



RECEIVED  
02/09/2022  
CODC

# Resource Management Act 1991

## Submission on Notified Proposed Plan Change to Central Otago District Plan

Clause 6 of Schedule 1, Resource Management Act 1991

### (FORM 5)

To: The Chief Executive  
Central Otago District Council  
PO Box 122  
Alexandra 9340

### Details of submitter

Name: Sugarloaf Vineyards Ltd \_\_\_\_\_

Postal address: \_\_ Level 3 / Five Mile Centre, 36 Grant Road, Frankton, Queenstown 9371  
PO Box 2130, Queenstown 9371

(Or alternative method of service under [section 352](#) of the Act)

Phone: \_\_\_\_\_ 027 445 6845

Email: \_\_\_\_\_  
\_wmurray@propertygroup.co.nz \_\_\_\_\_

Contact person: \_\_\_\_\_ Werner Murray

(Name & designation, if applicable)

This is a submission on proposed Plan Change 19 to the Central Otago District Plan (the proposal).

I am / am not\* a trade competitor for the purposes of [section 308B](#) of the Resource Management Act 1991 (\*select one)

\*I / We am / am not (select one) directly affected by an effect of the subject matter of the submission that:

- (a) adversely affects the environment; and
- (b) does not relate to trade competition or the effects of trade competition.

\*Delete this paragraph if you are not a trade competitor.

The specific provisions of the proposal that my submission relates to are:

(Give details, attach on separate page if necessary)

See Attached \_\_\_\_\_

**This submission is:**

(Attach on separate page if necessary) Include:

- whether you support or oppose the specific parts of the application or wish to have them amended; and
- the reasons for your views.

See Attached \_\_\_\_\_

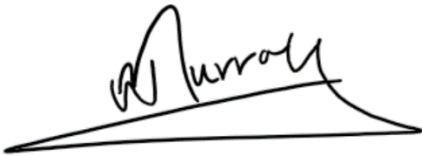
**I / We seek the following decision from the consent authority:**

(Give precise details, including the general nature of any conditions sought)

Decline or amend as outlined in attached \_\_\_\_\_

- I support / ~~oppose the application~~ OR neither support nor oppose (select one)
- I wish / do not wish to be heard in support of this submission (select one)
- I / We will consider presenting a joint case if others make a similar submission  
*Delete this paragraph if not applicable.*

In lodging this submission, I understand that my submission, including contact details, are considered public information, and will be made available and published as part of this process.



02/09/2022

Signature

Date

**Submissions close at 4pm on Friday 2 September 2022**

Submissions can be emailed to [districtplan@codc.govt.nz](mailto:districtplan@codc.govt.nz)

**Note to person making submission:**

If you are a person who could gain an advantage in trade competition through the submission, your right to make a submission may be limited by clause 6(4) of Part 1 of Schedule 1 of the Resource Management Act 1991.

Please note that your submission (or part of your submission) may be struck out if the authority is satisfied that a least 1 of the following applies to the submission (or part of the submission):

- *it is frivolous or vexatious:*
- *it discloses no reasonable or relevant case:*
- *it would be an abuse of the hearing process to allow the submission (or the part) to be taken further:*
- *it contains offensive language:*
- *it is supported only by material that purports to be independent expert evidence but has been prepared by a person who is not independent or who does not have sufficient specialised knowledge or skill to give expert advice on the matter.*

<b>Submission on</b>	Plan Change 19
<b>Submitter</b>	Sugarloaf Vineyards Ltd
<b>Prepared by (agent)</b>	Joanne Skuse – Planner at The Property Group Werner Murray – Planner at The Property Group
<b>Agent contact details</b>	Phone: 027 498 1745; 027 445 6845 Email: <a href="mailto:jskuse@propertygroup.co.nz">jskuse@propertygroup.co.nz</a> ; <a href="mailto:wmurray@propertygroup.co.nz">wmurray@propertygroup.co.nz</a>
<b>Outcome sought</b>	Given the breadth of the submission we oppose the Plan Change in its entirety.
<b>Hearing</b>	The submitter seeks to be heard at the hearing

## Introduction

1. This is a submission on proposed Plan Change 19 (PC19) which seeks to make changes to the Central Otago District Plan ('the Plan'). PC19 proposes to make a complete and comprehensive suite of changes to the way the district's residential areas are zoned and managed.

