

**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 EVIDENCE OF NATALIE DIANNE HAMPSON
27 September 2023**

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Introduction, Qualifications and Experience

- 1 My name is Natalie Dianne Hampson.
- 2 I am a Director at Market Economics Limited (**M.E**). I have held this position since mid-2019. I hold a Master of Science degree in Geography from the University of Auckland (First class honours).
- 3 I have worked in the field of economics for over 22 years for commercial and public sector clients. I joined M.E in 2001, and I have specialised in studies relating to land use analysis, assessment of demand and markets, the form and function of urban economies and growth, policy analysis, and evaluation of economic outcomes and effects, including costs and benefits.
- 4 I have applied these specialties in studies throughout New Zealand, and across most sectors of the economy. These notably include assessments of new developments, plan and policy changes, urban and rural planning (including under National Policy Statements), and studies on specific sectors such as the retail, commercial, industrial, residential, tourism, education, recreational marine, aquaculture, liquor licencing and major event industries.
- 5 I am an associate member of the New Zealand Planning Institute and a member and regional committee treasurer of the Resource Management Law Association.
- 6 I was the principal developer and author of the 2017 Business Development Capacity Assessment (BDCA) for Queenstown Lakes District Council (**QLDC** or **Council**) under the National Policy Statement on Urban Development Capacity 2016 (**NPS-UDC**) and a subsequent update in 2020 also under the NPS-UDC. I have a sound knowledge of the Queenstown Lakes District (**QLD**) and wider spatial economy, including the role and function of the centre network and other zones/structure plan precincts that provide a retail and commercial role.
- 7 Specific to this evidence, I have considerable experience in the field of retail economics, including modelling and assessing commercial centres, their role in urban economies, shopping behaviour (spending patterns and trip behaviour), understanding demand and supply, and assessing the distributional effects of retail development.

- 8 I have provided evidence on a range of plan changes, submissions and resource consent applications relating to commercial centres in QLD and adjoining Central Otago District (**COD**). This includes Plan Change 12, Plan Change 13, and a Fast Track consent for the Wooing Tree Estate in COD as well as Plan Change 19, Private Plan Change 34, and peer reviews of commercial consent applications in Lake Hawea, Three Parks, Albert Town, and Glenorchy in QLD.
- 9 I have been asked to provide evidence by QLDC. I have not previously been involved in the Te Pūtahi Ladies Mile Masterplan (**TPLM Masterplan**) and Te Pūtahi Ladies Mile Plan Variation (**TPLM Variation**), including any assessments that have informed the Section 32A report that was notified. Despite this, I am familiar with the TPLM Variation and associated Masterplan documentation.

Code of conduct

- 10 I confirm that I have read the Code of Conduct for expert witnesses contained in the Environment Court Practice Note 2023. Accordingly, I have complied with the Code in the preparation of this evidence, and will follow it when presenting evidence at the hearing. Unless I state otherwise, this assessment is within my area of expertise, and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope of Evidence

- 11 My evidence addresses the following:
- (a) A review of the RCG report;
 - (b) A review of the proposed zoning and provisions for a commercial centre in the Ladies Mile Structure Plan area, including recommended amendments;
 - (c) I provide a response to submissions relating to both the zoned extent and provisions notified;
 - (d) I provide a response to submissions requesting rezoning; and
 - (e) Overall conclusions regarding the proposal.

- 12 My evidence focusses on the proposed Commercial Precinct and does not specifically address the Glenpanel Precinct, which I understand has a narrower commercial role and will have less intensive development outcomes that complement existing heritage features. The provision of education facilities (outside the Commercial Precinct) is also outside of the scope of my evidence, although I make brief mention of Wakatipu High School where relevant to the context of my data analysis on current work and shopping based trip making.
- 13 In preparing my evidence, I have relied on the following:
- (a) QLDC Growth Projections;
 - (b) StatsNZ Census and Employment Data;
 - (c) The QLD Operative District Plan (**ODP**)
 - (d) The QLD Proposed District Plan (**PDP**);
 - (e) M.E's Retail Demand Model;
 - (f) M.E's national cell phone GPS data (2021) and
 - (g) Site visits, aerial photographs and other online resources/websites.

Executive Summary

- 14 Household/dwelling growth projections are helpful for understanding the amount of retail and commercial service demand that can be sustained in a trade catchment at particular points in time. However, when planning for greenfield commercial centres, such as proposed in Ladies Mile, it is more important to consider future dwelling yields within the trade catchment as this represents the maximum future demand that must be efficiently catered for. This is the approach I have taken in my evidence.
- 15 I consider that the Commercial Precinct notified in the TPLM Variation is appropriately scaled to meet the day to day shopping needs of current and future residents of the Eastern Corridor and wider secondary trade catchment area and avoid adverse distributional effects on the existing centre network. While the timing of its development and ultimate mix of activities is uncertain, the purpose of the PDP is to enable capacity that

is feasible and that supports a well-functioning urban environment within the Eastern Corridor.

- 16 The Commercial Precinct will increase job opportunities in the Eastern Corridor which will allow more residents to live and work east of the Shotover Bridge. However, higher order shopping and employment for most of the community will continue to be met by the larger commercial areas and centres in Frankton and central Queenstown. This is appropriate and reflects the way in which the Eastern Corridor interacts with the wider Queenstown urban economy.
- 17 Providing for a supermarket anchor in the centre will significantly add to the commercial viability of the Commercial Precinct as whole, and this is more appropriately permitted at a 4,000sqm GFA threshold to encourage main-order shopping and not just top-up/convenience shopping.
- 18 It is appropriate for office activities to be maintained at a small-scale for individual tenancies to avoid distributional effects with key employment areas recognised in the PDP. I support some way of enabling a service station activity in the Commercial Precinct on the basis that such activities are part of day to day shopping needs. I also support provision of visitor accommodation and residential visitor accommodation in the Commercial Precinct to aid development feasibility of mixed use buildings and add to the vibrancy and intensity of development in the shopping centre.
- 19 I have reviewed a number of submissions and where they align with my evidence, I have supported them. While there are several submissions seeking additional locations of Commercial Precinct in the TPLM Variation area, I consider that these are not needed to provide at least sufficient capacity to meet the day to day shopping needs in the trade catchment, nor do they create an efficient centres network – being either too close to the existing Kawarau Park centre or the Commercial Precinct.

RCG Report

- 20 RCG prepared a report (February 2022) that provided advice on retail and commercial matters relating to a proposed town centre within Ladies

Mile.¹ In essence, the report provides a demand assessment to determine the likely sustainable floorspace in the proposed centre, and from that, a required gross Commercial Precinct area. It also provides commentary on existing retail and commercial service supply near to the proposed Ladies Mile centre, the importance of a supermarket anchor, and likely employment created in the centre and the implications of that for work related travel west of the Shotover Bridge.

- 21 This section of my evidence constitutes a peer review of that report and my conclusions as to the extent it can be relied on to inform the efficiency (costs and benefits) of the notified provisions relating to commercial precincts and activity in the TPLM Variation area.
- 22 The key findings of my review are that the RCG report is too conservative in terms of the retail and commercial service demand (including for an anchor supermarket) that could be sustained in the proposed Commercial Precinct over the long-term. However, the land area recommended by RCG to accommodate floorspace demand is reasonable (noting that the notified area is marginally larger than that recommended). While the RCG assumptions leading to that recommendation are unclear, my assumptions around the potential intensity of building coverage in the notified precinct suggest a floorspace capacity that broadly aligns with my higher estimates of floorspace demand.
- 23 Other key points raised by RCG that I agree with are that the role of the Commercial Precinct will be to meet the day to day needs of the catchment community, with some higher order shopping needs continuing to be met by the larger centres in the Frankton Flats and Queenstown Town Centre. Secondly, that while the Commercial Precinct provides more job opportunities in the Eastern Corridor, most future residents will work west of the Shotover Bridge where the significant majority of business activity is concentrated.
- 24 The following sub-sections provide a more detailed discussion of my review and supplementary analysis.

¹ RCG were sub-contracted by Candor3 Limited to provide retail and commercial advice.

Trade Catchment of the Proposed Town Centre

- 25 The RCG report defines a primary and secondary trade catchment. The primary catchment (aka the Eastern Corridor) includes Ladies Mile, Lake Hayes Estate, Shotover Country, Bridesdale Farm, and the Queenstown Country Club. The secondary catchment includes the area east towards Gibbston Valley, north to include Arrowtown and Millbrook, and the Wakatipu Basin excluding Arthurs Point. The secondary trade catchment does not cross the Shotover River, and therefore excludes residential areas such as Quail Rise.
- 26 The report states that StatsNZ Statistical Area 2 (**SA2**) boundaries have been used to define the trade catchments. It is noted that at present, the Ladies Mile area north of State Highway 6 is not discretely defined by StatsNZ, and that area falls within the very large Wakatipu Basin SA2. Where relying on StatsNZ data, RCG have acknowledged that limitation.
- 27 I consider that the primary and secondary catchment are appropriately defined. The primary catchment captures the households (and to a limited extent any businesses/employment located within, and tourists staying within, those areas) that will most likely/frequently shop in the proposed Ladies Mile centre for their day to day shopping needs. The secondary catchment captures those that will on average sometimes visit the centre for their day to day shopping needs. A small portion of commercial activity in the proposed centre will also be sustained outside of the two trade catchments and reflects pass-by shoppers for which the highly visible centre will be a convenient place to stop. I estimate that this could account for approximately 10% of future retail and service sales in the centre. The RCG report does not appear to account for this in their modelling.

Accessibility within the primary trade catchment

- 28 I agree with the conclusions reached regarding the accessibility of the proposed centre relative to the residential areas of the primary catchment. The proposed centre is not geographically central to the primary catchment, but the opportunity to develop a town centre more centrally has passed. Access by primary catchment residents to the proposed centre will be a mix of walking, bike riding and vehicle transport. Accessibility within the Structure Plan area north of State Highway 6 is good (with the centre centrally located geographically and

central to the highest density housing). Trips to the centre from secondary catchment residents (and workers/visitors) will be largely vehicle based, as will pass-by customers.

Role of the centre in the centre network

- 29 The RCG report correctly identifies that the proposed centre will be the closest significant centre for all those in the primary catchment and may be the closest significant centre for those in the secondary catchment. For some in the secondary catchment, the Arrowtown Town Centre will be closer.
- 30 The RCG provides a summary of existing commercial supply in the primary trade catchment, which is limited in scale and range. It identifies:
- (a) an existing consent for a small convenience centre in Shotover Country² that has not been given effect to (but the site is still vacant);
 - (b) a restaurant/café, childcare centre and small office in Lake Hayes Estate;
 - (c) It identifies a proposed café in the Bridesdale Farm development, although Submitter #76 has stated that this building has since been used for visitor accommodation³;
 - (d) A childcare centre in Shotover Country adjacent to the Shotover Primary School.
 - (e) The report then describes the centre off Jones Road (known as **Kawarau Park**), which while having a medical focus⁴, included a small number of retail and commercial tenancies. These are now fully leased and include a diary, hair salon, financial services business⁵, beauty salon, accountants, restaurant, pilates studio, GP clinic, pharmacy and a childcare centre. I anticipate that this centre, while still of a convenience nature, will have improved the

² 1-7 Cheltenham Road. RM190446 issued on 11 November 2019.

³ In a recent site visit (5th September 2023), the building was undergoing significant remodeling, but there was nothing to indicate its intended use when finished.

⁴ Containing the Southern Cross Hospital, Radiology centre and medical consultancy and accommodation suites.

⁵ The website does indicate this lease is 'on hold'.

amenity of those living in Shotover Country and Lake Hayes Estate/Bridesdale.

- 31 The RCG report then describes (briefly) other key centres in the centre network that are in the secondary trade catchment (i.e., Arrowtown Town Centre and Arrowtown Local Shopping Centre Zone (**LSCZ**)) and further west of Shotover Bridge. Five Mile, which includes multiple large format retail (**LFR**) stores, is a higher order centre relative to the proposed centre in Ladies Mile, as is Remarkables Park. The Queenstown Town Centre remains the central business district (**CBD**) and the top of the centre hierarchy based on a combination of scale and depth of specialist comparison retail, as well as a concentration of hospitality and entertainment activity. That said, when all vacant capacity in Frankton is developed, it will be the key commercial and employment area of the district: combining commercial centres with business mixed use areas, industrial zones and specialist employment areas such as the airport, recreational facilities and the hospital.
- 32 The proposed Ladies Mile centre is not intended to compete with these higher order centres and the provisions have been developed with this outcome in mind. In particular, the provisions include tight controls on LFR other than for a supermarket as well as other tenancy size controls, some activity controls, and the size of the Commercial Precinct that has been identified in the Structure Plan.
- 33 Because of its intended role in the centre network, the RCG report concludes that residents in the primary and secondary trade catchments of the Ladies Mile proposed centre will continue to meet a share of their retail (and service) needs west of the Shotover Bridge. I support this conclusion as it reflects the normal function of a centre network and the role that has been defined for the Ladies Mile centre which is day to day or weekly shopping, including a convenience role. It also reflects the reality of household shopping patterns and trip making behaviour. I discuss this finding later in my evidence with regard to potential distributional effects of the proposed centre and implications for employment travel patterns over the Shotover Bridge.

Population and projections

- 34 The RCG report sets out population estimates for the two trade catchments using StatsNZ data at the SA2 level (whereby the Ladies

Mile area north of State Highway 6 is included in the secondary trade catchment due to where boundaries fall). It then draws on Council projections released in September 2020.⁶ Officially, these projections were developed in July 2020, but may have been released in September that year. I refer to them as the July 2020 projections. While these projections do split out Ladies Mile, on a like for like basis, the RCG report points out that as at 2020, the Council projections appeared to have underestimated the resident population in the trade catchments relative to StatsNZ estimates.

- 35 I concur that when Ladies Mile is included in the secondary trade catchment to match SA2 boundaries, the Council population figures for 2020 are just 78% of the primary catchment population published by StatsNZ, and 93% of the secondary catchment population. This suggests that any growth projected by Council at that time, was off a lower base.
- 36 Within the Council's July 2020 population projections (and accurately including Ladies Mile in the primary trade catchment as is possible in those projections), the RCG report identifies that "*almost all of the growth in the PCA⁷ will be in Ladies Mile*" between 2021 and 2051 (page 9). Having checked the figures, Ladies Mile accounted for 98% of primary catchment population growth during that period according to Council at the time.
- 37 The same July 2020 Council projections have projections of total dwellings. RCG point out that by 2051, the Ladies Mile location in the projections showed 1,670 total dwelling units by 2051 (net growth from 2021 existing dwellings of 1,584 dwellings). RCG conclude that either the July 2020 Council projections imply that Ladies Mile will be fully built by 2051 but at a lower yield than estimated in the TPLM Masterplan (which was between 1,780 and 2,345 dwellings), or, that Ladies Mile could have a yield of 1,780-2,345 but would not be fully taken up by 2051.
- 38 Since the RCG report was prepared, there have been updated growth projections released by QLDC. These are dated September 2022.⁸

⁶ QLDC's growth projections are outsourced and not developed internally.

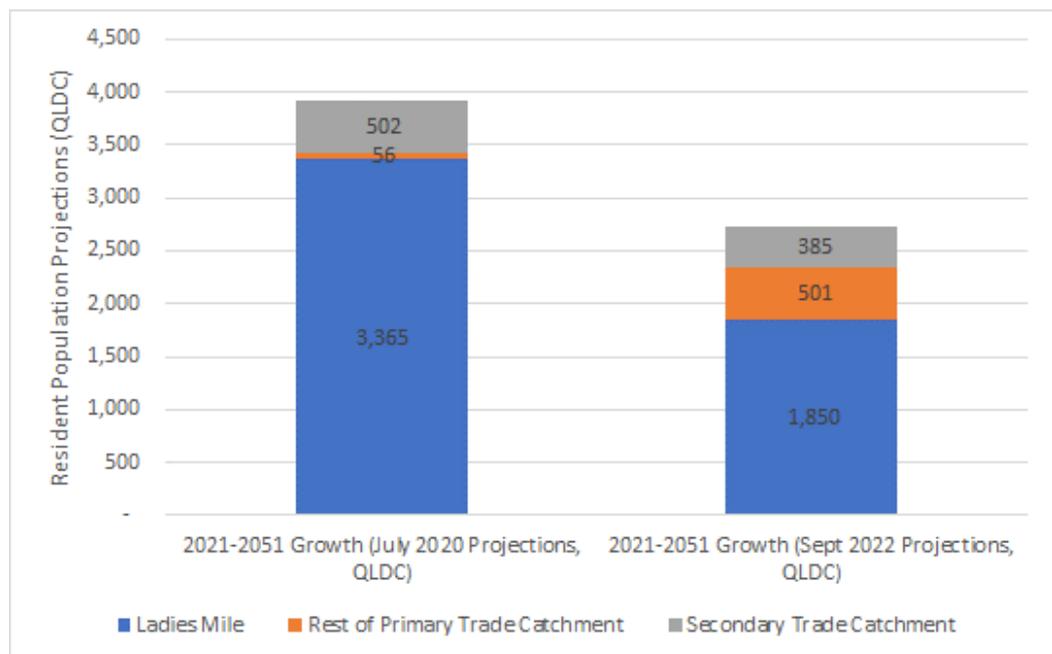
⁷ Primary Catchment Area.

⁸ Susan Fairgray-McLean's evidence for Council is based on these latest Council projections for her demand assessment.

