to create net additional GFA, although some net increase may be enabled as result depending on how the land is eventually designed and developed.
- 55 The key question is how much additional land should be provided in the TPLM Structure Plan. Ms Stagg supports 4.21ha (which equates to my calculation in paragraph 148 of my Evidence in Chief of the submission less the land in the Collector Type A road).²⁴ This is a near doubling of the notified Commercial Precinct through both widening and lengthening the Precinct extent.
- 56 I note Mr Baronian (paragraph 18 of his evidence) compares the notified extent of the Commercial Precinct (2.13 hectares) with his development of the Kawarau Park Centre (2.4 hectares). This area stated for Kawarau Park in his evidence includes the Southern Cross Hospital and the large Radiology centre. These medical facilities are relatively unique and serve a district role (i.e., the residents in the Wanaka Ward are also referred to the Radiology centre in Kawarau Park).
- 57 When these significant medical facilities (and the sites they occupy) are excluded, the neighbourhood centre within Kawarau Park is estimated to occupy approximately 0.56ha of land – approximately 26% of the size of the notified Commercial Precinct. As such, I do not consider that the relativities in size relied on by Mr Baronian (which Ms Stagg in turn relies on) accurately justify the relief to roughly double the size of the Commercial Precinct.

²⁴ I estimate the gross area of the Sanderson submission for the Commercial Precinct to be approximately 4.48ha (i.e., as it might be shown in the Zoning Plan contained in the Variation).

- 58 To put the submission's relief for the Commercial Precinct extent into context, Figure 1 below compares current zoned, consented, and proposed centres in Queenstown Lakes District that have a local or neighbourhood centre role (if not by zone name, then by intended purpose). They span centres with LSCZ under the PDP as well as commercial precincts in Special Zones. The orange bars are centres in the Wakatipu Ward, and the blue bars are centres in the Wanaka Ward. The notified (gross) size of the TPLM Commercial Precinct is shown at 2.13ha.
- 59 At 4.21ha as supported by Ms Stagg, it would make the scale of the Commercial Precinct comparable to the following:
- (a) Glenorchy Commercial Precinct (two overlay areas combined). Note, this is currently a mixed use area, with standalone residential dwellings occupying much of the precinct.
 - (b) Luggate Commercial Precinct (two overlay areas combined). Note, this is currently a mixed use area, with standalone residential dwellings or industrial uses occupying much of the precinct.
 - (c) Lake Hawea South LSCZ, recently approved by consent order.
 - (d) Frankton Corner LSCZ. This centre was extended in the PDP and now adjoins Business Mixed Use Zone (**BMUZ**), creating a corridor of commercial activity down the length of Five Mile.

Figure 1 – Comparison of Centre Land Size in Queenstown Lakes District that Serve a Local or Neighbourhood Centre Role



60 Of these four commercial areas just over 4ha in size, all but the Frankton Corner LSCZ are in satellite urban settlements that are some distance from the nearest higher order centre and would provide (although do not at present) a higher degree of self-sufficiency commensurate with that decreased accessibility. They also anticipate a lower intensity of commercial development than is enabled in the TPLM Commercial Precinct (i.e. none come close to enabling up to 6 storeys in height or discourage residential on the ground floor). The TPLM Commercial Precinct is a relatively short distance from the substantial Frankton Commercial node, and this limits what market share of day to day shopping and service demand it can capture.

61 At the notified 2.13ha, the Commercial Precinct is already much larger than most other LSCZs, but many may be considered Neighbourhood

Centres if the National Planning Standards were adopted and exist within lower density catchments.

- 62 To compensate for up to 30% of the notified Commercial Precinct to be potentially used for vested roads, an additional 0.62ha of net precinct area (0.91ha of gross precinct area) would be required to maintain the anticipated commercial GFA (and critically, ground floor retail space). Taking other factors into account, I would support a revised gross Commercial Precinct area of 3.20ha (exclusive of Collector Type A road as shown on the TPLM Structure Plan). This is an increase of 1.07ha of gross land area (50%), but only a minor increase in building footprint if the land is to include vested roads. It falls short of the Sanderson submission (by around 0.92ha).
- 63 I don't consider that an expansion from 2.13ha to 3.2ha (gross) will fundamentally change the local centre role of the Commercial Precinct, increase the risk of distributional effects on higher order centres, or materially influence shopping behaviour in terms of what goods are purchased from higher order centres. However, it provides a suitable buffer of area to ensure that sufficient GFA is still possible in response to as yet unknown site layouts.
- 64 I have not considered how the additional 1.07ha (3.2ha total) should be located. That is, whether the Precinct should be widened or lengthened, or a degree of both as proposed by the Sanderson submission. There may be other options that would deliver enhanced urban design outcomes.
- 65 For clarity, and in response to other submissions already discussed above, my support for an additional 1.07ha of gross Commercial Precinct is limited to expansion of the notified Commercial Precinct and not allocation of this additional commercial area to discrete locations/ additional neighbourhood centres within the TPLM Variation.²⁵ The economic and social benefits of consolidating commercial activity in the local centre remain.
- 66 With respect to increasing the size of commercial offices enabled in the Commercial Precinct, Ms Stagg's evidence at paragraphs 93-96 does

²⁵ My conditional support for a new neighbourhood centre in sub-area A of the TPLM Structure if the Extension Area is included is not impacted by this statement.

not alter my position set out in my Evidence in Chief (paragraphs 163-167).

Conclusion

- 67 Having considered the evidence from submitters, including the Economics JWS:
- (a) I support the inclusion of the Extension Area (as per the Anna Hutchinson Family Trust submission) on the basis that it is an efficient location for urban development in the Eastern Corridor and will further support the viability and vibrancy of the Commercial Precinct in the long-term.
 - (b) I support the inclusion of a neighbourhood centre of approximately 2,000sqm net site area in sub-area A but *only* if the Extension Area is included in the TPLM Variation.
 - (c) I support the proposed 0.6ha extension of the MDR Precinct and Glenpanel Precinct on the basis that it supplies additional housing yield in an area with high amenity and it supports the commercial viability and functionality of the Glenpanel Precinct as a whole.
 - (d) I maintain my position that the zoning of the Doolytle land as Commercial Precinct is not an efficient use of the land when considered in the context of the existing and proposed centre network of the Eastern Corridor and the wider Queenstown centre network.
 - (e) I do not support the revised relief to include a 2,500sqm (site area) neighbourhood centre east of the Commercial Precinct. While the proposed size is more appropriate compared with the original relief of 5,000sqm, the economic benefits of consolidating that floorspace within the Commercial Precinct outweigh the marginal benefits of increased accessibility to convenience retail in those sub-areas of the Structure Plan.
 - (f) I maintain my position that limiting commercial activity in the HDR Precinct to 100sqm GFA (as a permitted activity) is the most efficient way to protect the viability and vibrancy of the Commercial Precinct. As such, I do not support the proposed rule to provide for commercial activity 100-300sqm GFA as a discretionary activity

in the HDR Precinct. Non-complying status for activity greater than 100sqm GFA better supports a centres-based approach.

- (g) I support the provision of storage facility activity withing a Storage Zone overlay on the basis that it helps meet the day to day needs of local residents and supports high density living.
- (h) I support a 50% (1.07ha gross) expansion of the Commercial Precinct to allow (primarily) for the potential loss of development capacity as a result vested roads within the Precinct (not previously accounted for) and to ensure that future floorspace yield can meet projected sustainable demand from the primary and secondary catchment.

Natalie Dianne Hampson

10 November 2023