

**BEFORE THE QUEENSTOWN LAKES
DISTRICT COUNCIL**

IN THE MATTER of the Resource Management Act
1991 (the "Act")

AND

IN THE MATTER of the Queenstown Lakes Proposed
District Plan

**Evidence Summary of
John Daniell Polkinghorne**

**For Trustees of the Gordon Family Trust
(Submission #395
Further Submission #1193)**

1 June 2017

1.0 Introduction

- 1.1 This is a summary of my two previous Statements of Evidence, dated 18 November 2016 and 4 April 2017. The first Statement is much more detailed, with the second providing some updates, comments on other evidence, etc.

2.0 Data Updates

- 2.1 The population growth outlook for Wanaka is very strong. After I prepared my first Statement of Evidence, which contained my retail modelling work, Stats NZ revised their population projections upwards. Their revised medium projection is similar to their previous high projection.
- 2.2 Building consents for the District are now at record levels, as is international immigration into New Zealand. Nationwide, international and domestic tourism remain at or close to record levels, and very buoyant with continued growth forecast.

3.0 Modelling the Retail Market Size

- 3.1 My evidence of 18 November 2016 outlined results from the RCG Retail Sales Model. This is, I believe, the most recent study of the overall Wanaka retail market. Most prior work likely dates from the Three Parks plan change process circa 2009. I noted that “recent changes [since 2009] – such as the dramatic increase in tourism spending in the last couple of years – underscores the need for a modelling update”.
- 3.2 I am not aware of any challenges to my modelling work, and I consider that it represents the most current and up-to-date analysis of the overall Wanaka retail market, now and into the future. Equivalent work has not been done by Mr Heath or any other expert witness.
- 3.3 Mr Heath’s modelling is more limited in scope. It uses a very localised catchment. Mr Heath’s modelling also excludes tourists, a major influence in the Wanaka retail market. Mr Heath concludes that his small localised catchment only supports a limited retail offering, but does not consider wider Wanaka retail market dynamics.
- 3.4 My modelling showed a range of sensitivities. My ‘preferred’ scenario used Stats NZ’s (previous) medium population projections. It was deliberately conservative, and is even more so in light of Stats NZ’s revised projections.

- 3.5 Regardless, it implies significant growth in demand for retail floor space: demand for 70,000 m² of in 2028, versus 50,000 m² in 2016. By comparison, Wanaka currently has circa 20,000 m² of retail supply in the town centre and Anderson Heights, with Three Parks able to add 10,000 m² as a permitted activity and with expansion potential well beyond that.
- 3.6 Some demand from Wanaka locals will be filled in Queenstown ("leakage"). However, tourists make up more than half of the modelled demand, and their portion is based on what tourists actually spend in Wanaka.
- 3.7 My modelling shows a need for additional retail beyond the existing (and planned) offering. This arises from the very strong growth which has occurred and is projected to keep occurring, both in Wanaka generally and, more specifically, in the Cardrona Valley Rd area. The subject site is very well situated to accommodate some of these facilities.

4.0 LSCZ Size and Restrictions

- 4.1 Mr Heath recommends that the LSCZ zone on Cardrona Valley Rd be restricted to 0.7 hectares of land, with a rule providing a total cap of 3,000 m² on office and retail activities (rule 15.5.11). 0.7 hectares is insufficient to accommodate 3,000 m² of office and retail, even without allowing for other uses enabled in the LSCZ. At least 1.2 hectares (net) would be needed for this level of activity.
- 4.2 However, as per my previous Statements, I support the originally notified area of 2.7 hectares.
- 4.3 I also understand from Mr Duncan White that 3,000 m² of land along the northern edge of the site is likely to be used for a major arterial road, and further restrictions are possible on the southern edge due to negotiations with the neighbours there. These would likely reduce the (developable) area of the site to 2.4 hectares at most.
- 4.4 I consider a petrol station to be a highly likely use on the site, given its location on the major road to Queenstown. These uses are quite land intensive, and could have (for example) around a 4,000 m² land area and only 100 m² of retail GFA in the shop. Other probable uses on the site, such as accommodation, would all act to chip away at the total area likely to be developed for office and retail.