These updated projections have largely rectified the differential with the StatsNZ population estimates for 2020, with a like for like comparison now showing that the Council figures for that year are 92% of the StatsNZ estimates for the primary catchment (excluding Ladies Mile) and 103% of the StatsNZ estimates for the secondary catchment (including Ladies Mile) – not exactly aligned, but much closer. The latest projections are therefore a more appropriate baseline from which to measure future growth.

39 Of interest, when Ladies Mile is included in the primary catchment, the latest Council projections (September 2022) show much less growth in both trade catchments between 2021 and 2051 than they did previously. Long-term population growth in the primary catchment is just 69% of earlier projected growth for that period, and in the secondary catchment, it is just 77% of earlier projected growth. This is illustrated in **Figure 1** below. The new projections have reduced the long-term growth outlook for the total Wakatipu Ward by 10%, but also allocated relatively more of that growth to other parts of the urban area rather than Ladies Mile.

Figure 1 – Comparison of Long-Term Resident Population Growth Projections in July 2020 and September 2022 (Source, QLDC)



40 The latest total dwelling projections for the Ladies Mile location now estimate net growth of 960 dwellings between 2021 and 2051, compared to net growth of 1,580 in the July 2020 projections. Given the timing of the latest projections relative to Master Planning for Ladies Mile, I

conclude that while the expected yield of Ladies Mile may well align with the yields set out in the TPLM Masterplan (which RCG was uncertain about at the time), the Council projections imply relatively slow uptake of that yield by 2051 and full uptake of that capacity therefore occurring well beyond 2051. This may have been driven by assumptions around realisable capacity over that period and/or demand for dwellings in that location, or both. Either way, it suggests that development of Ladies Mile could be a long-term prospect.⁹

- 41 Projections are only estimates of future outcomes based on certain input assumptions and are not a forecast of growth. I understand that Council's projections are developed using a 'constrained growth' methodology rather than an 'unconstrained' projection of demand growth. These constraints may include zoned land capacity and infrastructure constraints for example. It is important to recognise that constraints across the urban area can change over time (i.e., improve in some locations and worsen in others) which would influence the future allocation of growth across the urban area of Wakatipu Ward (and the district overall) when projections are updated. It is therefore likely that Council's next projection updates will show different results again and that the outcome of the TPLM Variation could very well impact on what growth is allocated in Ladies Mile in future.¹⁰
- 42 The latest and lower growth projections for the primary and secondary trade catchments of the proposed centre could have implications for the amount of retail and other commercial activity that can be sustained in Ladies Mile in the short, medium and long-term (if zoned). I consider these implications relative to the RCG findings in the remainder of my review.

Resident versus visitor demand in the trade catchment areas

- 43 The QLDC growth projections include projections of visitor numbers by location in each year. RCG have relied on that data to show that in the primary trade catchment, visitors make up just 13% of the average day

⁹ Housing demand within the TPLM Variation area is examined further in the evidence of Susan Fairgray-McLean.

¹⁰ It is for this reason that Ms Fairgray-McLean's housing demand considers demand across the whole Queenstown urban environment, and not just the demand for the Ladies Mile location, which is sensitive to assumptions and subject to change and uncertainty.

total population. They also note that in the 2018 Census, between 8-12% of dwellings were unoccupied on census night. While this does not confirm that those houses are used for residential visitor accommodation, other data sources¹¹ do show that residential visitor accommodation options exist in both Lake Hayes Estate and Shotover Country. So, while there are definitely some visitors staying within the primary catchment that need to be accounted for in a demand assessment, I agree that the primary trade catchment is “*a residential-focussed area*” (page 10).

- 44 RCG does account for visitor retail spending in their model, discussed further below. They also assume that in the TPLM Masterplan area, that residential visitor accommodation will make up 10% of the estimated dwelling yield. They also comment later on the prospect of commercial visitor accommodation being present in the area and supporting the proposed centre. However, in the notified provisions Policy 49.2.5.5 states that visitor accommodation and residential visitor accommodation are to be discouraged (with non-complying activity status applied to both). To the extent that 10% of residential units were removed from the household demand estimates, in my opinion the RCG report has underestimated potential retail demand by residents for the centre within the Ladies Mile area of the primary catchment as notified. I discuss the appropriateness of visitor accommodation in the Commercial Precinct in response to submissions later in my evidence.

Total available retail demand (\$ and sqm)

- 45 RCG’s total estimates of retail spend in the primary catchment by store type and growth scenario are set out in Figure 6.1 of the report. The figures are described slightly differently in the following paragraphs in the report, which is a probable error. I have taken the figures in the table as the actual figures modelled.
- 46 RCG acknowledge that they have applied a relatively simple approach and most limitations are stated. I have replicated the numbers in Figures 6.1 through to 6.4 of the report to derive some of the assumptions that RCG have applied but not specified/revealed.

¹¹ For example, searches on AirBnB or similar platforms. I have also checked M.E’s cell phone GPS data for 2021 which confirmed a range of dwellings regularly used by non-residents.

- 47 The RCG demand results are presented in terms of:
- (a) current (2020) retail demand (by store type);
 - (b) a long-term (2051) demand estimate based on growth contained in the QLDC July 2020 projections which showed slow and only partial take up of Ladies Mile capacity by 2051 off a low baseline¹². This scenario is referred to as the '2051 QLDC Projection'; and
 - (c) a third upper limit scenario which calculates the demand arising from the proposed capacity of Ladies Mile if fully developed and taken up and applied to the StatsNZ 2020 population baseline. I note, this scenario is not tied to a specific year, so is not 'time bound'. This scenario is referred to as the 'Baseline + 2,200 homes' scenario.
- 48 By including the two different long-term scenarios, RCG state that they have covered a range of potential demand scenarios. However, because they do not rebase the Council projections (which substantially undercount the current population when compared with StatsNZ estimates), I consider that less weight should be given to the '2051 QLDC Projection' results.
- 49 If the RCG report were to be relied on, I would recommend the 'Baseline + 2,200 homes' scenario as being the most relevant for informing decision making. I say this not only because rebasing the net growth to the StatsNZ 2020 estimates is appropriate, but because of the importance of scaling the proposed centre to the potential future population of the trade catchment.
- 50 Residential areas reach relatively stable populations once fully developed and it is this stable future population that needs to be considered when master planning greenfield growth areas so that the centre is appropriately scaled and will not fall short of future demand in later years. If this is not done, inefficiencies are created in the long-term and residents end up directing more of their spend elsewhere because their local centre does not fulfil its intended role and function and things like carparking are over-subscribed.

¹² Intermediate snap shots of demand are also calculated for 2031 and 2041.

- 51 The RCG demand assessment methodology begins with estimating total retail demand in each trade catchment by residents, employees and tourists. This is total demand that will be directed at a range of centres in the district (not limited to Ladies Mile) as well as spent outside the district when travelling. That dollar demand is converted to floorspace demand in each store type. The floorspace demand is then split between floorspace in LFR versus small format retail (**SFR**) store types. By retaining just LFR food retailing and combining this with SFR demand for all other store types, this residual floorspace demand is closer to what could be provided in the Ladies Mile centre but is still not demand necessarily captured by that centre.
- 52 The next step in retail demand modelling is typically to prescribe a market share of demand in each store type that is likely to be captured by the proposed centre. This step is not evident in the RCG modelling. Rather, they *infer* likely retail floorspace that needs to be provided for in the centre from the previous step in the modelling. This is a limitation of the RCG approach and relies more on the experience of the author than quantified evidence.
- 53 Having reviewed the modelling by RCG as I understand it, and focussing on the fully occupied Ladies Mile scenario which is not time-bound, I note the following:
- (a) Resident retail demand modelling is typically based on resident households as spending units. This is how M.E models resident demand, and this is consistent with how many other economic consultancies have also modelled demand based on my experience. This is because you can make use of both the StatsNZ Retail Trade Survey and the Household Economic Survey to understand average household spending patterns.¹³ Despite acknowledging that household size is above average in the primary catchment currently in 2018, and that existing households in both catchments have above average income levels and therefore spending potential, RCG apportion retail demand in New Zealand to the two trade catchments based only on the share of current and projected population. I consider that this approach has

¹³ M.E's Retail Demand Model goes further and estimates average annual retail spending on different store types according to 47 different household types (which combine household type, age of head of household and household income).

under-represented the total resident retail demand in both trade catchments.

- (b) RCG do not include any further growth in residents in the rest of the primary catchment outside of Ladies Mile, and do not include any resident growth in the secondary catchment. While this growth is explained to be relatively low in the QLDC July 2020 projections, and likely to include retirement village growth in the primary catchment, I consider that this approach is unnecessarily conservative and risks under-representing some retail demand that may be captured by the proposed centre.
- (c) The RCG report states that their modelling is based in constant \$2019 dollars. M.E models a 1% increase in real spend per annum for resident household demand, an approach adopted by several other economic consultancies. In the absence of this adjustment (which reflects long run historical trends), the long-term total demand estimates by RCG are again conservative.
- (d) Similarly, the RCG approach does not assume any increase in tourism spending from 2019 over the long-term. This too is conservative and applies to their primary catchment estimates of tourism retail demand.
- (e) The RCG report states that it does not include any tourist retail demand in the secondary trade catchment, despite the same tourist data being available in the Council projections as in the primary catchment. In my opinion, this is unnecessarily conservative.
- (f) While the RCG report states that their total demand estimates include residents and workers in the trade catchments, there is no data on current worker estimates and projections that can be validated.
- (g) As mentioned above, RCG remove resident demand from 10% of dwellings in Ladies Mile for residential visitor accommodation. Given that this is a non-complying activity in the notified provisions, this will also make total resident retail demand in the primary catchment conservative.

- (h) While RCG have modelled a mid-point of the future dwelling yield in Ladies Mile (2,200), they do not model the lower or upper range of that dwelling yield as set out in the Master Plan. The absence of the upper yield is relatively more important.
- (i) Last, and to clarify, while the Council projections relied on by RCG have changed and suggest lower growth by 2051 compared to the July 2020 projections, this does not impact on RCG's 'Baseline + 2,200 homes' scenario in any case (because it considers just a fully developed future outcome which I consider is most appropriate for planning decisions). Had RCG accounted for growth in the trade catchments outside of the capacity in Ladies Mile (as noted above), this may have been more relevant.

54 **Table 1** below shows my summary of RCG's total retail demand results (compiled from various Figures in that report and associated explanation). My understanding is that RCG estimate total available retail demand across the primary and secondary trade catchment areas of \$119.1m as at 2020, increasing to \$195.2m if Ladies Mile is included according to their assumptions.^{14 15}

Table 1 – Copy of RCG Total Current and Potential Future Retail Demand by Proposed Centre Trade Catchment

Trade Catchment	Current Without Ladies Mile 2020 Baseline (\$ ₂₀₁₉ m)	Future With Ladies Mile Baseline + 2,200 Homes in Ladies Mile (\$ ₂₀₁₉ m)	Notes
Primary Residents & Employees	\$ 42.8	\$ 118.9	Includes Ladies Mile, but no growth in rest of primary catchment spending
Primary Tourists	\$ 27.5	\$ 27.5	Assumes no growth in tourist numbers or tourist spending
Secondary Residents & Employees	\$ 48.8	\$ 48.8	Assumes no growth in resident/employee numbers or resident spending
Secondary Tourists	Excluded	Excluded	Excluded
Total	\$ 119.1	\$ 195.2	Conservative

Source: RCG Report, February 2022. Composite of Figure 6.1, Figure 6.4, Figure 6.6 (and explanatory text)

55 I have run M.E's own household retail demand model for the combined trade catchment area as a cross check to RCG's figures. I have alluded to some of the differences in M.E's retail demand modelling above, including being based on 47 household types (projected over time)

¹⁴ Based on "2,200 homes, 90% occupied by residents and 2.7 people per household for the medium density areas and 2.1 people per household for the high density areas" (page 11).

¹⁵ All figures are in \$2019.

which have different spending patterns, and including an increase in real spend per household of 1% per annum. I have limited my modelling to just retail spend by resident households when shopping from home. The M.E calculations should in theory account for a portion of the future 'Residents and Employees' demand estimated by RCG (i.e., \$118.9m + \$48.8m = \$167.7m), as I have not included employment (business) retail demand, or the portion of household demand spent when at work.

- 56 M.E's retail demand model does not run off Council's projections, but rather StatsNZ Medium Household Projections by SA2 (2018 base).¹⁶ I have however, separately compared these household projections for the total primary and secondary trade catchment with the resident household projections included in the Council's July 2020 and September 2022 projections. The StatsNZ projections are only slightly higher in 2020 than the latest Council projections in that year, but project a faster rate of growth over the long-term than either Council projection series (I can only compare out to 2043). That said, they project growth of just under 1,400 additional resident dwellings between 2023 and 2043 across the total trade catchment areas, and so this falls well short of the scenario that RCG conservatively model which has 90%¹⁷ of 2,200 new dwellings in Ladies Mile in the future (i.e., 1,980 new resident households in Ladies Mile in the future when fully developed). This means, all else being equal, my 2043 total retail demand by resident households in the primary and secondary catchment combined should be lower than the total retail spend modelled by RCG for residents (and employees), as the StatsNZ projections imply that Ladies Mile is not fully occupied.
- 57 As such, there are two key reasons why M.E's total retail demand in combined trade catchments *should* be lower than RCG's.
- 58 **Table 2** provides a comparison of the M.E retail demand model outputs for the total trade catchment area in 2043 with the RCG 'Baseline + 2,200 Homes' scenario results for the total trade catchment area (and excluding tourism demand). While I believe I have matched the detailed

¹⁶ The model uses StatsNZ medium population projections by age (SA2 level, 2018 base year, 2021 release) combined with StatsNZ medium household projections (TLA level, 2018 base year, 2021 release).

¹⁷ i.e., excluding the 10% of dwellings that they assumed would be taken up by residential visitor accommodation.

retail store types to the RCG categories, I cannot verify some of the categories. I also include demand for Automotive retail and Fuel retail that I have assumed are excluded from the RCG modelling.

Table 2 – Partial Comparison of Resident Total Retail Demand by Store Type – M.E versus RCG Model

Retail Store Type Category	M.E Total Trade Catchments 2043 Retail Spend by Resident Households Home-based Shopping (\$m)	RCG Total Trade Catchments 'Baseline + 2,200 homes' Scenario - Residents & Employees (\$m)	M.E Estimate as a share of RCG Estimate	Difference (M.E less RCG) (\$m)
Automotive	6.6	N/A	N/A	N/A
Fuel	26.5	N/A	N/A	N/A
Food Retailing	83.4	76.2	109%	7.2
Furniture, floors, houseware, textiles	11.4	13	87%	-1.6
Electrical and Electronic goods	18.2	5.6	325%	12.6
Hardware, building and garden supplies	41.5	14.2	292%	27.3
Recreational goods	9.8	5.9	166%	3.9
Clothing, footwear and accessories	12.8	9.1	140%	3.7
Department	21.6	7.2	300%	14.4
Pharmaceutical and other stores	27.8	11.7	238%	16.1
Food and Beverage Services	30.3	24.8	122%	5.5
Total	289.8	N/A	N/A	N/A
Total Excluding Automotive/Fuel	256.7	167.7	153%	89.0

Source: M.E Retail Demand Model, RCG February 2022.

- 59 The M.E model includes growth in the secondary trade catchment and rest of primary trade catchment outside of Ladies Mile, which RCG does not. Despite M.E's demand figures only accounting for growth up to 2043, which is less than the capacity that RCG model in Ladies Mile alone, our long-term demand estimates are substantially higher than RCG's results (by \$89m for what is understood to be comparable retail store types). If the M.E model was extended further into the future, where the capacity in Ladies Mile (and elsewhere in the trade catchments) was fully taken up, then M.E's demand estimates would be substantially higher again.
- 60 The M.E model also shows (as at 2043) substantially higher resident household spend for electrical and electronic goods, hardware and garden suppliers, recreational goods, and department stores. While there are a range of reasons for the differences, a key driver of this difference is likely to be the higher socio-economic status of catchment residents compared to the national average spending that RCG have relied on.

61 Obviously, not all of this demand is necessarily going to be captured in the proposed Ladies Mile centre, and in fact, some of it could not be due to the provisions that exclude LFR store types other than a supermarket. Much will flow to higher order centres west of Shotover Bridge. But, as a starting point for estimating catchment retail demand, I have concluded from my review and cross checks that on balance, the RCG estimates are too conservative and underestimate future retail demand in the trade catchments. This then flows through their modelling processes such that floorspace demand potentially suitable for the centre is also understated, and the final conclusions of retail (and service) floorspace demand likely to be sustained in the proposed centre is similarly understated.

Supermarket Floorspace

62 The RCG report states that “*regardless of the scenario, the catchment will be large enough to support a small supermarket. We suggest planning for a 1,000-2,000sqm supermarket, depending on the likely housing yield*” (page 18). RCG go on to suggest that the supermarket might initially be developed on the smaller size (say 1,000sqm GFA) and then expand (presumably to 2,000sqm GFA) as demand in the catchment increases. I have a number of concerns with the advice provided by RCG on the anchor supermarket.

- (a) Firstly, I think their starting point of estimating future food and grocery demand (in dollar terms) in the trade catchment areas with Ladies Mile developed is too conservative (discussed above).
- (b) They estimate that the trade catchment combined could generate total food retailing floorspace of 6,592sqm, arising from residents, employees and primary catchment visitors. For the reason above, I consider this to be too conservative.
- (c) RCG also assume that supermarkets make up 65% of that total food retail floorspace demand, with small format food (and liquor) retailing stores making up 35% of the floorspace demand. As a result, they project 4,293sqm of supermarket demand out of a total of 6,592sqm of total food retail demand available across the trade catchments in the long-term. Based on M.E’s retail model (which is regularly relied on by Woolworths and Foodstuffs throughout New Zealand), supermarket and grocery stores account for 88% of total spend in the food retailing category. Even allowing for variation in

floorspace productivities across the store types that make up that category, a 65% share of floorspace is substantially too low.