## Specific provisions of the Variation that the submission relates to

2. The Submitter has an interest in the entire Plan Change, specifically in respect of proposed density, minimum lot sizes, multi-unit development and built form standards.
3. The Submitter also has a particular interest in the land along Lowburn Valley Road proposed to be re-zoned Large Lot Residential Precinct 2.
4. The Submitter supports:
  - a. The introduction of zoning in line with the planning standards
5. The Submitter opposes the following:
  - a. That the District is not required to give effect to the NPS-UD

- b. The use of the Low density residential zone rather than the General residential zone
- c. The proposed 200m<sup>2</sup> density/minimum lots size in the medium density zone
- d. The proposed 500m<sup>2</sup> density/minimum lots size in the low density zone
- e. The proposed density/minimum lots size in the large lot zone and precincts, specifically Precinct 2
- f. The removal of the multi-unit development rule from the low density zone and large lot zones and precincts
- g. Objectives and Policies as per the points made in the submission below
- h. Built form standards as per the submission below
- i. Methodology behind the management of future growth areas, specifically retaining the underlying zone until a future plan change is adopted.

### No trade competition

- 6. The Submitter could not gain an advantage in trade competition through this submission.

### Submission

#### General

- 7. Proposed zone of Residential Resource Area 3 and 13 is Low Density Residential – Precinct 1. There is no corresponding Low Density Residential – Precinct 1 referenced anywhere else in the Plan Change documents. Requires clarification. Is this supposed to be Large Lot Residential – Precinct 1?
- 8. It is not clear from the s32 analysis that feasibility testing has been undertaken on the proposed built form standards to ensure development can actually occur as a permitted activity. As such it is submitted that all Standards across the three zones are challenged on this basis.

#### Medium Density Zone (MDR)

##### *Objective and Policies*

- 9. *MRZ-O2; MRZ-P1; MRZ-P2* - The objective and policies need to highlight that the amenity and character of this area is anticipated to change over time. This is supported by the NPS-UD. Requiring development to maintain the anticipated amenity values of adjacent sites isn't enabling the character of the zone to change and become medium density.
- 10. *MRZ-P7 – Future Growth Overlay* - This will be covered in more detail later however; the policy is problematic. Who decides the threshold of 'necessary' and 'anticipated demand'? Is this a numerical we have to wait for before future growth areas can be developed? It is submitted this will frustrate the housing market and actually increase unaffordability.
- 11. A development pattern that is driven by the NPS-UD, is for greenfield development to be done in a comprehensive manner. This includes providing for a range of dwelling densities and typologies. While we support the use of medium density zones it is considered that in larger greenfield subdivisions or potentially even larger infill development sites (within the low density and large lot residential zone) could benefit from comprehensive development. What this does is create dwelling choice and affordability by design by encouraging developing down to what could be considered a

medium density. As a result the provision for comprehensive multi-unit development should be available across all zones.

### *Standards*

12. MRZ-S1 - It is submitted that the proposed density of 200m<sup>2</sup> is not high enough to achieve sufficient medium density housing. Considering the minimum density and lot size is currently 250m<sup>2</sup>, a density of 200m<sup>2</sup> does not go far enough to set the MDR zone apart from existing residential development, and achieve *'intensive options, to meet the diverse needs of the community, provide affordable options and provide a greater critical mass to support commercial and community facilities'*<sup>1</sup>.
13. To enable the diversity of housing, and volume of housing, 150m<sup>2</sup> is the favoured density around the country for medium density living. This density allows small houses on small lots, as well as duplex, terrace and small apartment type housing. The principle behind this is a design led approach. Buildings can be designed and built to a density of 150m<sup>2</sup> then subdivided. This gives assurance that the final product is fit for purpose and workable. In line with this, the creation of a vacant lot can remain at 200m<sup>2</sup>, but the density of development should be one unit per 150m<sup>2</sup>. This will encourage comprehensive development of sites.
14. MRZ-S13 – Minimum car parking requirements have to be removed for Tier 3 Council under NPS-UD. It is submitted that car parking should be carefully considered as part of this plan change (including the road reserve requirements). Central Otago does not have a public transport network and car ownership and dependency is high. We expect that there will be many issues to work through in relation to car parking.

