

BEFORE CENTRAL OTAGO DISTRICT COUNCIL

IN THE MATTER	of Proposed Private Plan Change 13 to the Central Otago District Plan
REQUESTOR	RIVER TERRACES DEVELOPMENTS LIMITED

**STATEMENT OF EVIDENCE OF EDWARD ALEXANDER GUY
FOR CENTRAL OTAGO DISTRICT COUNCIL (FURTHER SUBMITTER #506) AND
G AND V WILKINSON (SUBMITTER #396)**

Dated 20 May 2019

Introduction

1. My name is Edward Alexander Guy. I have the qualifications of Bachelor of Engineering (Civil) and a Bachelor of Commerce. I am the Founder, Managing Director and Principal Infrastructure Advisor of Rationale Limited (Rationale), based in Arrowtown. Rationale is an independent advisory firm, formed in 1999, that helps leaders in both the public and private sectors make well-informed investment and infrastructure decisions. I am a registered member of the Institute of Directors. I was appointed to a third term on the National Infrastructure Advisory Board, which indicates the high level of trust put in my judgement.
2. My expertise is in the area of investment management and decision making. The primary tool used in my work is the Better Business Case model provided by Treasury New Zealand. The objective of Better Business Cases is to provide objective analysis and consistent information to decision-makers, to enable them to make smart investment decisions for public value. Having completed the Better Business Case practitioner modules as well as the reviewers' course, I am well placed to provide working knowledge of content, structure and skills across all Better Business Case deliverables. I am also trained in the use of Investment Logic Mapping (ILM), which is being used increasingly by New Zealand Government agencies and is included in the New Zealand Treasury's guidelines for Public Sector Business Cases. I have extensive experience applying the Better Business Case model.
3. My engineering background, training in Investment Logic Mapping and experience as a Better Business Case practitioner give me the ability to reach to the heart of infrastructure issues.
4. I have more than 20 years of project experience within local government, including having led the facilitation work of the Queenstown Master Planning Project. I hold the Project Director role for the development of the Cromwell Masterplan (Masterplan), where my primary responsibility is to set the direction for the project. My role in the Masterplan also included facilitation, optioneering, evidence building, analysis, financial analysis, business case development, growth modelling and forecasting.
5. I have been asked by counsel for Central Otago District Council and Mrs and Mrs Wilkinson to examine Private Plan Change 13 ("PC13") and assess the impact this will have on Cromwell community's ability to achieve the desired outcomes of the Masterplan.

Scope of Evidence

6. The scope of my evidence includes outlining the Better Business Case (BBC) process used for preparing the Masterplan and an examination of consistencies between proposed PC13 and the Masterplan. My evidence is given in three parts:

Part 1. Describing the BBC, why it was used and the value it provided in this circumstance.

Part 2. BBC Process: Desired Outcomes and derivation of the preferred way forward.

Part 3. PC13's consistency with the Masterplan preferred way forward.

PART 1: BBC AND WHY IT WAS USED

Description of BBC

7. The Masterplan programme is being developed using an integrated planning approach which follows the New Zealand Treasury Better Business Case (BBC) framework.
8. The primary purpose of the BBC is to ensure investment decision making is evidence based and transparent. The BBC was developed and implemented by the New Zealand Treasury to improve the value provided from public investment. Public entities had a history of delivering poor investment analysis and substandard investment in assets which did not deliver the benefits anticipated. Much of this BBC is designed around an internationally recognised best practice standard, the five-case model. This builds a business case proposal by answering five core questions:
- a) What is the compelling case for change?
 - b) Does the preferred option optimise value for money?
 - c) Is the proposed deal commercially viable?
 - d) Is the investment proposal affordable?
 - e) How can the proposal be delivered successfully?
9. The BBC framework uses a five-case model to identify gaps, to gather evidence, complete data analysis, initiate community involvement, select the right interventions and establish an achievable timeframe for delivery. By focussing on evidence and transparency it ensures investment decisions can be understood by

decision makers and revised as the investment proposition progresses. It also clearly outlines the rationale and thinking at the time of writing and the justification for investment.

10. The BBC process is widely accepted as the preferred funding framework that enables the public sector to produce evidence-based and transparent decision making for delivery management and performance monitoring of investment proposals. The principles of the BBC framework are consistent with the approach required when making an application for funding under the Government's recently established Provincial Growth Fund.
11. The Cromwell Masterplan Programme Business Case (CMPBC) follows the Treasury Better Business Cases framework and is organised around the five-case model – Strategic, Economic, Commercial, Financial and Management Cases.
12. The CMPBC provides the justification and technical supporting documentation for the Cromwell Masterplan (the Masterplan). The CMPBC will:
 - a) confirm the case for change and the need for investment.
 - b) identify the best way forward.
 - c) understand how the preferred option can be delivered.
 - d) understand how it can be funded using existing resources.