- (d) Based on their own figures, RCG imply that the Ladies Mile centre could capture an average market share across the entire trade catchment of between 23% (for a 1,000sqm store) and 47% (for a 2,000sqm store). As far as supermarket market shares go, I consider 23% to be too low, but 47% to be about right in this catchment context. It would however need to be applied to a higher estimate of available catchment floorspace demand for supermarkets in the long-term.
- 63 RCG identify¹⁸ the importance of supermarkets in anchoring centres and supporting other retail and service activity and hence they support the approach to provide for one LFR anchor in the proposed centre that is a supermarket. I support that view. However, I do not support a GFA limit on the Ladies Mile supermarket anchor of 2,000sqm as advised and notified.
- 64 RCG have positioned the anchor supermarket somewhere between a large grocery store and a full-size supermarket. I consider that the trade catchments, which are limited to a small Four Square in Arrowtown and a Night 'n Day in Arrowtown and Shotover Country (Kawarau Park) and no other zoned opportunity for a supermarket, will be able to sustain much more supermarket floorspace in the long-term future than estimated by RCG.
- 65 Limiting that store to 2,000sqm not only risks undersupplying the catchment with accessible supermarket space in the long-term, but also means that the store itself will not be able to compete effectively with the range of goods on offer in the supermarkets in Frankton. It therefore risks residents treating it as a top-up store only, and still preferring to do their large shops in Frankton supermarkets to access a wider range of goods.
- 66 RCG identify that the nearest supermarkets in Frankton are all full-service supermarkets “*over 4,000sqm in size*” (page 19). My database shows that the Countdown in Five Mile is 4,200sqm GFA and the Pak'n Save in Frankton is 5,765sqm GFA. It is my recommendation that the

¹⁸ Refer page 18 of the RCG report.

GFA cap for the anchor supermarket in the Commercial Precinct of Ladies Mile be lifted to 4,000sqm. This has a number of economic benefits:

- (a) It would provide the market with the option to establish a full-size/full-service store in Ladies Mile to meet long-term demand (and in line with recent store size trends);
- (b) A larger anchor store will also better support the viability of other retail and service activity in the proposed centre; and
- (c) It will greatly improve the probability of changing catchment supermarket shopping (trip) behaviour once established.

67 While a supermarket up to 4,000sqm GFA may not be as viable in the short-term (if zoned) as it will be in the future, the District Plan need not be concerned with this. I consider it likely that the supermarket sector would seek to secure a strategic site in the proposed centre early, even if they delay or stage the development of the store. Furthermore, depending on the future brand of the supermarket, it may be possible to still sustain a full-size store in the short-medium term at lower than optimal productivities as there is an ability to 'subsidise' its operational costs via other well performing stores in their network until such time as it is self-sustaining.

Converting retail and service floorspace expected in the centre to gross zone area required

68 The RCG report does not provide a quantified approach for estimating personal and household service activity floorspace in addition to retail floorspace expected in the proposed centre. Even the non-supermarket retail floorspace is addressed in a vague manner, stating that this "*could be an equivalent size to the supermarket or a little larger, say 1,500-2,000 sqm*". RCG then suggest that 1,500-2,000sqm GFA should also be "*sufficient space for some non-retail uses, ones which we haven't modelled but which will occupy retail space*" (page 18).

69 Based on centre development projects I have been involved in (including in peer review roles), commercial service activity such as hair and beauty salons, optometrists, physios/massage therapists, real estate agencies, banks, post offices, dry cleaners, etc that still occupy shop-like tenancies are estimated at 50% of retail floorspace. That is, they make

up a third of total shop space. It is unclear what allocation RCG have made for non-retail shop space.

- 70 With retail and service shop space indicatively reported at between 2,500-4,500 (combining the low range with the smaller supermarket size and vice versa), the RCG report then describes (page 20) some other activities that may be expected in the centre on either the ground floor or upper floors. I don't necessarily agree that some of the examples described are activities likely to develop in Ladies Mile (such as a cinema), or that some activities could be spread over ground and upper floors (such as a childcare centre)¹⁹.
- 71 The RCG report then concludes that "*These uses (including all the retail) suggest a total land requirement of say 1.2-2 hectares, for commercial-focused development with some above-ground activity. Any civic or community uses, public space etc could add to this*" (page 20). There is no explanation of site coverage assumptions or floor area ratios that have been considered by RCG. Even when I apply my own site coverage parameters to RCG's specified retail/service floorspace and include the ground floor activity land areas specified, I cannot reach the recommended site size. It is possible, that RCG has factored in that their analysis of demand was on the conservative side.
- 72 The notified TPLM Variation provides for approximately 2.13ha of land in the Commercial Precinct, so above RCG's recommendation in any case. I consider the GFA yield of this defined area further below, and its appropriateness.

Impact of the proposed centre on employment travel patterns

- 73 The RCG report provides some commentary and data on employment potentially sustained in the proposed centre (and any schools) and quantifies this relative to the potential future population of Ladies Mile. It also confirms that the majority of residents in the primary trade catchment commuted to workplaces west of Shotover Bridge at the time of the 2018 Census. With limited customer facing commercial businesses in Lake Hayes Estate and Shotover Country, the majority of

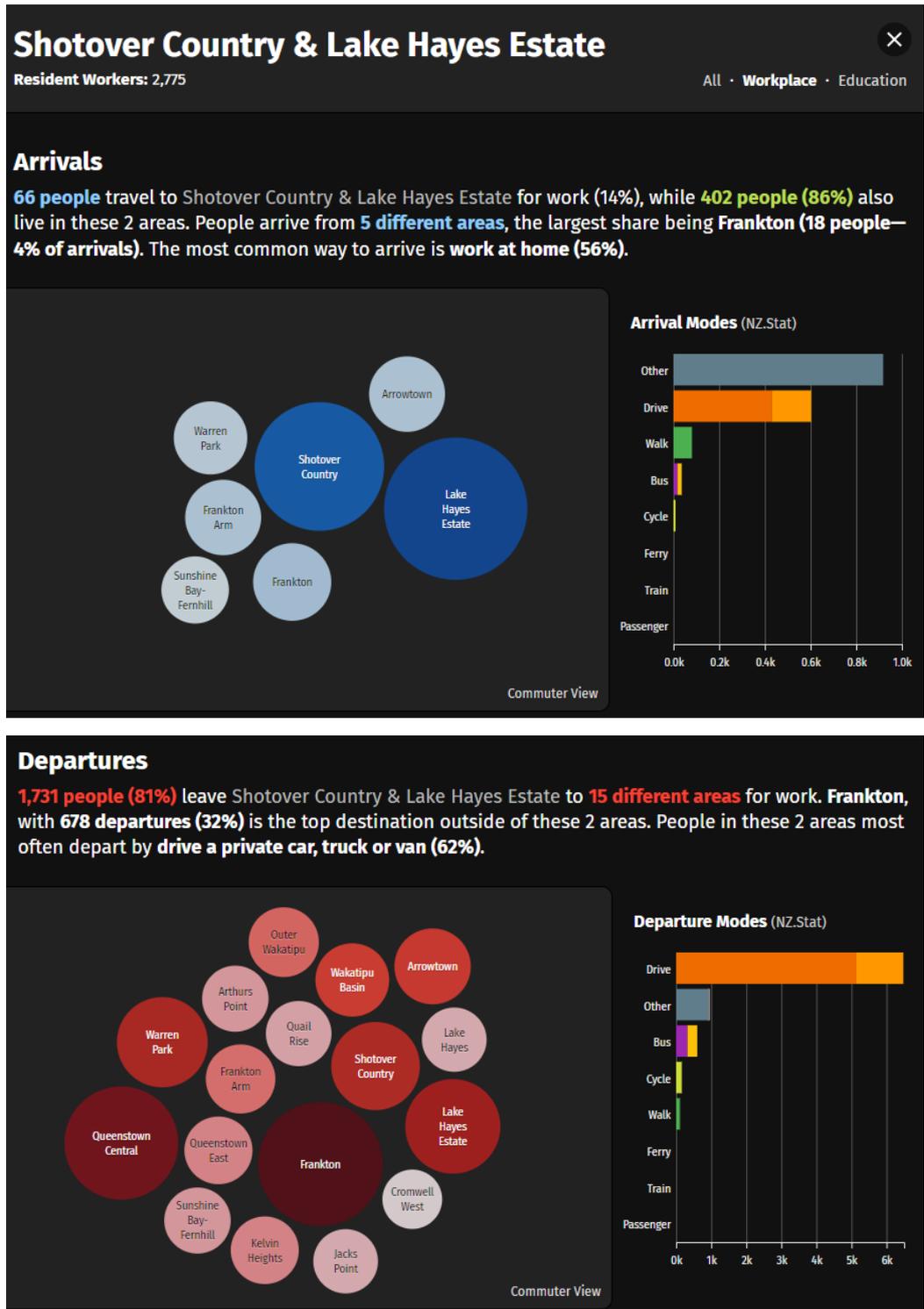
¹⁹ While in New Zealand's largest cities there are examples of childcare centres above ground floor, such an offering in Queenstown would be unlikely to attract enrollments when competing against centres that have large outdoor play areas and offer the safety of a ground-floor format.

employment linked to businesses registered to these two suburbs, are likely to be home based businesses or sole traders (like trades people). Even with the proposed centre, RCG conclude that residents within the trade catchment areas will still need (and want) to carry out some of their shopping west of Shotover Bridge, and most will work west of the Bridge too. I agree with RCG's findings in this regard.

- 74 The Kawarau Park centre, which includes the Southern Cross Hospital, will have substantially increased local employment opportunities in the trade catchment area, but these opportunities will not necessarily have been taken up by local residents. The same applies to employment created in the Ladies Mile Commercial Precinct. While it will create opportunities for people to live near to their work (or vice versa), this is not guaranteed.
- 75 Evidence that employment opportunities are not wholly taken up by those living close to those businesses can be found in the Census 2018 Travel to Work data. The top infographic in **Figure 2** shows that while a relatively large share of primary catchment residents work from home, 66 of all people working in the primary catchment in 2018 arrived from outside the primary trade catchment, with most of those from west of the Shotover Bridge (i.e. also outside the secondary trade catchment). The bottom infographic shows that 1,731 residents of the primary catchment leave the catchment for work (although this includes some that 'leave' Shotover Country to work in Lake Hayes Estate and vice versa). A total of 678 residents in the primary catchment (i.e., out of a work force of

2,775 residents) work in Frankton, with the next largest count going to Queenstown Central, and then Warren Park (i.e., Gorge Road).

Figure 2 – Journey to Work Data 2018 – Primary Trade Catchment (StatsNZ)



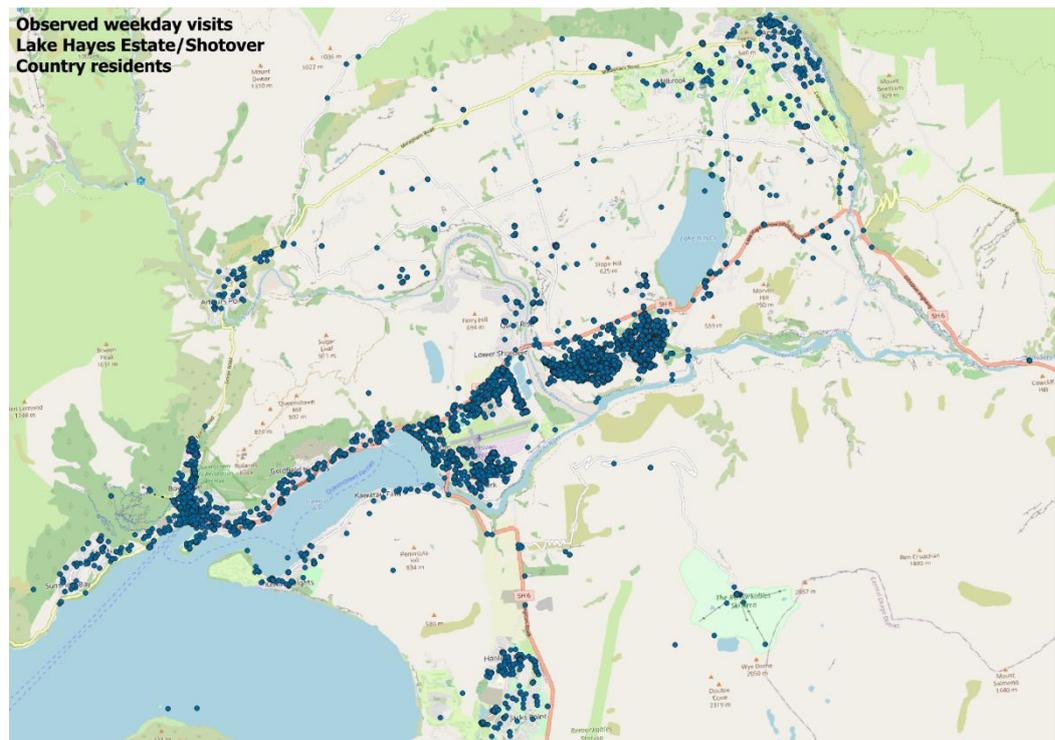
76 **Appendix 1** shows the same trends for Arrowtown (with people from outside of Arrowtown taking up jobs in Arrowtown’s employment areas), and further detail on the origin of workers arriving in Frankton.

- 77 While the impact of the Kawarau Park commercial centre is not captured in the 2018 data for the primary catchment, the same trends are expected, with some jobs occupied by local residents and some filled by residents further afield. Future businesses seeking employees in the Ladies Mile Commercial Precinct will not limit their advertising to local residents. They will accept the right people for the job. They will not care where those job applicants are living.
- 78 I provide some additional data to help understand travel movements of residents in the primary trade catchment below. This data is from a sample of cell phones owned by residents in Lakes Hayes Estate and Shotover Country and tracks the movements of those phones over the 12 months ending in July 2021.²⁰ We have analysed that data to identify places that were visited²¹ by those phone owners (and distilled out the movement between those destinations visited). We can tag those visits to known commercial locations (centres and employment areas), but other visits to people's houses and other facilities are still in the mapped data. We can also tag those visits (arrival time) to hourly increments and day of the week. I have not calculated the duration of visits in any particular destination for this evidence, so I do not distinguish between short visits and long visits (the latter likely to reflect a place of work).
- 79 The raw visit data, but limited to visits occurring on weekdays during the 12 month period, is shown in **Figure 3**. These dots represent visits by phone owners that live within the primary trade catchment only. Obviously, a lot of the visits are clustered within the primary catchment (and will include time at home), but it shows that across all weekdays in that year, residents are travelling to a range of other destinations, most of which are west of the Shotover Bridge. Lesser concentrations of visits are occurring in Arrowtown, and a small number are occurring in Arthurs Point (which may be accessed without going over the Shotover Bridge).

²⁰ This time period was selected to avoid the main lock down periods for domestic residents in most of the country. The sample size of phones captured in that period in the Lakes Hayes Estate and Shotover Country catchment is 462 unique devices.

²¹ A visit is defined by the phone staying in a particular location for a sustained period of time, as opposed to being in transit.

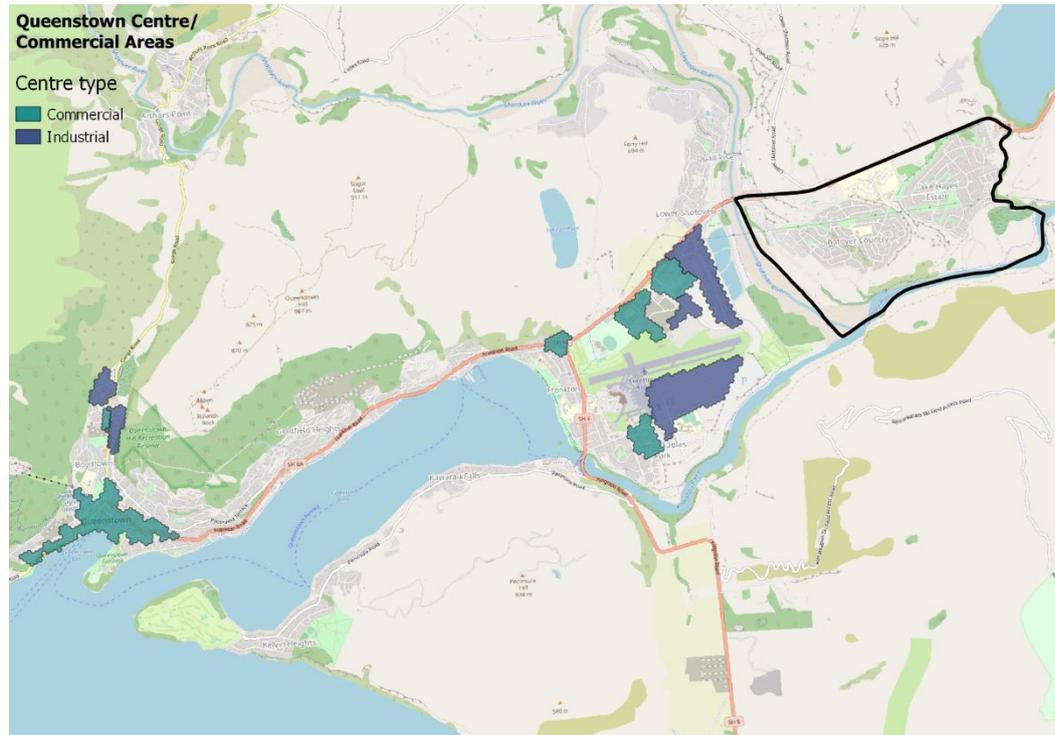
Figure 3 – Sample of Primary Catchment Resident Visits on Weekdays in 2021



80 To help make more sense of these visitation/travel patterns, I have spatially defined key centres/employment areas west of the Shotover Bridge (but excluding Arthurs Point). These are shown in **Figure 4**. For the avoidance of doubt, Wakatipu High School is not a destination included in the visit data analysed.²² Given the time period of the data, the impact of the new Kawarau Park centre on visitation patterns is also not captured.