### *Design Guidelines*

15. The Design Guidelines are noted as a supporting document. It is unclear how they are being incorporated into the Plan Change. Although the guidelines discuss how they are to be applied and how they relate to matters of discretion in the MDR zone, they are not explicitly listed as a matter of discretion. Therefore we question the weighting they are to be given?
16. As the Guidelines have been issued with this Plan Change, there has been little to no opportunity for the Submitter to test the feasibility of the guidelines. This then begs the question whether we can submit on the Guidelines? Given they are to be utilised as a tool for anyone undertaking a

---

<sup>1</sup> Medium Density Zone Introduction

residential development within the Medium Density Residential zone, they should be open to a submissions process.

### **Low Density Residential Zone (LDR)**

#### 17. *Definitions*<sup>2</sup>

The definition of the Low Density Residential Zone is as follows:

*“Areas used predominantly for residential activities and buildings consistent with a suburban scale and subdivision pattern, such as one to two storey houses with yards and landscaping, and other compatible activities.”*

Whereas the definition of the General Residential Zone is as follows

*Areas used predominantly for residential activities with a mix of building types, and other compatible activities.*

18. Given the growth and development pattern that has occurred within the district over the past decades, leading up to this plan change, it is submitted that the General Residential Zone better describes the development pattern of the district. There are examples of numerous compatible activities that are located within the residential zones of the district and are therefore not precluded as the definition for Low Density Residential Zone would suggest. Having a stricter definition does not allow the necessary flexibility for future uses to locate within the small settlements that make up the urban population centres of the district.

19. The Plan Change will frustrate development as it is too restrictive. This unfortunately may lead to ad hoc and piecemeal development patterns as Applicants will push resource consent applications through the courts, with success, relying on higher order documents, such as the NPS-UD. If the plan change clearly takes into account the NPS-UD now, it can manage this development by being more enabling and guiding a consent process.

#### *General*

20. It is submitted the LDR introduction describes a Large Lot Zone. Whilst some areas of the existing residential resource area may be generally characterised by single detached houses with large setbacks, the District Plan currently allows for a higher density of housing at 250m<sup>2</sup> per unit. As such

---

<sup>2</sup> In accordance with the National Planning Standards Zone Framework Standard

statements such as “Buildings are expected to maintain these existing low density characteristics”<sup>3</sup>, are not aligned with the character the current plan could realise.

21. The land re-zoned from Residential Resource Area to Low Density Residential is effectively being ‘down zoned’ and existing development rights removed. Currently the residential resource area allows for a minimum lot size of 250m<sup>2</sup> and a residential density of 1 dwelling to every 250m<sup>2</sup> if in an area where sewer is available. The proposed density and character described in the LDR chapter is not aligned with the character the current plan could realise and by becoming more restrictive, the proposed provisions are contrary to the purpose of the Plan Change – meeting the demand of new residential development and affordable housing and the NPS-UD.
22. Further this could raise issues around interests in land as described under section 85 of the RMA, this is further discussed below.
23. *LRZ-O2; LRZ-P1;* - The objective and policies need to highlight that the amenity and character of this area is anticipated to change over time. This is supported by the NPS-UD. Requiring development to maintain the anticipated amenity values of adjacent sites isn’t enabling the character of the zone to change.
24. *LRZ-S1* – density – The land re-zoned from Residential Resource Area to Low Density Residential is effectively being ‘down zoned’ as the existing plan allows for a 250m<sup>2</sup> minimum lot size (7.3.3(i)(a)) and 250m<sup>2</sup> density for multi-unit development. By decreasing the density enabled in some areas, the Plan Change unreasonably constrains private property rights and the ability of a landowner to reasonably subdivide, use and develop their land. As an example, many landowners have bought lots in the district and developed half the site with the intension of developing the other half at a later stage. The existing Multi-Unit development rule (7.3.3(vi)) and 250m<sup>2</sup> density enables good outcomes in the District. This rule has not been used to a substantial degree and the current multi-unit development rule could be modified to include some additional design outcomes. However, this rule creates flexibility in the residential market to be able to provide varying dwelling typologies (this is in line with outcome sought by the NPS UD), to respond to various site constraints like for instance large lots that are located in areas with relatively low amenity, or steep sites.
25. As this Plan Change is occurring ahead of a full District Plan review and will be reasonably ‘new’ policy at the time of the full plan review, it may not be revisited. As such, the density standards proposed now will be in place for at least the next 10 years if not longer. Growth via infill