5.0 Willowridge Submission

- 5.1 I disagree with Willowridge's submission that a 2.7 ha LSCZ at Cardrona Valley Rd will undermine the town centre and Three Parks. The scale of Three Parks and its potential to attract anchors is unrivalled in Wanaka. With the major growth in retail demand recently and projected in the future, these centres are not at risk from the Cardrona Valley Rd LSCZ.

6.0 Changed Objectives, Policies and Rules

- 6.1 My original Statement of Evidence was based on the notified PDP objectives, policies and rules. My second Statement referred to the evidence of Ms Bowbyes but did not specifically comment on the policies introduced in her s42A report (policies 15.2.1.4, 15.2.1.5 and 15.2.1.6).
- 6.2 The proposed policy 15.2.1.5 does not raise any issues in my view.
- 6.3 Policy 15.2.1.4 is problematic. I do not have any issues with the points a, b and c, but I do not agree that they should apply specifically to "individual retail activities exceeding 300 m² gross floor area and individual office activities exceeding 200 m² gross floor area", nor do I support rule X which makes these activities non-complying above these sizes.
- 6.4 As per my first Statement, I support the notion of retail tenancy caps, generally of 400 m² but with exceptions for two larger tenancies of 1,500 m² and 750 m² respectively. This was to allow for a small supermarket and I do not support office tenancy caps.
- 6.5 I have commented previously that rules such as the above would leave retailers of 300-400 m² in size unable to locate either in this site or at Three Parks. This could include bike shops or ski shops, either of which would seem highly suitable for the site given its location. I also note that these shops are "recreational goods", and they are not otherwise precluded, unlike other store types recommended to be excluded from this zone by either Mr Heath or myself.
- 6.6 I consider that policy 15.2.1.6 is not required. My position is that "the commercial function of Wanaka Town Centre and Three Parks [will not be] adversely affected" even in the absence of overall caps on retail/ offices in the LSCZ

7.0 Conclusions

- 7.1 I support a 2.7 hectare size for the Cardrona Valley Road LSCZ, and do not support an overall cap on office and retail activities there. However, I do support some additional restrictions compared with the notified PDP. These include:
- Retail tenancies capped at 400 sqm GFA, except for two tenancies in Cardrona Valley Road having higher caps of 1,500 sqm and 750 sqm respectively;
 - Certain retailers not permitted: electronic and electrical goods stores, appliance stores, furniture and floor covering stores, and department stores;
 - Office tenancies should not be capped, but if they are the cap should also be set at 400 sqm GFA.
- 7.2 I note that the town centre is full, with limited ability to expand, and that planning rules for Three Parks give it limited ability to provide for retailers below 400 sqm.
- 7.3 Most convenience-oriented retailers are less than 300 sqm in size, but those in a 300- 400 sqm size range are poorly catered for under the proposed rules. The 'higher value' town centre will struggle to accommodate these uses, who typically require lower occupancy costs.
- 7.4 As noted in my first Statement of Evidence, I support a small supermarket in the Cardrona Valley Road LSCZ (in the tenancy of up to 1,500 m²). I consider this to be consistent with the PDP's centres-based approach: it will not undermine the town centre's role and will address a long-term undersupply which will arise even if Three Parks includes a large supermarket.
- 7.5 My suggested rules will continue to promote the Wanaka town centre as the preeminent centre in the area, and Three Parks as the primary destination for LFR, while providing for locally-oriented growth within the catchment.
- 7.6 This will not undermine the function of these larger centres.
- 7.7 Limiting the availability of retail sites could inhibit development, by keeping occupancy costs for retailers at high levels.