²² However, this does not rule out visits to the defined centres/employment areas being coordinated with trips to/from Wakatipu High School.

Figure 4 – Approximate Boundaries of Key Centre/Employment Areas West of Shotover Bridge (and Showing the Origin Catchment of Sample Cell Phone Owners)



- 81 Combining 2021 visits by primary catchment residents that occurred in any of these defined centres/employment areas shown in Figure 4²³, **Figure 5** provides a breakdown of day of visit and **Figure 6** provides a breakdown of hour of visit (arrival time only)²⁴.

²³ Sample size of unique primary catchment phones that visited the defined centres/employment nodes at least once in the 12 month period on a weekday is 228 devices. These phones made a total of 7,942 visits in those centres/employment nodes, spread across the 12 month period. Visits should not be confused with trips, as it is possible to visit multiple destinations within one trip.

²⁴ The green bars related to weekend days, while the blue bars relate to weekdays. The labels are for the 60 minutes beginning on the hour (i.e., 9am is the period 9:00-9:59am).

Figure 5 - Summary of Primary Catchment Resident Visits (Sample) in Defined Centres/Employment Areas by Day of Week, 2021

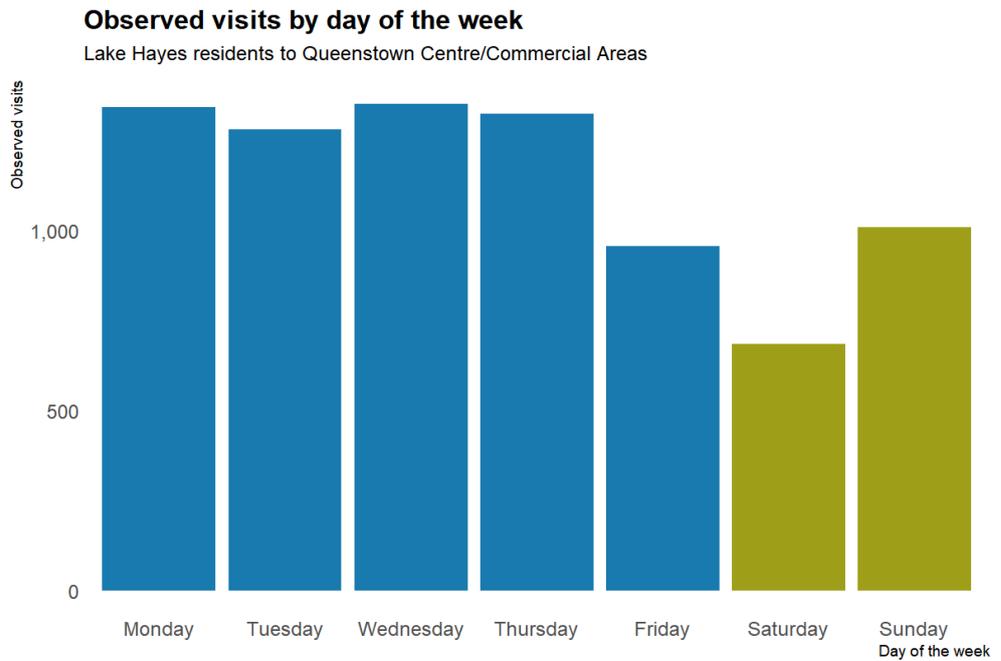
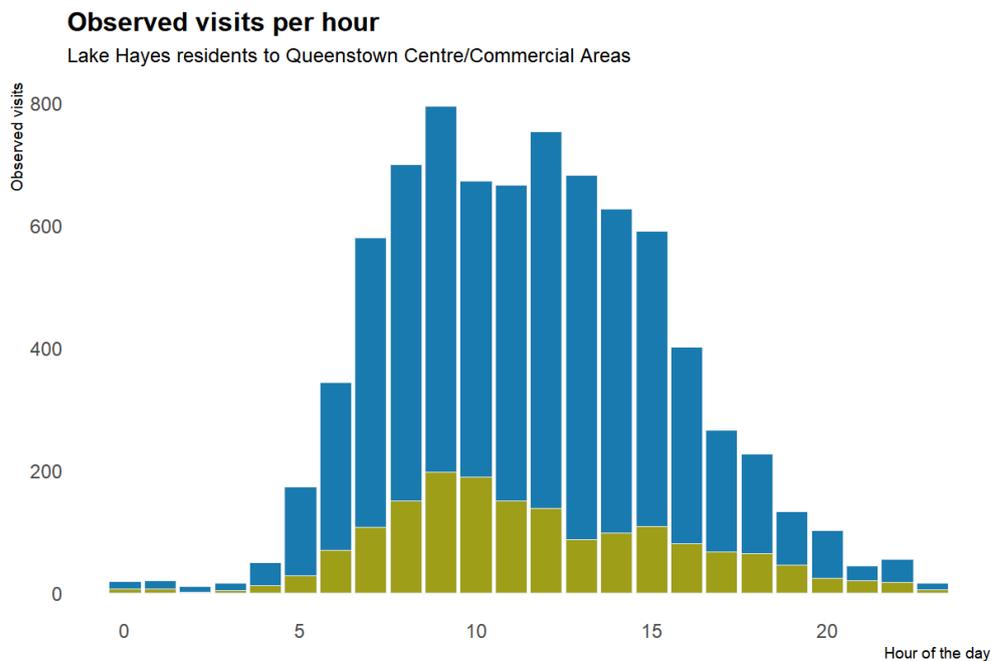


Figure 6 - Summary of Primary Catchment Resident Visits (Sample) in Defined Centres/Employment Areas by Hour of Day, 2021



82 The data shows that primary catchment residents carry out a similar number of visits to key centre/employment areas west of Shotover

Bridge Monday-Thursday but make fewer visits to those locations on Fridays.

- 83 Most of the visits by primary catchment residents to centres/employment areas west of Shotover Bridge begin at 8am or 9am. There is a surge in new visits to these key destinations around lunch time (showing primary catchment workers already in these locations changing destination to purchase lunch or shop in their lunch break and potentially some additional primary catchment phone owners travelling to these centres for lunch (or lunch time shopping) on weekdays).
- 84 Visits to new destinations within the defined areas by primary catchment phone owners remain high till 3-4pm and then visits decrease. Visits during the 3-4pm period are likely to be tied to school pick-ups (either prior to or after pick-up), although I have not sought to verify this using the route-level data. The data signals a similar number of visits within the key centres/employment areas between the hours of 5-7pm. These are likely to be shopping visits tied to the trip home from work (i.e. for those that work through to 5pm or thereabouts), or visits to gyms or similar activities after work. There are relatively few new visits by primary catchment residents to destinations within the defined areas after 7pm.
- 85 A cross tabulation of primary catchment resident visits to centres/employment areas west of Shotover Bridge by day and hour is included for completeness in **Appendix 2**. The same data is also provided for overnight visitors staying in the primary catchment. Although the sample is much smaller²⁵ (and therefore less reliable), it shows that visitor travel patterns to those key centres/employment areas have a different temporal pattern (and largely avoid peak travel periods).
- 86 This cell phone GPS data, combined with 2018 Journey to Work data, serves to highlight and support conclusions reached in the RCG report that the proposed Commercial Precinct in the TPLM Variation is likely to have limited effect on where residents in the primary and secondary catchment work and therefore commute. It is expected that future residents of Ladies Mile will have work travel patterns that are similar to those currently living in Lake Hayes and Shotover Country. This is because the TPLM Variation is expected to sustain more resident

²⁵ Sample size is 100 unique devices that make a total of 313 weekday visits within the defined centres/employment areas in the year ending July 2021.

workers than it creates new jobs. Even if all of those new jobs are taken up by local residents (which is highly unlikely based on available evidence), there would still be a net flow of workers needing to travel to the major employment areas west of Shotover Bridge.

- 87 Specifically, while a portion of future 'local' residents are likely to work from home, and a small number (relative to the total workforce) may take up new jobs available in the Commercial Precinct (or in existing businesses including those in Kawarau Park), and a small number of existing 'local' residents might change from a job that required them to cross the Shotover Bridge to a job offered in the new centre, by in large the majority of the net additional work force enabled by the TPLM Masterplan is expected to be employed elsewhere.
- 88 Finally, shopping during work hours (i.e., during lunch breaks) and in close proximity to workplaces at the end of the work day before travelling home, or on the route home from work, are all common and well recognised shopping behaviours. However, it is also common for residents to prefer to do supermarket shopping at the store closest to their home (as this helps keep products chilled and frozen).
- 89 As such, I consider that:
- (a) For those living and working in the primary and secondary trade catchments in future, the proposed Commercial Precinct will be convenient for day to day shopping needs, and it will reduce day to day shopping trips west of the Shotover Bridge once established.
 - (b) Most primary and secondary catchment residents working west of the Shotover Bridge that shop in conjunction with a work trip home may be expected to switch to comparable new stores in the proposed Commercial Precinct once established.
 - (c) Some catchment residents working west of the Shotover Bridge will continue to shop in Frankton (or other centres) for day to day shopping needs prior to crossing the bridge even with the Commercial Precinct established. This recognises that not all shopping behaviours (including preferences) are influenced by new patterns of supply or based on efficiency.
 - (d) Irrespective of where trade catchment residents work (if at all), residents will continue to shop in higher order centres west of the

Shotover Bridge from time to time to meet specific shopping needs not catered for in the proposed Commercial Precinct.

- 90 In summary, the proposed Commercial Precinct is expected to be commercially viable and will substantially increase the functional and social amenity of trade catchment residents, workers and visitors. It is expected to have a positive effect on reducing day to day shopping trips that would otherwise have occurred west of the Shotover Bridge.
- 91 It will also provide a number of new job opportunities across a mix of retail and non-retail businesses. However, those jobs are likely to be taken up by a mix of local and non-local residents. As concluded by RCG, I consider that the additional workforce sustained in the primary catchment as a result of the housing capacity enabled in Ladies Mile will exceed local jobs available in the new centre and wider catchment, resulting in a net increase of workers travelling west of the Shotover Bridge in the future. I understand the evidence of Colin Shields will address the predicted mode share (e.g. private car, or alternative mode share (including public transport, walking and cycling etc)) future Ladies Mile residents (and also Shotover Country and Lake Hayes Estate residents) may be using.

The Proposed Commercial Precinct Provisions (as Notified)

- 92 This section considers the appropriateness of the TPLM Variation provisions as notified, and includes any recommended changes based on my review of the RCG report and my own assessment.

Zone purpose and objectives

- 93 The inclusion of the Commercial Precinct in the Te Pūtahi Ladies Mile Zone is stated as having a key role in achieving the overall objectives of an integrated urban environment²⁶ in the Eastern Corridor, that is well-functioning and a self-sustaining urban community²⁷, not limited to the structure plan area, but including the existing adjoining urban zoned land, (and nearby rural community).

²⁶ Objective 49.2.1.

²⁷ Objective 49.2.2.

- 94 For reasons discussed above and with respect to employment, retail and personal/household service needs, I consider that the Commercial Precinct substantially helps to achieve these objectives relative to the status quo but will not result in a self-sustaining or fully self-sufficient community. There will always be inter-dependencies between parts of the urban environment, and the Eastern Corridor will be no different than other fringe suburbs in that regard, particularly because the Commercial Precinct is not designed to be a significant employment and commercial area (which is appropriate in the context of Wakatipu's urban economy and District Plan strategic objectives).
- 95 The Commercial Precinct is also stated as providing "*a focal point for commercial activities and amenities to serve the resident community while not undermining the role of the commercial areas of Frankton or the Queenstown Town Centre*".²⁸
- 96 I note that the RCG report did not specifically address distributional effects of the proposed Ladies Mile centre on the existing centre network, but certainly implied that the centre would only capture a portion of total resident, worker and visitor demand generated in the primary and secondary trade catchment. I consider that the notified provisions for the Commercial Precinct, including any recommended changes (discussed below) and the area that has been identified for the Precinct will be effective in avoiding adverse distributional effects on existing centres.
- 97 This is because the provisions ensure that activity in the centre is small scale, with only a supermarket anchor. It will therefore not compete with LFR in existing centres or attract medium-large scale office-based businesses away from the CBD and larger Frankton centres. Further, it would be unlikely to draw substantial visitors wanting to stay in hotels, motels or backpackers away from the CBD or Frankton meaning that the majority of tourist spending patterns will be unaltered.
- 98 A portion of the commercial floorspace in the Commercial Precinct will be sustained by new growth (meaning it does not draw existing spend away from other centres), and while it is expected to draw some day to day shopping spend by existing residents away from other centres (particularly those in Frankton), a portion of spend by those residents will

²⁸ Notified Provisions, Zone Purpose, section 49.1.

continue to flow to those higher order centres, including in conjunction with work (and other) based trips as discussed above. Further, a portion of new resident spending will flow to those higher order centres, helping to offset any lost sales.

- 99 Last, the Frankton centres and CBD serve a ward-wide (and in some cases district-wide) catchment which is also experiencing growth, meaning that any distributional effects will be negligible, and very short-term. In my view, the very minor scale, significance and risk of any distributional effects arising from the proposed centre does not warrant any detailed or quantified modelling. The role and location of the proposed centre will complement rather than compete with the existing centre hierarchy.
- 100 Objective 49.2.3 states “*The Commercial Precinct is compact, convenient and accessible for meeting the needs of local residents*”. I believe it would be more appropriate (and accurate) for this objective to state “meeting the day to day needs” of local residents as the provisions do not enable all centre-based needs to be met in the Commercial Precinct as discussed throughout this evidence. The same amendment is recommended for Policy 49.2.3.2 and Policy 4.2.2.21(a) (Urban Development).²⁹ Amending these objectives and policies would be consistent with the approach already taken in Policy 49.2.6.1(b) which specifies day to day needs.

Proposed Policies and Rules for the Commercial Precinct

- 101 I support the significant majority of provisions as notified for the Commercial Precinct, but there are three provisions that I offer commentary on.

The anchor supermarket

- 102 I have discussed above the advice that was previously given by RCG on providing for a supermarket that was 1,000-2,000sqm in size. Policy 49.2.3.1 specifically states a “*medium-sized*” supermarket is provided for and in the rules, one LFR (grocery) store is a permitted activity. In turn, standard 49.5.38.2 states that the maximum retail floor area shall be 2,000sqm (consistent with the RCG advice). Based on my evidence, I consider that a larger supermarket is required to serve the primary and

²⁹ And any other instances I have not picked up.

secondary trade catchments over the long-term future. It is my advice to increase the maximum retail floorspace of that anchor store to 4,000sqm GFA as a permitted activity standard, with anything larger requiring a consent. Consequent to that amendment, adjust Policy 49.2.3.1 to remove reference to the size of the supermarket so that this is less prescriptive.

- 103 Rule 49.4.18(f) states that a matter of discretion for buildings for non-residential activities in the Commercial Precinct is “*the opportunity to establish an anchor building on the corner with State Highway 6*”. Standard 49.5.38.3 states that the supermarket anchor “*shall not front the State Highway*” so I take from this that the “anchor building” is not the “anchor store”.
- 104 While I appreciate that these rules have likely been guided by urban design considerations, I consider that the viability of the supermarket will be strengthened if it can locate where it is visible from the State Highway. This aligns with my experience working with the supermarket sector, whereby operators seek sites that are high profile and with clear site lines for passing traffic.
- 105 Further, because supermarkets in regional cities such as Queenstown tend to be standalone buildings³⁰, it is unlikely to be developed with any additional activities above it. The supermarket will therefore be unlikely to realise development on its site that reaches the maximum building height. The opportunity cost for not having that upper floor development is significantly less if the supermarket is able to locate in the sites fronting the State Highway (where the maximum height of 3 storeys and the opportunity cost is just two storeys) than if the supermarket was required to purchase a site elsewhere in the Precinct where the maximum height is 6 storeys (and the opportunity cost is 5 storeys of additional development).
- 106 As such, it is economically more efficient to locate the anchor supermarket in the lower building height area of the Precinct. Given that attracting a supermarket is critical to the success of the whole centre, I consider that the rules and standards should be amended (where

³⁰ Generally single storey (but with high ceiling height) and some ancillary office space that may sit on a mezzanine. There are limited examples of supermarkets in mixed use buildings, either as part of malls or high end development such as for Countdown Ponsonby.

practical) to help provide the opportunity for the supermarket to be within the 3 storey portion of the Precinct and potentially close to the boundary with the State Highway.

- 107 Last, there may have been an oversight in the drafting of Rule 49.5.38 (Retail Activity). While in other rules and standards floor area is specified as “gross floor area”, in the Retail Activity rule, the wording is “retail floor area”. Given that there is a distinction between GFA and “net retail trade area”, the rule as currently drafted is ambiguous and inconsistent with the approach used elsewhere in the Variation (and the PDP, which also uses GFA in its rules). The Rule should be amended to refer to “gross floor area” in all instances.