---

<sup>3</sup> Low Density Residential Zone introduction



development should be future proofed now, not restricted. It is not sustainable, or an efficient use of land, to rely on greenfield development alone to provide for growth.

## **Large Lot Residential**

### *Future Growth Area*

26. The premise of the future growth areas is flawed in that there is no detail or methodology behind when this land can be developed. The trigger for “further supply of residential land is required” has not been quantified and there is no overarching strategic direction chapter to direct the release of the greenfield land. Is this a numerical we have to wait for before future growth areas can be developed? It is submitted this will frustrate the housing market and actually increase unaffordability.

### *Objectives and Policies*

27. All objective and policies discussing retaining the existing character of the area, specifically as the proposed density is lower than existing.
28. *LLRZ-P8 – Future Growth Overlay* - The policy is problematic. Who decides the threshold of ‘necessary’ and ‘anticipated demand’? Is this a numerical we must wait for before future growth areas can be developed? It is submitted this will frustrate the housing market and increase unaffordability. Further, is it necessary in the Large Lot zone for reticulated services to be available? All Lots are over 800m<sup>2</sup> and could accommodate services onsite.

### *Rules*

29. LLRZ-R1 –Limiting the number of units per site to one is unnecessarily restricting development. Remove rule and rely on density standard and add additional rule relating to multi-unit or comprehensive development.
30. LLRZ-R2 - Amend rule - As Minor Units are ancillary to principal residential units the standard should be a maximum of one minor unit per principal unit, rather than one per site.
31. LLRZ-R6 - Amend rule to enable visitor accommodation activity in minor residential units as well as principal units. Amend to remove permitted standard 3.
32. LLRZ-R10 – Amend to enable increased volume of earthworks given size of sites.
33. LLRZ-R15 – Buildings on Land Subject to Hazards - Amend activity status to restricted discretionary with the matters of discretion limited to management of the hazards.

### *Standards*

34. LLRZ-S1 - Density - The existing Residential Resource Areas 1-13 are mostly proposed to be rezoned Large Lot Residential in some form. The proposed minimum lot sizes are detailed below along with whether the new zoning will allow additional development. Out of 13 residential areas, only 3 areas (RRA(6), RRA(7) and RRA(12)) will be able to be further developed. Five areas will retain their current Lot size and five areas will be subject to a more restrictive lot size requirement.

35. As this Plan Change is occurring ahead of a full District Plan review and will be reasonably 'new' policy at the time of the full plan review, it may not be revisited. As such, the density standards proposed now will be in place for at least the next 10 years if not longer. They are therefore short-sighted. Growth in the Large Lot Density zones should be enabled via infill development. It is not sustainable, or an efficient use of land, to rely on greenfield development alone to provide for growth.