Service stations

- 108 Policy 49.2.3.2 states that service stations should be avoided, but it does not state why.³¹ Rule 49.4.38 applies a prohibited activity status to service stations. I am not sure of the genesis of this position in the TPLM Variation, but I do consider that service stations satisfy an important part of the day to day needs of residents, businesses and visitors. I understand there is a small self-service station in Arrowtown, but otherwise, anyone in the primary and secondary trade catchment needing fuel (or a gas bottle for example) is required to cross the Shotover Bridge to use the larger service stations there (i.e., the self-service petrol station in the Pak’n Save carpark, NPD service station on the corner of Hawthorne Drive, or the two full-service petrol stations at Frankton Corner. There are also petrol stations further west along Frankton Road).
- 109 While evidence indicates that many of the workforce living in the primary (and secondary) trade catchment work west of the Shotover Bridge where service stations can be visited, this does not apply to all residents/households. A proposed Zone that is trying to improve self-sufficiency in the Eastern Corridor, may wish to consider providing a consenting pathway for a service station. Even though private vehicle ownership may be discouraged in Ladies Mile (via Policy 49.2.6.3), residents elsewhere in the primary and secondary trade catchments

³¹ The rest of that policy talks about other business that should be avoided where they would undermine the function and role of other centres and commercial areas, but my interpretation was that rationale was not also applied to service stations.

have not been discouraged and I anticipate that car ownership rates are high given the above average socio-economic status of catchment households.

- 110 The Commercial Precinct is strategically located for a Service Station in my view, and it would be the first or last opportunity to re-fuel when entering or leaving Queenstown from State Highway 6. I consider a service station could be a functional addition to the Commercial Precinct and one should not be prohibited. An approach consistent with other zones in the PDP could be considered.
- 111 I acknowledge that this additional activity (if provided for) would occupy site area that would displace other activity in the Precinct, so a minor increase in Precinct area could be justified to offset this. Last, service stations are typically standalone, single storey sites and as such, a site occupied by a service station would be of a low intensity relative to plan enabled building heights in the Precinct.

Protecting ground floor capacity for non-residential activity.

- 112 In the Commercial Precinct, residential activity above ground floor is a permitted activity, and standard 49.5.43.1 states that breaching that rule requires a restricted discretionary consent, with matters of restriction limited to (a) the maintenance of an active street frontage, and (b) effects on residential amenity.
- 113 I consider that these standards may not be sufficiently strong to protect the ground floor GFA in the Commercial Precinct for retail and commercial activities. Loss of retail and commercial capacity is not a matter of discretion. Once ground floor capacity in the Commercial Precinct is gone, it is unlikely that the Commercial Precinct could be expanded in the future if development has taken place around it. This may either push more commercial activity into the residential zones (dispersing retail and commercial activity within the Zone) and/or mean that the centre offers reduced functional and social amenity to the community (with negative consequences for shopping travel patterns).
- 114 I would recommend a non-complying activity status for residential activity on the ground floor in the Commercial Precinct, or at least inclusions of additional matters of discretion relating to effects on ground

floor capacity for retail and commercial activity and effects on the functional amenity³² and vitality of the Commercial Precinct.

Precinct Size and Standards – potential non-residential GFA yield

- 115 My understanding is that the RCG report helped inform the planning provisions developed for the Commercial Precinct rather than evaluate the provisions that were decided/notified (as I am able to do). As such, they did not quantify the potential GFA enabled by the Commercial Precinct provisions and precinct area.³³
- 116 I have carried out a high-level analysis, using an approach consistent with approaches I have applied for other developments in the district and throughout New Zealand, including the Business Development Capacity Assessment (**BDCA**) 2017 and 2020 for QLDC, to estimate the potential and likely non-residential GFA capacity of the Commercial Precinct.
- 117 Key inputs and assumptions for my calculations are as follows:
- (a) The total area of the Commercial Precinct in the Ladies Mile Structure Plan is 2.13ha (taken from the Master Plan report).
 - (b) I have estimated that 'Max 6 Storeys' portion of the Precinct covers approximately 59% of the total area, and the 'Max 13m' sub-area covers the remaining 41%. This indicates 12,572sqm and 8,737sqm of land area respectively.
 - (c) Given the narrow shape of the Precinct, I have assumed that no further roads would intersect the Precinct, and therefore treat the area as net developable area.³⁴
 - (d) I have assumed that the plan enabled maximum building height in each sub-area is 6 storeys and 3 storeys respectively.
 - (e) While there is no site coverage rule for the Commercial Precinct (other than a 20% landscape/impermeable surface rule), I have assumed 50% site coverage in the 6 storey sub area and 40% site

³² Which relates to the range and depth of offer to meet demand.

³³ I am not sure if this was covered in a different Master Plan report, but I was asked if the non-residential GFA of the Precinct could be quantified as part of my evidence to assist traffic modelling, so I presume not.

³⁴ This outcome may depend on what activity is east of the Commercial Precinct and whether it would be logical to connect a road directly through to that land. The conclusions are sensitive to this assumption.

coverage in the 3 storey sub-area. The reason for the lower site coverage closer to the Highway is to account for the key crossing overlay, as well as the potential for a supermarket to locate in this area (as per my evidence above). Supermarkets (and LFR generally) are typically developed at lower site coverages than SFR and is often modelled at 30-40% site coverage.

- (f) This provides ground floor GFA (treated as 100% non-residential) of 6,286sqm in the 6 storey sub-area and 3,495sqm in the 3 storey sub-area.³⁵ Total ground floor GFA of 9,781sqm.
- (g) I have considered two scenarios for how much above ground floor GFA could be taken up by non-residential activity. Both are conservative but consistent with approaches I have applied across the centre network for QLDC in the BDCA assessments and the more recent Intensification Variation. Based on the scale of the Precinct, the proposed role and provisions of the centre, and the location of the centre relative to other urban business zones, I consider that non-residential activity may be sustained on the first floor only.³⁶ In other words, there would be sufficient demand to support some personal and household service activities, and some small-scale office and commercial activities on the first floor, but multi-storey office buildings would be less likely. If the buildings were to develop to their plan enabled maximums, then I estimate that any floors developed above the first floor, would be taken up by residential apartments.
- (h) In a scenario where there is a first floor developed across all buildings in the Precinct, this is an additional 9,781sqm GFA of retail/commercial floorspace capacity. In a more conservative scenario that recognises that the supermarket anchor is unlikely to develop in a mixed use building, I do not include a first floor in the 3 storey sub-area, and the first floor capacity is limited to 6,286sqm GFA just in the 6 storey sub-area.

³⁵ My calculations could therefore support a supermarket of approximately 3,585sqm GFA, which would align with my recommended maximum GFA of 4,000sqm for the supermarket anchor.

³⁶ This is an average assumption across the Precinct so does not preclude some buildings having non-residential on the ground floor only and then residential above, and other buildings, have non-residential on the ground floor and two further floors (for example). This can still average out to the capacity of a single above-ground floor.

- (i) Combined, I estimate total non-residential GFA capacity in the Commercial Precinct of between **16,100sqm and 19,600sqm** GFA (rounded). As retail activity has a strong preference for the ground floor, the maximum ground floor capacity for retail would be 9,800sqm GFA (rounded) or 50-61% of the total capacity. It is however likely that the ground floor will be a mix of retail and other personal and household services as well as potential community and childcare activities.
- 118 My calculations of total enabled and likely non-residential GFA in the Commercial Precinct are far greater than the floorspace demand estimated for the centre in the RCG report (i.e., 2,500-4,500sqm of retail, service and office activity, plus some additional activities on the ground and/or upper floors). For reasons set out in this statement, I considered those RCG estimates substantially too conservative for a range of compounding reasons.
- 119 Having assessed both the RCG report and my own retail demand models which indicate a greater level of non-residential capacity can be sustained in Ladies Mile in the future, I consider that the non-residential GFA capacity enabled in the Commercial Precinct (as notified) is appropriate for the level of projected long-term demand - so long as that ground floor capacity in particular is appropriately protected from residential development and the centre overall is developed as intensively as practical.
- 120 On that basis, I support the land area provided for the Commercial Precinct as being sufficient to provide for the day to day needs of the catchment community. I discuss the economic costs and benefits of further extending the Commercial Precinct (contiguously or in discrete locations) in response to submission points further below.

Response to Submissions on the Proposed Town Centre and Provisions

- 121 I have reviewed the submissions that comment on matters relevant to my evidence. I respond to the key matters raised below.

Submitter 21 – Nicole Fairweather

- 122 This submission seeks to limit the commercial zone, stating that another shopping hub is not needed.

- 123 I consider that the primary and secondary catchment are currently under-served by retail, commercial service and community facilities, meaning substantial reliance on centres and facilities west of Shotover Bridge for many day to day needs. This does not represent an efficient urban form currently and this will be exacerbated by further growth in the primary and secondary catchment, not limited to the further capacity proposed in Ladies Mile.
- 124 There is sufficient demand to support additional commercial floorspace in the trade catchments presently, and the proposed Commercial Precinct is appropriately located and scaled to ensure that long-term demand for day to day shopping and other household needs in the trade catchment areas can be met.
- 125 I do not support the relief sought by this submission with respect to the Commercial Precinct.

Submitter 92 – Stephen Brent and Sheena Haywood

- 126 This submitter opposes the proposed Ladies Mile Zone and states that developers won't provide enough communal facilities. While this submission may be referring to communal facilities such as parks and reserves in the residential development areas of the Structure Plan, to the extent the submission may also be referring to the provision of communal/community facilities within the Commercial Precinct, I would respond by saying that while Council does not have control of the ultimate future development and mix of private-sector activities developed in the centre, the provisions are appropriately enabling of those community activities (as permitted activities).
- 127 I am not sure of the number of individual landowners in the Commercial Precinct currently, but this is something that can often change. Single ownership can offer the benefit of an integrated and coordinated development but is not critical to success. In my experience, good commercial centre developers will seek to provide a functional mix of activities as this increases the overall viability and vitality of the centre (and minimises commercial risk by providing a centre with a diverse role). This improves their ability to attract tenants and lease or sell space. The submitter's concern (on this matter) is not sufficient reason to not plan and provide for a new centre in the Zone.

Submitter 47 – Rob Burnell

- 128 Mr Burnell submits that “*we won’t see any large-scale supermarkets on this side of the river but possibly a small, over-priced convenience store. All major shopping will require crossing the Shotover Bridge to the shopping hub*”.
- 129 I agree with Mr Burnell on his first point. Based on my modelling of long-term supermarket demand in the primary and secondary trade catchment, I consider that a large-scale (full size) supermarket is commercially viable, and that there is potential for this to be established in the short-medium term (without any material distributional effect concerns for existing centres). The Commercial Precinct is also strategically located to attract a supermarket operator, particularly if provision is made to enable a supermarket to develop on a site visible from the State Highway.
- 130 As stated in my evidence, the current notified provisions limit the supermarket anchor to 2,000sqm and this is likely to undersupply the future catchment and undermine any potential to substantially change supermarket shopping patterns. They will also limit the brand of supermarket that may consider the site (i.e., to a FreshChoice or SuperValue which are the small-scale supermarket operators). Amending the GFA cap for the supermarket anchor to 4,000sqm as a permitted activity would broaden the scope of potential supermarket operators that may consider Ladies Mile (and do their own due diligence on market potential).
- 131 With respect to Mr Burnell’s second point, as set out in my evidence, higher order shopping needs (such as appliance and furniture shopping, department store shopping, hardware shopping, and core comparison retail shopping such as clothing and footwear) will continue to be directed at the large centres in Frankton and the CBD. This probably aligns with Mr Burnell’s “*major shopping*” description, and he is correct on that matter. The proposed provisions for the Commercial Precinct are not designed to change those major shopping patterns and I consider that appropriate.
- 132 However, the proposed Commercial Centre does provide potential to meet the day to day shopping needs of the primary and secondary catchment areas (including, but not limited to, food, grocery, liquor,

some café/restaurant, takeaway, pharmacy, florist, book/stationery shopping, plus personal and household services and community services) to be accessed more conveniently by catchment residents, visitors and businesses. This will deliver a range of economic and social benefits.

Submitter 49 – Nicky Busst

- 133 This submission seeks that community facilities in the Ladies Mile Zone such as “*the school, shops etc*” be fast-tracked so that people do not need to travel across Shotover River.
- 134 It is my understanding that the only regulatory constraint on the timing of development in the Commercial Precinct (which is sub-area D) is the staging set out in Standard 49.5.50 which requires that the Howards Drive intersection, bus stops on State Highway 6 west of Howards Drive, and the key crossing on State Highway 6 are complete. Other experts for Council have covered the logistics of delivering this infrastructure.³⁷ Once that infrastructure is complete, it will then be up to the market to determine when the land in the Commercial Precinct is delivered (and at what rate).
- 135 While there would be benefits to realising the centre sooner rather than later (in terms of enhancing the social and economic wellbeing of current catchment residents), it would be unreasonable and inefficient to regulate that in some way (i.e. by requiring that the centre was developed before any residential development occurs). Viability of establishing in the centre is a decision that needs to be made by each landowner and business. Even providing economic (i.e., development) incentives to the landowners in the Commercial Precinct may make little difference to when future tenants arrive.
- 136 *Submitter # 57 (Celine Austin)* has similarly pointed out that there is no guarantee that the commercial area will be built first and that commercially viability will be the driving factor on timing. I agree with this submission that Council has no control on when the Commercial Precinct is delivered relative to other precincts/components of the Structure Plan (other than through setting infrastructure pre-requisites). This is not an unusual situation for zoning in greenfield areas. The key

³⁷ Other experts have addressed the timing of the school(s).

purpose of the Variation is to set out the strategic outcomes of the Zone once fully developed, not to control when development will be realised.

Submitter 76 – Maree Wheeler and Submitter 119 – Jane Hamilton

- 137 These submitters also make a similar point that “*QLDC have very limited control over whether developers will actually put in place marketed promises*”. While the TPLM Variation first needs to be approved before any landowners or developers can start planning for development (which may or may not be ‘promised’ in advance to the community), the submitter is correct that the timing of the Commercial Precinct is uncertain and ultimately left to the market to decide, as discussed above.
- 138 The submitters go on to cite examples of it taking 10 years from when residential development first started in Lake Hayes Estate for one commercial business (café/restaurant) to open and other local commercial areas (including in Shotover Country) being rezoned for residential because they were not commercially viable or simply not being realised.
- 139 It is important to point out that these experiences elsewhere in the Primary Catchment are not necessarily an indication of what is likely to happen in the Te Pūtahi Ladies Mile Zone.
- (a) In the **Shotover Country Special Zone** (Operative District Plan), the policies talk of establishing a mix of residential, education, and small-scale commercial activities, and recreational and community activities to provide an environment appealing to a range of people³⁸ and providing for limited areas of small-scale neighbourhood retail in Activity Area 2.³⁹ Small scale retail activity no more than 200sqm GFA was a controlled activity. While site coverage provisions and building heights were unlikely to be constraining, the Structure Plan did not identify a specific location for one or more neighbourhood centres, with Activity Area 2 otherwise having a medium density notation.
- (b) I suspect that this uncertainty was a contributing factor in the absence of a small centre developing to date. The other

³⁸ Policy 2.2, Chapter 12, ODP.

³⁹ Policy 2.10, Chapter 12, ODP.

contributing factor was that no anchor retail store, such as a large grocery store (greater than 200sqm), was enabled by the provisions. This would have made a material difference to the commercial viability of establishing a new centre and the decision of complementary retail and service businesses wanting to establish and co-locate with that anchor.

- (c) There is a current consent for a small commercial area in Shotover Country that has not been given effect to. The largest tenant on the site plans is a café/restaurant. Restaurants do not always make effective anchors as they do not generate the same traffic (and cross shopping potential) as grocery stores do. I suspect that this proposed development may now have been trumped by the Kawarau Park centre which is close by, and had the benefit of a hospital and large radiology anchor (and as a result was quickly tenanted).
- (d) In **Lake Hayes Estate**, the situation was potentially worse. The Operative District Plan did not provide a defined centre to serve the residential zones. Provision of any non-residential activities within the Low Density Residential Zone relied on objectives, policies and rules that highly constrained retail sales to protect residential amenity.

140 The Te Pūtahi Ladies Mile Zone is different in that a Commercial Precinct has been specifically defined with enabling objectives, policies and rules that include provision for an anchor retailer and enable the development of community and education facilities alongside retail and other small-scale commercial activities. With the additional dwelling capacity in Ladies Mile, the financial viability of the centre is further secured. I consider that a key role of the Commercial Precinct is to provide especially for the day to day needs of the Ladies Mile, Lake Hayes Estate and Shotover Country residents in recognition that prior planning regulations did not do so effectively.

Submitter 56 – AA Southern Lakes

141 This submitter supports the proposed Zone, including the location of the development. They note that once the shopping hub is operational it will reduce movements on the State Highway and Shotover Bridge. I agree with this submitter that the shopping hub will reduce the number of

shopping trips that need to cross the Shotover Bridge. It may however have only a minor impact (in and of itself) in changing employment patterns.