Current Zone	Proposed Zone	Existing Min Lot Size	Proposed Min Lot Size	Development Enabled?
Residential Resource Area	Low Density Residential	250	500	No
Residential Resource Area 1	Large Lot – Precinct 2	3000	3000	No
Residential Resource Area 2	Large Lot – Precinct 3	4000 (1 ha average)	6000	No
Residential Resource Area 3	Low Density Residential – Precinct 1	1000	? zone doesn't exist If Large Lot Precinct 1 – 1000	No
Residential Resource Area 4	Large Lot	1500 (2000 average)	2000	No
Residential Resource Area 5	Large Lot – Precinct 2	3000	3000	No
Residential Resource Area 6	Large Lot	3000	2000	Yes
Residential Resource Area 7	Large Lot – Precinct 3	10,000	6000	Yes
Residential Resource Area 8	Large Lot	1500	2000	No
Residential Resource Area 9	Large Lot – Precinct 3	6000	6000	No
Residential Resource Area 10	Large Lot – Precinct 1	800	1000	No
Residential Resource Area 11	Low Density Residential	400	500	No
Residential Resource Area 12	MDR / LDR	500 1000 (SH6)	200/500	Yes
Residential Resource Area 13	Low Density Residential – Precinct 1	600 800 (average)	? zone doesn't exist If Large Lot Precinct 1 – 1000	? Or No

36. LLRZ-S2 – height – amend standard to 8m. This is standard for 2 storey home. Include provision for chimneys to extend beyond height limit.

37. LLRZ-S4 – Building Coverage – what feasibility testing has been undertaken on these numbers? Oppose the limits of the coverage rule and seek increased coverage allowance.
38. Minimum car parking requirements have to be removed for Tier 3 Council under NPS-UD. It is submitted that car parking should be carefully considered as part of this plan change (including the road reserve requirements). Central Otago does not have a public transport network and car ownership and dependency is high. We expect that there will be many issues to work through in relation to car parking.

### **Future Growth Areas**

39. The premise of the future growth areas is flawed in that there is no detail or methodology behind when this land can be developed. The trigger for “further supply of residential land is required” has not been quantified. Is this a numerical we have to wait for before future growth areas can be developed? It is submitted this will frustrate the housing market and actually increase unaffordability. There is no overarching strategic direction chapter to inform when the greenfield land should be released. Requiring a further plan change, then an Outline Development Plan of some sort is onerous and an inefficient use of time. It will also unnecessarily hold up development.
40. Under the National Planning Standards these areas would likely be noted as Development Areas. They would be rezoned the intended resulting zone rather than maintaining their underlying zoning. This negates the need for an additional Plan Change. Objectives, rules and policies can then be utilised to dictate when and how the land is developed. A common mechanism is to utilise a Comprehensive Development Plan, Outline Development Plan or Structure Plan. Council should be liaising with landowners to develop the outline plans now so that development can come online in a timely manner. This would avoid additional costs from having to go through the Plan Change process again, when the land has already been identified as suitable for future development.
41. Rezoning the land now, then requiring a ‘Comprehensive Residential Development Master Plan’ as per Rule MRZ-R2, or similar mechanism, would be a much more efficient process and cost effective process.
42. It is submitted this will frustrate the housing market and actually increase unaffordability.

### **Inadequacy of s32 report**

43. The s32 report briefly mentions the economic cost of reducing development potential of lots across the district by introducing new densities only once. It does not quantify the cost as low, moderate or high or elaborate on it in the evaluation.
44. There are further inconsistencies in the cost/ benefit analysis. For example, there is a reliance on an economic benefit from increasing site coverage in the MDR zone however this has not changed from the operative plan, at 40%.
45. The feasibility of the built form standards is questionable as no evidence of testing is mentioned in the s32 report. The analysis in the s32 of the built form standards is lacking.

46. The s32 states the design guides are to be used to assist with any resource consent process, but notes they have no formal status within the Plan itself. The Design Guidelines have not been released for consultation, feedback, or testing. They should be part of the Plan Change and open for submission.
47. The proposed Low Density Residential zone does not address issue 1 listed in the s32 and the NPS-UD as it is restricting infill development. The Low Density Residential zone is incorrectly labelled and should be a General Residential Zone.
48. It is submitted that the conclusion that the district does not qualify as an 'Urban Environment' and that the NPS does not apply is incorrect.

The s32 states:

*"the provisions of the NPS-UD only apply to local authorities that have all or part of an "urban environment" within their district or region. The definition of an "urban environment" means any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that is, or is intended to be, part of a housing and labour market of at least 10,000 people. This currently does not apply within the District."*

The 2022 NPS-UD definition is as follows:

*"Urban environment means any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:*

- a. is, or is intended to be, predominantly urban in character; and*
- b. is, or is intended to be, part of a housing and labour market of at least 10,000 people"*

This has quite markedly change from the 2016 NPS -UDC definition:

*"Urban environment means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries."*

The Spatial plans adopted by Council state the "intended" area of land will easily surpass the 10,000 threshold.

Furthermore, Plan Change 13 stated –

*"We make a brief aside here to observe that the Masterplan Spatial Framework reflects Ms Goldsmith's appraisal that Cromwell is not limited to the central urban area, and includes wider*

*satellite areas. It also envisages that 12,000 people will be living in that settlement area over its 30-year lifespan.”<sup>4</sup>*

As Council have endorsed the Spatial Plans which highlight the district ‘intends to be’ over the 10,000 threshold, therefore it is submitted that the district is a Tier 3 Council and the Council is required to give effect to the NPS-UD.

49. The significance of the light touch that the plan change has taken in regard to the NPS-UD is that most of the lot sizes in the district have increased. Increasing lot sizes from the current would require significant justification if the NPS UD was appropriately applied. Fundamentally, getting rid of the multi-unit development rule and increasing the lot sizes has the effect of decreasing the amount of land available for development. This flies in the face of NPS-UD Objectives like Objective 3 which states:

*“...district plans enable more people to live in, and more businesses and community services to be located in, areas of an urban environment...”*

### Consultation

50. The spatial plans review the growth of the district and identifies greenfield sites. There was never discussion that development rights would be removed for the majority of the existing residential zoned land.

### Relief sought

The Submitter requests the following decision:

- a. Primary relief: reject, refuse, or otherwise decline the Plan Change.
- b. In the alternative: if the Plan Change is to be adopted, to amend, vary or otherwise modify the Plan Change to address the concerns, issues, and other matters raised in this submission (including any necessary additional or consequential relief).

Granting the primary relief sought will:

---

<sup>4</sup> PC13, Final Decision of Panel, 5 Nov 2019; paragraph 3.55-3.77 of Plan Change 13 panel decision covered this view but this is based on old definition of urban environment. Paragraph 3.88 that the panel agreed NPS-UD is applicable.

- a. achieve the sustainable management purpose of the RMA and otherwise meet the requirements of Part 2;
- b. enable the social, economic and cultural well-being of the community;
- c. meet the reasonably foreseeable needs of future generations;
- d. allow the s32 and other deficiencies in the methodology used to develop the future growth areas to be remedied “from a re-start”, rather than having to try to “fix” a Plan Change that has been developed inappropriately from the start

Granting the alternatives relief sought will:

- a. to a lesser extent, achieve the outcomes identified in the above paragraph in respect of the primary relief, although:
- b. the s32 and other deficiencies in the methodology used to develop the future growth areas will need to be “fixed” within a Plan Change that has been developed inappropriately from the start;
- c. there may be scope limitations that prevent an appropriate “fix” from being adopted, or necessitate the Environment Court’s exercise of its powers under s293

### Wish to be heard

The Submitter wishes to be heard in support of its submission.

If others make similar submissions, the Submitter will consider presenting a joint case at any hearing.

**DATED 2 September 2022**

Electronic address for service of submitter: [wmurray@propertygroup.co.nz](mailto:wmurray@propertygroup.co.nz)

Telephone: 027 445 6845

Postal address (or alternative method of service under section 352 of the Act):

C/- The Property Group  
PO Box 2130,  
Queenstown 9371  
For: Werner Murray