Submitter 93 – Sanderson Group & Queenstown Commercial Ltd

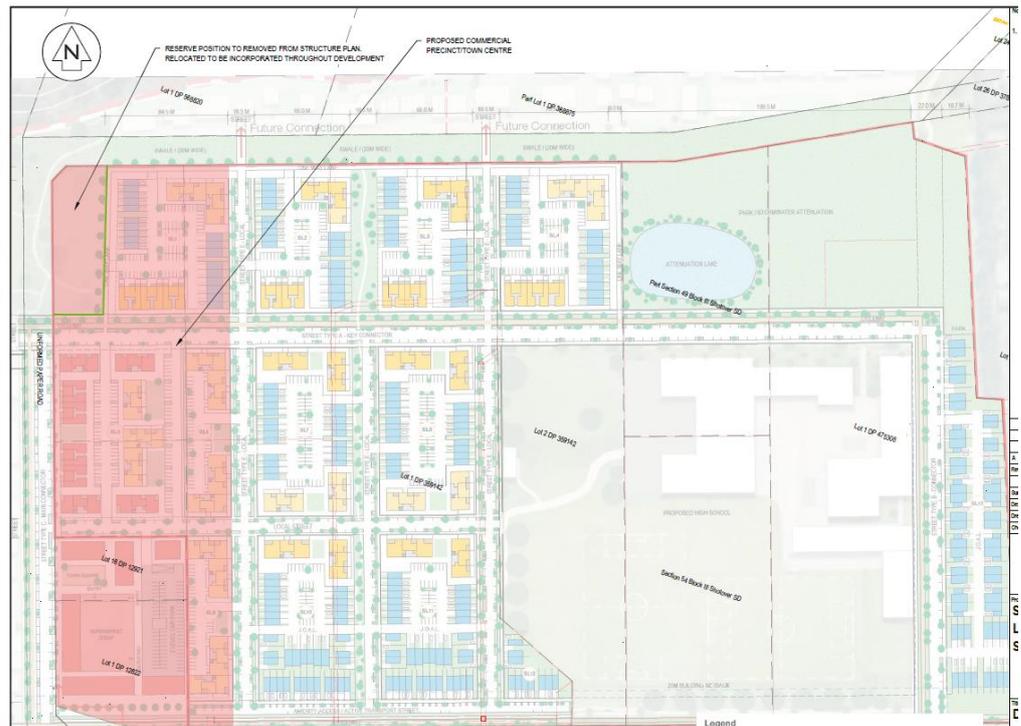
142 This submission seeks a range of relief for non-residential development in the Te Pūtahi Ladies Mile Zone. I address these in turn.

Extent of the Commercial Precinct

143 The submitter seeks that the extent of the Commercial Precinct needs to be larger – both wider and longer - to provide sufficient local employment opportunities within walking and cycling distance, and to sufficiently meet the needs of residents to reduce vehicle trips and support a “*transit oriented development*”. The proposed extent is illustrated in Appendix A of the submission and copied below in **Figure 7**. The relief extends the Commercial Precinct to the east into sub-area E and north beyond the Collector Type A road shown in the Structure Plan to replace High Density housing land, as well as land identified as Open Space. They state that “*if sufficient commercial space is not enabled, then many of the residents will still choose to get into their cars to get to work, causing additional adverse effects on the already constrained transportation network*” (paragraph 3.9).

Figure 7 – Proposed Commercial Precinct Extent – Relief Sought by Submitter

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144 As an initial comment, care is needed in determining how self-sufficient/self-contained the Eastern Corridor should be. The Eastern Corridor is, more or less, contiguous with Queenstown's rather convoluted urban environment (separated only by a river). It is a suburb (or collection of suburbs) of that wider urban economy and has a functional relationship and dependency on that wider urban economy. Hence, the TPLM Variation does not seek to include industrial and mixed business zones in addition to a commercial centre – all of which might be needed if you wanted to create a completely self-sufficient urban area that was discrete and isolated.

145 It is unrealistic to assume that the Commercial Precinct (combined with other non-residential activities enabled in the Zone like schools and community facilities) needs to provide employment for everyone in the Eastern Corridor (and wider Secondary Catchment). The job opportunities available in the Zone represent only a portion of all jobs that the local workforce is and will be employed in. It is also unlikely that everyone that works in the Zone will reside in the Eastern Corridor or secondary catchment. People considering purchasing a dwelling in the Zone (if approved) are likely to do so for a range of reasons, with an

ability to live close to a job in the Zone likely to apply to only a small portion of those future buyers.

- 146 As such, rationalising a larger Commercial Precinct (as proposed by the submitter in paragraph 3.9) on the basis that it will avoid residents' choosing to work elsewhere (i.e., west of Shotover Bridge) is flawed. Increasing the size of the Commercial Precinct will create (assuming it is commercially viable) more 'centre-based jobs' that may suit marginally more local residents for employment, but it does not address the fact that some residents will have industrial jobs, airport jobs, hospital jobs, tourism jobs, LFR jobs etc, which are largely west of the Shotover Bridge.
- 147 The relevant rationale for extending the Commercial Precinct is whether it better meets projected demand for activities enabled in the centre than the notified extent.⁴⁰ The submission does not provide a measurement of the proposed area for the Commercial Precinct or provide any evidence of demand for that amount of commercial land.
- 148 As set out in my evidence above,⁴¹ the notified Commercial Precinct has an approximate area of 2.13ha and indicatively provides likely capacity for between 16,100 and 19,600sqm GFA of retail, commercial, and other enabled non-residential activity. I have tried to approximate the submitter's proposed larger Commercial Precinct and estimate that it would have a gross area of 4.48ha and a net area (allowing for exclusion of Collector Road Type A) of 4.21ha. This is 2.08ha larger than the potentially net developable area of the notified Precinct based on my assumptions, and therefore slightly under double in size. Applying the same assumptions to calculate floorspace,⁴² I estimate that the likely non-residential GFA could be between 34,500sqm to 39,600sqm GFA. This is still a conservative estimate that assumes at most the ground and first floors are occupied by non-residential activity across the total developable area.

⁴⁰ There are separate economic considerations for changing the dimensions of the Commercial Precinct (i.e., shorter but wider or longer but narrower), but as the Submitter proposes a net increase in the size of the Commercial Precinct (that is wider and longer), demand for the additional area is the first and most critical test.

⁴¹ Refer paragraph 117.

⁴² But adjusting the share of net developable area that is in the 13m maximum height area and 6 storey height area accordingly.

- 149 On the basis that my previous high-level analysis of future floorspace demand likely to be sustained in the proposed centre was considered similar to the capacity of the notified Commercial Precinct area, then doubling that capacity (as proposed by Submitter 93), would need either:
- (a) double the number of residents, workers and tourist in the primary and secondary catchment with the same market shares applied to sustain that much non-residential floorspace capacity, or
 - (b) double the market share of total available demand applied to the same projected future residents, workers and tourists in the primary and secondary catchment.
- 150 Neither are reasonably expected outcomes. The other alternative that would allow the full extended Commercial Area to be utilised, would be for development to occur far less intensively than the site coverage assumptions I have applied so that the same estimated catchment demand attributable to the centre is spread out more thinly on the ground in terms of building footprints. This is likely to result in a centre that lacks vitality and vibrancy.
- 151 I consider that the scale of Commercial Precinct proposed by the Submission is likely to exceed the floorspace demand for enabled activities that would be expected to be commercially viable and attracted to the centre. The consequence is that sites within the proposed Precinct may remain vacant into the long-term.
- 152 Modelling centre land requirements carries a degree of uncertainty, and there is always a small risk that the zoned area underestimates long-term demand.⁴³ This is not usually known until years after zoning decisions are made, and even then, requires careful analysis of shopping patterns to isolate 'zoned area' as the cause. A smaller, more compact, but intensively developed Commercial Precinct, such as the scale notified, is likely to deliver more social and economic benefits in the short and medium-term, than the potential benefits of a larger centre in the long-term.

⁴³ Even if a centre could have sustained additional businesses/tenancies, excess demand can still be met through those established businesses having increased productivity (i.e. employing more staff to manage customer flows or opening for longer hours). As such, the ability of businesses to adjust to increased demand (within practical service limits) provides an additional buffer to the adequacy of the zoned area.

- 153 One way to minimise risk on the scale of the Commercial Precinct would be to identify a ‘future Commercial Precinct’ area, that is protected in the provisions until some point in the development of the wider Zone, when the demand for it can be better assessed. At that point, it can either provide for a further stage of commercial centre development, or it can be utilised by residential or other uses. Some of the area proposed by the Submitter could be set aside for this purpose. This approach does however come at a cost to the landowner, who cannot realise a return on their land for an unspecified length of time, and may result in reduced density and intensity of development around the centre for this period.
- 154 On balance, I consider that in the absence of demand analysis to support the extended Commercial Precinct area, and considering the costs of taking a deferred Commercial Precinct approach on a portion of adjoining land, this relief should be rejected.

Enabling a second LFR store up to 2,000sqm (in addition to the supermarket)

- 155 The submitter has proposed amendments to Policy 49.2.3.1, to provide for one medium-sized retail activity other than the supermarket, with consequent amendments to Policy 49.2.3.2, Rule 49.4.14, Rule 49.5.38.2, and Rule 49.5.38.3.
- 156 Setting aside my recommendation that the supermarket anchor should have an increased maximum GFA cap of 4,000sqm GFA, no evidence is supplied with the submission on what LFR store type this rule might be likely to cater for, and the commercial viability of that store (limited to 2,000sqm GFA) relative to the concentration of LFR activity already established in Frankton.
- 157 Store types (other than supermarkets) that typically seek a LFR format include hardware, furniture, appliance and department stores. In addition, there are a small number of operators in other store types that operate in large format stores including (but not limited to) Spotlight⁴⁴, Torpedo 7 and Rebel Sport⁴⁵, Number One Shoes⁴⁶, Stationery Warehouse⁴⁷, and Chemist Warehouse. Moving further down the size scale are mini-majors, which may exceed LFR size thresholds in some

⁴⁴ Manchester and Other Textile Goods Retailing.

⁴⁵ Sport and Camping Equipment Retailing.

⁴⁶ Footwear Retailing.

⁴⁷ Stationery Goods Retailing.

District Plans and so are technically LFR activity. These can include stores like Macpac, Kathmandu, Mountain Warehouse, JB Hi Fi (and similar), lighting stores, floor covering stores, some other clothing operators and some homewares stores.

- 158 Importantly, nearly all of these stores or store types are already established in the Wakatipu Basin (concentrated in Frankton). These stores draw from wide catchments and therefore target higher order centres or dedicated LFR centres. Most non-supermarket LFR store types do not provide for day to day shopping needs.
- 159 I do not anticipate that Ladies Mile would be a strategic location for non-supermarket LFR operators. The supermarket already provided for in the provisions will be a sufficient (and the most effective) anchor to support centre development and the commercial viability of additional SFR retail and service activity (particularly if increased in size as recommended). Should a mini-major retailer want to establish in the Centre, there is still potential to apply for a non-complying resource consent under notified provisions. If the notified area of the Commercial Precinct is to be retained (which I support), then a second LFR tenancy (particularly one close to 2,000sqm in size) will create an opportunity cost for more SFR and service activity – reducing the functional and social amenity of the centre. As such, I do not support this relief.

Single Retail Tenancy Size Cap (other than specified LFR)

- 160 The submission seeks to amend rule 49.5.38.1 to increase retail tenancies (other than the two proposed LFR tenancies) from a maximum of 300sqm to 400sqm.
- 161 The submission provides no evidence to support a blanket increase in the maximum tenancy size of retail tenancies (other than the anchor tenancy specified). 300sqm is a maximum threshold used in the LSCZ in the proposed District Plan and is a size that provides for most SFR retail tenancies developed in urban environments and especially in centres that have a role of providing for day to day shopping needs.
- 162 As explained above, fewer larger tenancies reduce the potential to accommodate more SFR and personal/household services businesses in the Centre, which results in less depth and range of offer – reducing potential functional and social amenity delivered to the local community. I do not support this relief.

Office Activity

- 163 The submission seeks deletion of rule 49.5.39 that limited office activity in the Commercial Precinct to single office tenancies no more than 200sqm GFA (with the exception of co-working space). The included consequent amendments to Policy 49.2.3.2.
- 164 As office activity is likely to occupy space above the ground floor, and because the notified provisions provide for development up to 3 and 6 storeys in the Commercial Precinct, there is plenty of capacity to accommodate office activity, with the only potential opportunity cost being more apartments on upper floors (if buildings are developed to the maximum and are mixed-use in nature). More employees in the centre provides more job opportunities as well as more demand and vibrancy in the centre (i.e., greater foot traffic and spending by workers).
- 165 While the notified rule is consistent with rules applied in the LSCZ, the LSCZ does not enable building heights like those notified in the Commercial Precinct, so this is an important difference. Removing the rule has the economic benefit of providing more flexibility for building owners/developers to lease space to meet the needs of prospective tenants without triggering a resource consent (other than consents for buildings and potentially other matters).
- 166 However, a potential economic cost of removing this rule is that it inadvertently attracts medium-large scale office activities (in the context of the Queenstown market) away from higher order centres, including the Queenstown Town Centre. This is inconsistent with PDP objectives and policies which seek to reinforce the Town Centre Zones and Frankton as the key hubs of employment and commercial activity.⁴⁸
- 167 So, while there may be local economic benefits from the proposed relief, there are wider economic costs. I do not support this relief and consider that retaining a 200sqm office tenancy size limit (with the exception of co-working space) is appropriate for a centre of the proposed scale, location and role and will not be overly constraining relative to likely demand for office-based activities in Ladies Mile.

⁴⁸ See for example PDP strategic policies 3.3.3 and 3.3.7.

Residential activities in the Commercial Precinct

- 168 The submission seeks deletion of Rule 49.5.43 that limited residential activity to the first floor and above in the Commercial Precinct (else a restricted discretionary consent).
- 169 I have addressed the importance of protecting the ground floor capacity for retail and commercial activities, and potentially strengthening those provisions in paragraphs 112-114 of my evidence and do not repeat that here. I do not support this relief.

Education activities in the Commercial Precinct

- 170 The submission seeks to delete Rule 49.5.44 that limits education activity in the Commercial Precinct to no more than 300sqm (as a restricted discretionary consent). Again, no evidence or justification is included to support this relief.
- 171 I consider that the notified rule is appropriate in that it is likely to discourage large scale education activities from locating in the Commercial Precinct and in doing so, directing them (especially schools) to sites within the residential precincts where their effects can be appropriately managed. The Rule also enables childcare centres (likely to be based on the ground floor) and other forms of specialised tertiary/vocational training activities (likely to be office based) to locate in the Commercial Precinct where they are close to employment, food and beverage activity and other centre amenities. If the 300sqm GFA threshold is too small for those activities, a consent pathway is provided.
- 172 As discussed above, where large scale activities (other than the single supermarket anchor) are enabled in the Commercial Precinct, they potentially reduce the ground floor capacity that is available to provide a functional mix of SFR and other commercial activities. I do not support this relief.

Greater flexibility in rules to enable commercial, community and mixed-use activities in residential precincts (as an alternative to extending the Commercial Precinct)

- 173 The submission seeks to amend Rule 49.4.8 to remove the 100sqm GFA cap on commercial activities permitted in the High Density Residential Precinct. The effect of this alternative relief is to permit commercial activities of any size in the High Density Residential

Precinct. As it is proposed as an alternative to expanding the Commercial Precinct area, it infers that this amendment is either needed to increase employment in the Zone (as rationalised in paragraph 3.9 of the submission and discussed above), or satisfy demand that will not be met by the capacity of the notified Commercial Precinct. No evidence is supplied on the economic costs and benefits of this relief.

- 174 I have already provided evidence above where I consider that the notified size of the Commercial Precinct is likely to be sufficient to meet future demand in Ladies Mile for day to day needs if developed intensively. While I support limited small-scale commercial activities being enabled in the High Density Residential Precinct, I do not support an unregulated outcome.
- 175 The relief risks dispersed and potentially large-scale commercial activity throughout the High Density Residential Precinct, which could adversely affect the amenity and viability of the Commercial Precinct. It also potentially undermines the benefits of a compact and consolidated centre in the Commercial Precinct.

Submitter 98 – Louise McQuillan

- 176 This submitter states that the commercial zone is too small and will not be a new town centre as written and that all major facilities for residents will be across the other side of the river in Frankton e.g. (hospital, shops, supermarkets, recreation etc). The submitter raises that there is no guarantee of the mix of commercial activities and tenants that may occur within the new zone.
- 177 I have addressed these issues in response to other submitters above. In summary:
- (a) I do not consider the commercial zone to be too small relative to estimated long-term demand.
 - (b) The notified provisions do provide for a supermarket, which I recommend should be increased so that it can be of a comparable size and role as other full-service supermarkets in Frankton (although not the large Pak'n Save).
 - (c) It is correct that residents will need to continue to visit centres and major facilities west of the Shotover Bridge to meet some of their needs, with the Commercial Precinct provisions designed to

provide for day to day needs. This is not an indication of any deficiencies in the TPLM Variation and reflects an efficient urban form when considered as a whole.

- (d) Last, the submitter is correct that there are no guarantees on the future mix of commercial activities and tenants that establish in the centre. The notified provisions do however enable a functional centre to be developed by the market that provides for day to day needs.

Submitter 108 – Milstead Trust, Submitter 45 – Caithness Developments Ltd and Submitter 46 – Shotover Country Limited

- 178 These submitters seek relief to make service stations a discretionary activity in the Commercial Precinct instead of a prohibited activity. I have provided evidence on this above in paragraphs 108-111. I support these submissions in part for the reasons stated, but would defer to planning experts on an appropriate activity status.

Submitter 78 – Charlotte Clouston (Ladies Mile Pet Lodge Ltd)

- 179 This submitter owns land in the proposed Commercial Precinct, and it is the land parcel that fronts State Highway 6, including where the key crossing is proposed. The site is currently home to a residential dwelling and pet lodge business. The submitter states that the Council is unaware of the Pet Lodge's proposal to keep operating its business even if the Variation is approved (paragraph 8). They submit that this will affect (and stall) the aspirations of the Variation to develop a crossing precinct and commercial centre to support mode shift.
- 180 My response to this submission is more of commentary than a recommendation. This situation outlined by the submitter is not dissimilar to land banking in other greenfield zones, where some landowners do not take up (or delay the take up) of zoned opportunities. This alone does not reduce the importance of providing strategic direction on how the land in Ladies Mile should be developed in the future.
- 181 While I was not involved in the Master Plan process and the decision on the location of the Commercial Precinct within the Structure Plan, if the centre was moved (for argument sake to the other side of the Collector Road Type C), there are no guarantees that that landowner(s) would

necessarily deliver the commercial centre any faster (although the site is at least vacant of any structures at present).

- 182 The requirement for the key crossing to be in place as a prerequisite of developing the Commercial Precinct (sub-area D) is potentially more significant, as delays in developing this will adversely affect other landowners in the Commercial Precinct from proceeding with development (should they want to do so sooner rather than later).

Submitter - various – Residential Visitor Accommodation and Visitor Accommodation

- 183 The notified variation currently makes Visitor Accommodation and Residential Visitor Accommodation non-complying throughout all precincts of the Te Pūtahi Ladies Mile Zone (Rule 49.4.5 and Rule 49.4.33 supported by Policy 49.2.5.5). Several submitters seek amendments to these rules, notably:
- (a) Submitter #94 (Winter Miles Airstream Limited) seeks that Rule 49.4.5 (Residential Visitor Accommodation) should be deleted.
 - (b) Submitter #77 (Ladies Mile Property Syndicate) opposes Rule 49.4.5 (Residential Visitor Accommodation), stating that residential visitor accommodation is considered necessary to support property investment and development feasibility.
 - (c) Submitter #93 (Sanderson Group and Queenstown Commercial Ltd) seeks that Rule 49.4.5 (Residential Visitor Accommodation is a restricted discretionary activity in the Commercial Precinct (and elsewhere in the zone a permitted activity up to 90 nights in a year) and that Rule 49.4.33 (Visitor Accommodation) is permitted in the Commercial Precinct.
 - (d) Submitter #73 (Glenpanel Development Limited) seeks that Rule 49.4.33 (Visitor Accommodation) is permitted.
 - (e) Submitter #105 (Maryhill Limited) seeks that that Rule 49.4.5 (Residential Visitor Accommodation) is amended to a discretionary activity.
- 184 A number of submitters supported the notified position of non-complying for both Residential Visitor Accommodation and Visitor Accommodation in the Te Pūtahi Ladies Mile Zone. This includes (but may not be limited

to) submitters #51 (Gary Irving), #57 (Celine Austin), #75 (Park Ridge Limited), #91 (Andrew Morris), #95 (Charlie Evans) and #118 (Martin Barrett).

- 185 As discussed in my evidence, non-residential activities are likely to occupy only a portion of enabled building height in the Commercial Precinct, and potentially be concentrated on the ground and first floor. Any activity above the first floor is most likely going to be residential apartments (if at all). I consider that enabling Visitor Accommodation and Residential Visitor Accommodation in the Commercial Precinct is likely to be appropriate, particularly if limited to the first floor and above (with allowance for lobbies on the ground floor only).
- 186 The key economic benefits are contributing to the economic viability of building mixed use buildings and therefore helping to achieve the intensity of activity sought by the objectives and policies; and supporting additional job opportunities in the Commercial Precinct while not compromising retail and commercial capacity on the ground floor materially more than residential apartments would. To the extent that either form of short-term accommodation increases the average daily population of the Commercial Precinct (acknowledging that it may displace residential apartments), both forms of short-term accommodation would support additional demand for retail and hospitality activities in the centre; and contribute to the vitality and vibrancy of the centre.
- 187 Potential economic costs include drawing some demand for short-term accommodation from other parts of the Queenstown urban area, including the Town Centre. However, I consider that the relatively small size of the Commercial Precinct will mitigate adverse distributional effects, such that these would be only very minor. A second economic cost is the opportunity cost of residential apartment capacity in the Commercial Precinct. On this matter, it is possible that enabling some short-term accommodation may increase the financial viability of mixed use buildings, with spill over benefits for providing some residential apartments in those same buildings. As such, providing for short-term accommodation in the Commercial Precinct may not necessarily occur at the expense of apartment capacity for residents and may facilitate delivery of more residential apartments than under the status quo.

188 I therefore support in part the relief of those submitters seeking a more enabling approach to Residential Visitor Accommodation and Visitor Accommodation in the Commercial Precinct. I do not address the appropriateness of this activity in other precincts and refer to Ms Fairgray-McLean's evidence in that regard.

Submitter 73 – Glenpanel Development Ltd

189 Among other relief sought by this submitter (not addressed in my evidence), they seek that the breach of the permitted activity rule of office activity size (individual tenancy) that applies in both the Commercial Precinct and the Glenpanel Precinct be a restricted discretionary consent rather than non-complying as notified (Rule 49.5.39).

190 I have provided evidence above (in response submission #93 (Sanderson Group and Queenstown Commercial Limited)) on the appropriateness of the 200sqm GFA threshold (noting that co-working space is exempt from this). While submitter #73 is not seeking deletion of the rule, they are seeking a more enabling approach for medium-large scale office activities in Ladies Mile. The matters of discretion proposed (transport effects including parking areas, and the nature of the surrounding residential context and the effects of the activity on the neighbourhood) do not adequately address the risk of distributional effects of medium-large scale office activity on other zones such as in Frankton or in the Queenstown Town Centre. As such, I do not support this relief and consider that non-complying is a more appropriate status for breach of the permitted activity rule as it will provide for distributional effects to be considered.

Response to Submissions Requesting Rezoning

191 This section of my evidence reviews the submissions that specifically request rezoning (and not already addressed in response to Submission 93 above). I respond to the key matters raised below.

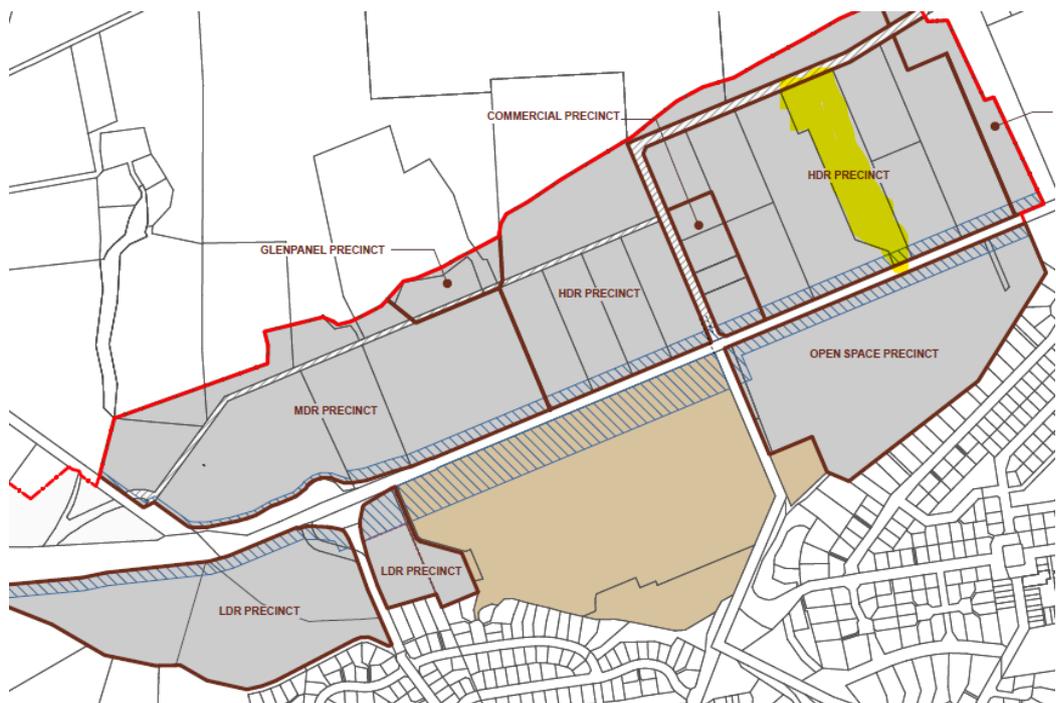
Submitter 94 – Simon Berry (on behalf of Winter Miles Airstream Limited)

192 This submitter supports the establishment of a primary Commercial Precinct but seeks relief to provide for additional smaller scale commercial precincts across the Structure Plan, including an allowance

for a 5,000sqm commercial precinct on the submitter's land, to "ensure sufficient provision is made in response to the demand from urban rezoning". As such, they propose amendments to Objective 49.2.3 and the Zone Purpose (section 49.1).

- 193 The submitters land is (by my understanding) shown in **Figure 8**. Measuring distance parallel with State Highway 6, the distance between the centre of the notified Commercial Precinct and the centre of the submitters land is approximately 310 meters. Irrespective of where the proposed 5,000sqm commercial centre would be located on that site, I consider that it will be very close to the notified Commercial Precinct.

Figure 8 – Submitter 94 Land - Lot 2 DP 359142



- 194 Assuming 5,000sqm of commercial land was all net developable land (i.e., was not intersected by a public road), this could provide for approximately 2,500sqm of ground floor retail/commercial space plus additional capacity on upper floors in line with building heights. This is based on a 50% site coverage assumption (as used previously in my GFA calculations). If the site coverage was able to be higher (and no upper limit is set for the Commercial Precinct in the notified provisions), then the ground floor GFA would be higher still.
- 195 If 2,500sqm of ground floor space was divided by retail tenancies at the maximum size limit of 300sqm, this would support around 8 moderately sized shops/tenancies. However, with a more likely 100sqm average

tenancy size in a small convenience centre, it could sustain around 25 shops/tenancies on the ground floor alone.

- 196 The submission provides no additional evidence to support demand for this commercial capacity, or to establish that the notified Commercial Precinct would be insufficient to meet demand from the primary and secondary trade catchment inclusive of the Structure Plan area. It also important to remember that there is already an existing convenience centres in the primary catchment area in addition to the notified Commercial Precinct (Kawarau Park Centre). This is less than 700m from the notified Commercial Precinct (to the south).
- 197 The submitter is already enabled to provide for small-scale commercial activities up to 100sqm GFA as a permitted activity in the High Density Residential Precinct. For reasons set out in this evidence, including in response to Submitter 93, I do not support the relief to include additional Commercial Precinct land, especially land that is discrete from the notified Commercial Precinct and that will operate as an additional centre or centres within the Structure Plan Area. I do not anticipate a shortfall of capacity in the notified Commercial Precinct to meet total catchment demand for day to day needs if it is developed at least to the intensity of my GFA assumptions. Providing for additional centre land will dilute/disperse demand and foot traffic over two (or more) centres, which will have an adverse effect on the vitality and vibrancy of the notified Commercial Precinct.

Submitter 81 – Doolittle & Son Limited (C/o Alex Dunn)

- 198 This submitter seeks that their land (made up of two lots) is rezoned Commercial Precinct and that LFR and other single retail activities are permitted on the submitter's land with no size restrictions⁴⁹. They seek that LFR on their land is not limited to grocery sales, and also that no limit be placed on the size of office tenancies⁵⁰. If Commercial Precinct is not accepted, the submitter seeks alternative relief for the land to be rezoned as High Density Residential Zone (as per the PDP). I consider the primary relief below.

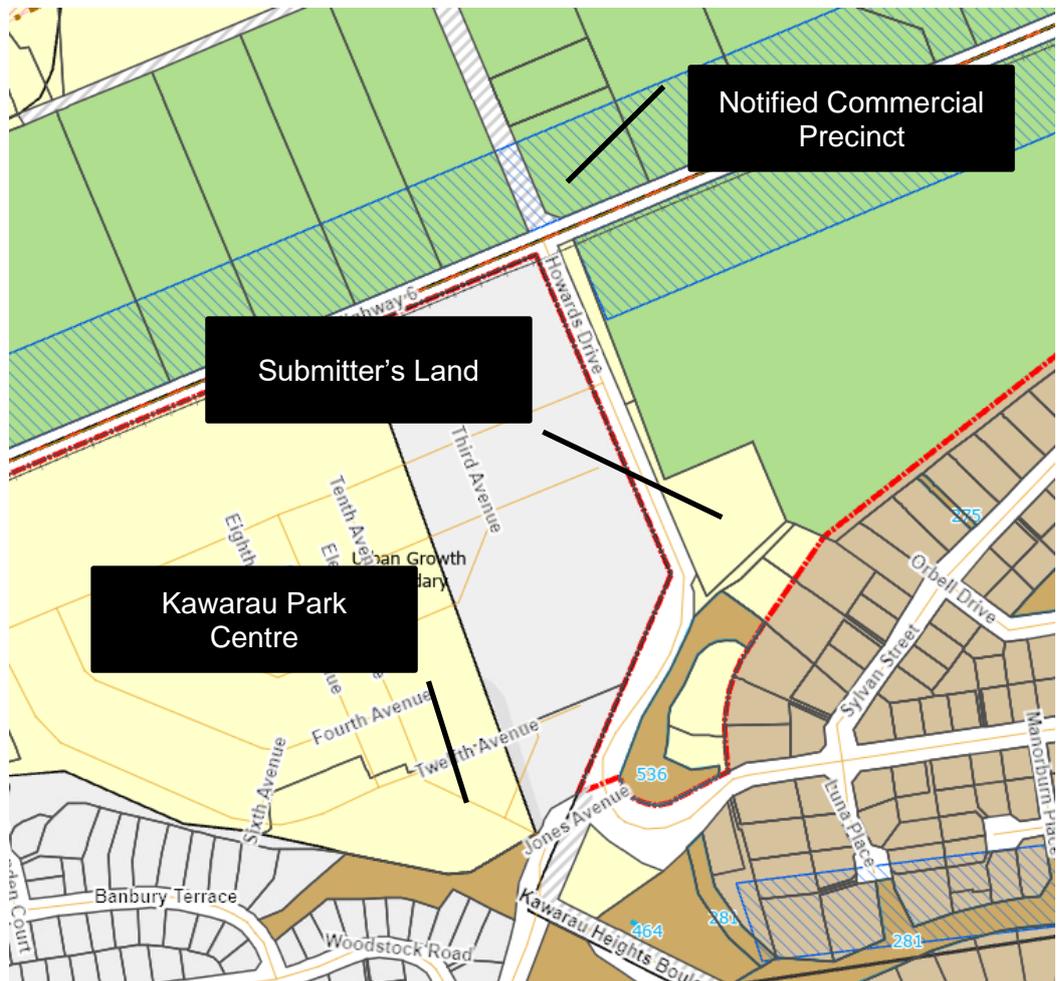
⁴⁹ Submission 81, paragraph 4.13.

⁵⁰ Submission 81, paragraph 4.14.

Figure 9 – Submitter 81 Land (in blue), Howards Drive (copied from Figure 1 of the Submission)



Figure 10 – Submitter 81 Land Relative to Existing and Proposed Centres



- 199 The submitters land has a total area of 9,503sqm and is shown in **Figure 9** and **Figure 10**. The latter shows the location of the land relative to the notified Commercial Precinct and the nearby existing Kawarau Park Centre. The Submitter's land is less than 300m from the entrance to Kawarau Park.
- 200 Consistent with GFA calculations elsewhere in my evidence, if this combined land area was developed at 50% site coverage, it would provide ground floor GFA of approximately 4,750sqm GFA, and could sustain between 15 and 47 small format shops/tenancies⁵¹. If the whole site was developed more with LFR tenants, a 40% site coverage may be more appropriate to provide for parking. This could yield approximately 3,800sqm of LFR GFA which could (for example) support 1 x 3,800sqm GFA store, or 7 x 500sqm stores, or 4 x 950sqm stores. A combination of SFR and LFR on the ground floor falls between these examples.
- 201 The submitter seeks a 12m maximum building height on the site⁵², which would allow approximately 3 storeys of development, so the site would also enable up to 9,500sqm and 7,600sqm GFA above the ground floor depending on ground floor site coverage, which could accommodate commercial, office and residential activity.
- 202 The justification of the proposed Commercial Precinct zoning is a combination of the following statements:
- (a) *"Diversification of potential commercial activities is considered to be important as it will enable a market-based approach to respond to current and future resident's needs"* (paragraph 4.12); and
 - (b) *"Providing for commercial activities would increase the number of activities that would be available in walking distance for residents of Lake Hayes Estate, Kawarau Heights, Shotover Country and the Queenstown Country Club itself"* (paragraph 4.18); and
 - (c) *"Limiting the Commercial Precinct to one large format retail store that is required to be a grocery store that services a potential 4,524 residential units and possibly upwards of 10,000 people is not considered sufficient"* (paragraph 4.12).

⁵¹ Assuming a 300sqm average size and 100sqm average size respectively.

⁵² Submission 81, paragraph 4.16.

203 There is no demand modelling to support the submission.

204 I do not support this relief for the following reasons:

- (a) I have provided evidence above (paragraphs 155-159) on why I don't support further non-supermarket LFR in the Structure Plan area. This activity is more efficiently and strategically located in the higher order centres and is already well represented in the Wakatipu Ward.
- (b) The submission creates a third commercial centre in close proximity (i.e., walking distance) to an existing and proposed centre. This is not an efficient distribution of centres when considered as a network.
- (c) While the submission states that the centre will complement the other commercial areas, I consider that it will compete in the same market.
- (d) I do not consider that there is sufficient demand in the primary and secondary trade catchments to justify another node of SFR, LFR and office floorspace. As set out in my evidence, the notified Commercial Precinct, in conjunction with Kawarau Park Centre (and Arrowtown Town Centre and LSCZ in the secondary trade catchment) is considered sufficient to cater for current and future trade catchment demand⁵³ for day to day needs.
- (e) Spreading retail and commercial demand over additional locations in the primary catchment will adversely affect the ability to develop a viable, compact, and vibrant centre in the notified Commercial Precinct.

⁵³ If further urban growth areas were zoned in the primary or secondary trade catchment, the efficiency of providing further commercial land in those growth areas should be assessed at the time. I have also considered the potential impact of the recently notified Intensification Variation on plan enabled residential capacity. This was modelled by M.E and showed limited change in housing capacity in the Eastern Corridor due to current densities of development. As such, this too does not support provision for a third commercial centre in the Eastern Corridor as proposed by Submitter 81.

Overall Conclusion Regarding the TPLM Variation

- 205 Based on a review of the RCG report and my own assessment, I support provision of a Commercial Precinct as part of the TPLM Variation.
- 206 I support its general location and scale, although if it is to efficiently and effectively meet projected long-term demand it will be important that proposed development within the Precinct is designed and approved to deliver a compact, intensive built form, including provision for appropriate non-residential activities to occupy first floor (or above) spaces. Extensive single storey commercial development across the Precinct would, for example, risk insufficient capacity to meet demand, with consequent opportunity costs for employment, functional and social amenity and vibrancy.
- 207 The Commercial Precinct will help address a current shortfall of centre-based land in existing residential areas of the primary catchment and will provide a focal point and commercial hub for the current and future Eastern Corridor community, enhancing the functional and social amenity of this part of the urban environment. The Commercial Precinct will also support demand from anticipated household, employment, and tourist growth in the primary and secondary catchment (including within the Structure Plan area) in a strategic location. The presence of the Commercial Precinct will also help support higher residential densities in its walkable catchment.
- 208 The provisions are generally appropriate for enabling a functional mixed-use commercial centre that has the role of serving the day to day needs of the trade catchment. The provisions ensure that distributional effects on higher order centres will be avoided by restricting non-supermarket LFR and large-scale offices. The proposed role of the centre (to serve day to day needs) is appropriate for its location in the wider urban environment (which is relatively close to Frankton) and will complement the existing centre network and hierarchy.
- 209 The additional non-residential capacity enabled by the Commercial Precinct will reduce travel (and spend) to centres west of the Shotover Bridge where those trips were to satisfy day to day needs. Day to day shopping in conjunction with trips west of Shotover Bridge will also continue to be more convenient for some residents of the primary and

secondary catchment despite the provision of the Commercial Precinct. This is normal and efficient shopping behaviour.

- 210 While creating net additional centre-based job opportunities in Ladies Mile (an unknown portion of which will be taken up existing and future residents of the Eastern Corridor), the notified provisions for the Commercial Precinct will not substantially alter the distribution of total employment opportunities in the urban environment – which will still be overwhelmingly concentrated in the CBD and Frankton (as sought by the objectives and policies of the PDP). I consider that the Variation will result in a net increase in workers needing to travel west of the Shotover Bridge. The way in which they may travel to work in future is outside the scope of my evidence.
- 211 While the timing and ultimate mix of plan enabled activities within the centre is uncertain, this is beyond the ability of the District Plan to control (other than some staging/infrastructure requirements to help manage adverse effects). It will be up to the market to deliver the new centre, guided by the Structure Plan and Zone provisions, as is the case for all privately owned greenfield growth areas.
- 212 Based on my assessment, I recommend a small number of amendments to the notified provisions to better manage economic effects and enhance desired economic and social outcomes in the Ladies Mile Zone. These include:
- (a) Amending wording in some objectives and policies to more consistently stipulate the role of the Commercial Precinct is to meet the “day to day” shopping needs of local residents and not all shopping needs;
 - (b) Increase the supermarket anchor cap to 4,000sqm GFA;
 - (c) Ensure that retail thresholds are specified as GFA to be consistent with the PDP.
 - (d) Consider amending provisions to enable the supermarket anchor to establish in a high profile site visible from State Highway 6 and where it will have the least opportunity cost for above ground development capacity enabled by the rules;

- (e) Provide a consenting pathway for service stations to contribute to the functional amenity of the centre and enhance the self-sufficiency of the trade catchment;
- (f) Strengthen provisions to better protect ground floor capacity in the Commercial Precinct for non-residential activities that are only feasible on the ground floor;
- (g) Provide a consenting pathway for visitor accommodation and residential visitor accommodation in the Commercial Precinct (above ground floor) to help with development feasibility and strengthen the vibrancy of the shopping centre;
- (h) Where practical, strengthen provisions to help ensure that site coverage, building layout, building design, and proposed use supports a compact, intensive built form that maximises the plan enabled non-residential floorspace potential of the Commercial Precinct to help meet long-term catchment demand, while acknowledging that some anticipated activities (such as the supermarket and service stations (if applicable) may not be suited to mixed-use buildings.

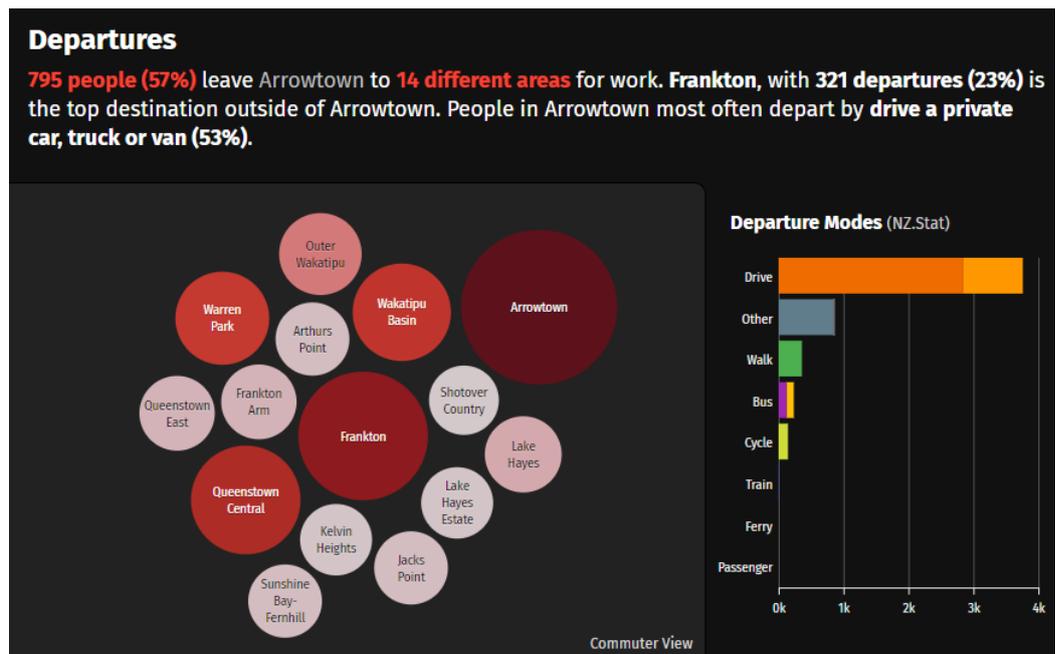
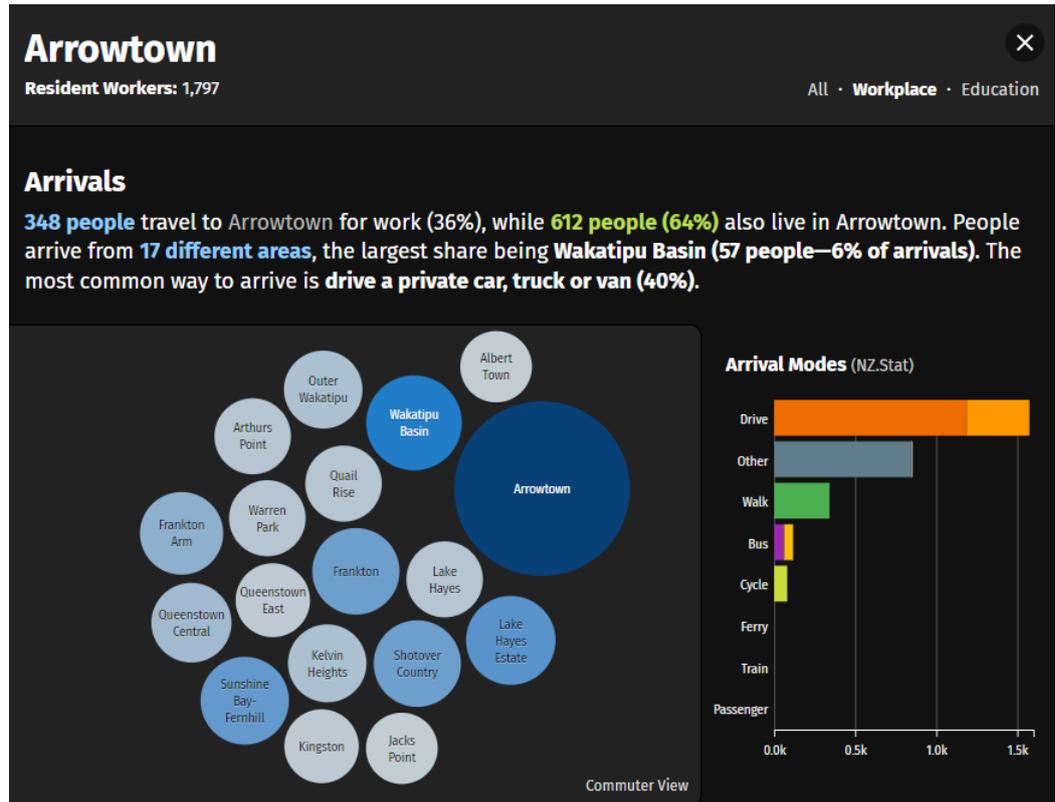
213 I have considered submissions that relate to the Commercial Precinct and/or provision of commercial activities in the Ladies Mile Zone, as well as submissions seeking additional Commercial Precinct land area in the Structure Plan area. My findings on whether those submissions should be accepted or rejected are set out above and are not further summarised.

Natalie Dianne Hampson

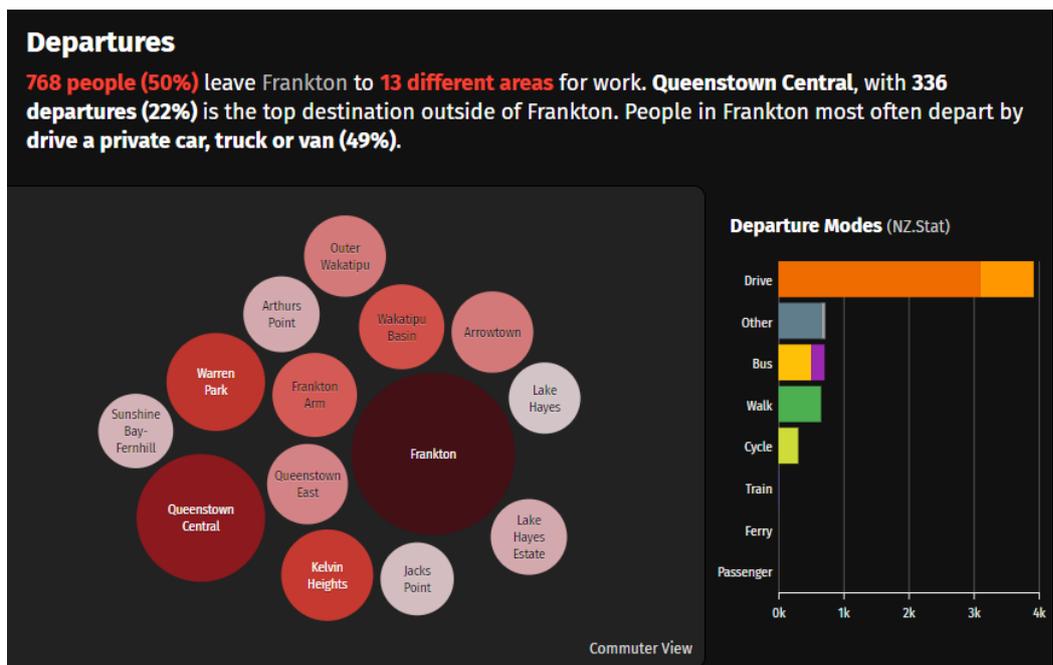
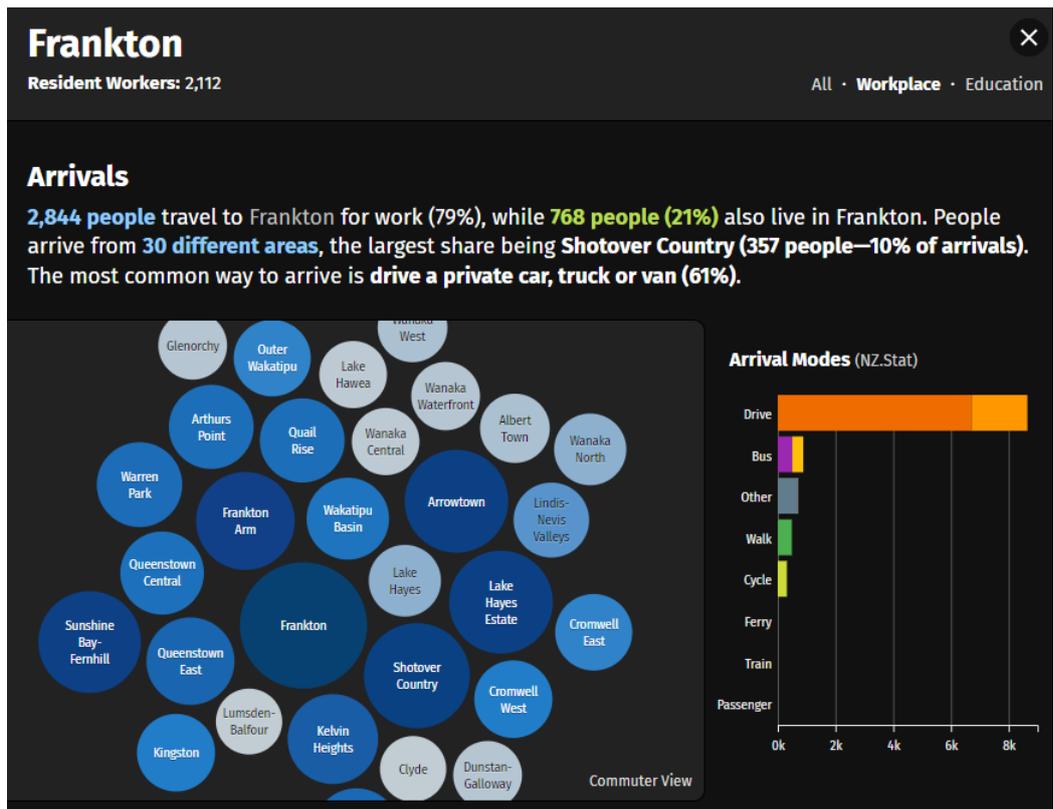
27 September 2023

Appendix 1

Journey to Work Data 2018 – Arrowtown (StatsNZ)

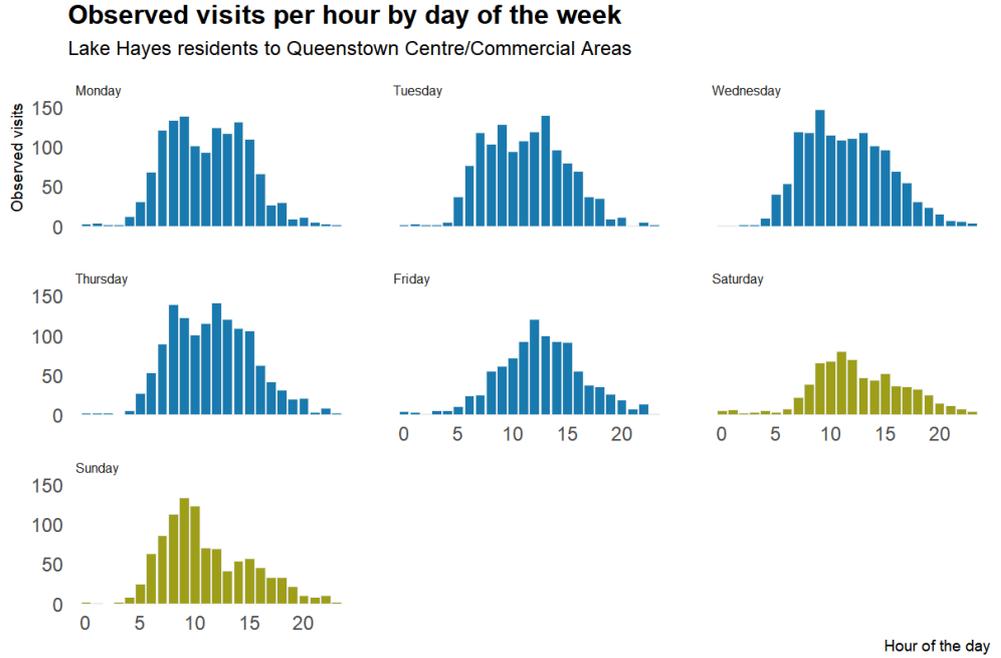


Journey to Work Data 2018 – Frankton (StatsNZ)



Appendix 2

Primary Catchment Residents Visits to Key Centres/Employment Areas West of Shotover Bridge by Day of Week and Hour of Day (2021)



Primary Catchment Overnight Visitor Visits to Key Centres/Employment Areas West of Shotover Bridge by Day of Week and Hour of Day (2021)