Why CODC applied the BBC approach

13. Previous attempts to bring about changes in Cromwell failed due to a raft of uncertainties around the future of the town. This has reduced the willingness of stakeholders to invest in changes and large-scale improvements. The Business Case approach enables good decision making by gathering evidence and carrying out essential analytics.
14. By using the BBC approach for the Cromwell Masterplan, CODC is able to make sure all stakeholders, decision makers and the community are able to clearly understand the way forward for the town.
15. The CMPBC is used as the basis for seeking early approval to undertake more detailed analysis and planning. It has been intended to set the direction of the town, looking ahead thirty years to ensure growth within Cromwell can be managed to ensure the values residents hold dear can be retained and enhanced.
16. The business case provides an early opportunity for the organisation and key stakeholders to influence the direction of the investment proposal and to avoid

too much effort being put into developing investment proposals and options that should not proceed.

Integrated thinking

17. The BBC approach ensures a wide and complex array of factors could be considered and analysed for Cromwell, ensuring the best outcome could be identified and using a range of optioneering tools, analysis and engagement.
18. By using this approach, the Masterplan could be approached by looking at a range of integrated workstreams, making sure that all pieces of the puzzle could be considered. The workstream diagram in 'Attachment A: Cromwell Masterplan Workstream Diagram' visualises how all the elements involved were brought together to form the Cromwell Masterplan.
19. With such a complex and integrated programme of work it is critical that all aspects that could influence the outcome of the programme are considered, as changes to any elements could have significant effects on the entire CMPBC.
20. Plan Change 13 is such an element, as the potential implications of the development would have significant impacts on the expected outcomes of the Cromwell Masterplan. These are detailed in Part 3 of my evidence.

PART 2: HOW THE BBC WAS APPLIED AND THE DERIVATION OF THE PREFERRED WAY FORWARD

Process

21. The BBC process involved repeated engagement with the key stakeholders and the community through surveys, facilitated Investment Logic Mapping (ILM) workshops, optioneering and public engagement events. The outcomes of this engagement are described later in my evidence.
22. The steps taken to determine the preferred option can be seen in Attachment B: The Path to the Preferred Option. These steps are outlined below.
23. **Step one and two – Engagement:** Initial engagement was undertaken with informed members of the community. This engagement followed the Investment Logic Mapping (ILM) technique and produced the ILM for each of the four areas. Additionally, these workshops also enabled the project team to extract actions and interventions that the participants had in mind. More targeted engagement with CODC staff and elected members and key stakeholders was then carried out.

This allowed the ILMs to be tested and to seek more ideas on actions and interventions from more informed and engaged attendees.

24. **Step three – Initial Optioneering:** The initial engagement helped clarify each of the workstream’s options. A range of optioneering tools were used to organise interventions into manageable options and evaluate them against a range of key criteria and investment objectives. The tools used included:
 - i) Spatial Framework multi criteria analysis.
 - ii) Town Centres multi criteria analysis.
 - iii) Civic Facilities multi criteria analysis.
 - iv) Memorial Hall longlist.

25. **Step four – Shortlisting:** Shortlists of options were identified based on the multi criteria analysis (MCA) tools used in step three and further evaluation was undertaken for each option using the Masterplan Design Principles. As part of this step graphics and explanations were developed to clarify the specifics around the shortlist options for each workstream.

26. **Step five – Integrated Programme Development:** The shortlists were then integrated into practical programmes of works, considering six levels of ambition ranging from ‘do nothing’ to ‘do maximum’. This was referred to the Cromwell Community Board (CCB) for agreement in principle in September 2018 before proceeding to more in-depth analysis and community consultation.

27. **Step six – A Move to a Precinct-Based Approach:** For the purpose of consulting with the community the Masterplan moved from an asset and activity-based focus to a geographical precinct based approach. This made the options easier to understand and also analyse. This saw elements of the Civic Facilities workstream split between the Town Centre and Arts Culture & Heritage Precincts. The Memorial Hall workstream formed part of the Arts Culture & Heritage Precinct. These precincts were:
 - i) Spatial Framework.
 - ii) Town Centre Precinct.
 - iii) Arts Culture & Heritage Precinct.

28. **Step seven – Community Consultation and Analysis:** A community consultation document, “Let’s Talk Options” was developed and shared with the Cromwell community to seek their input on the shortlist. It spelt out in plain English with

easy to interpret graphics the path that had led to the creation of the shortlist, what each option entailed, and the impact it would have on the Cromwell Basin. It was widely promoted alongside a survey asking residents which of the options they preferred for each precinct and why. The consultation was launched on October 18, 2018 and ran for four weeks. Throughout this period a dedicated 'options shop' was opened in the Cromwell Mall where the community could meet with project staff and discuss the options presented.

At the conclusion of the consultation period all feedback received was analysed to be used as evidence and to shape the direction of the Masterplan. In total 477 responses were received, with the community sending a clear message that they wanted the Masterplan to take an ambitious approach across both precincts and the overarching Spatial Framework.

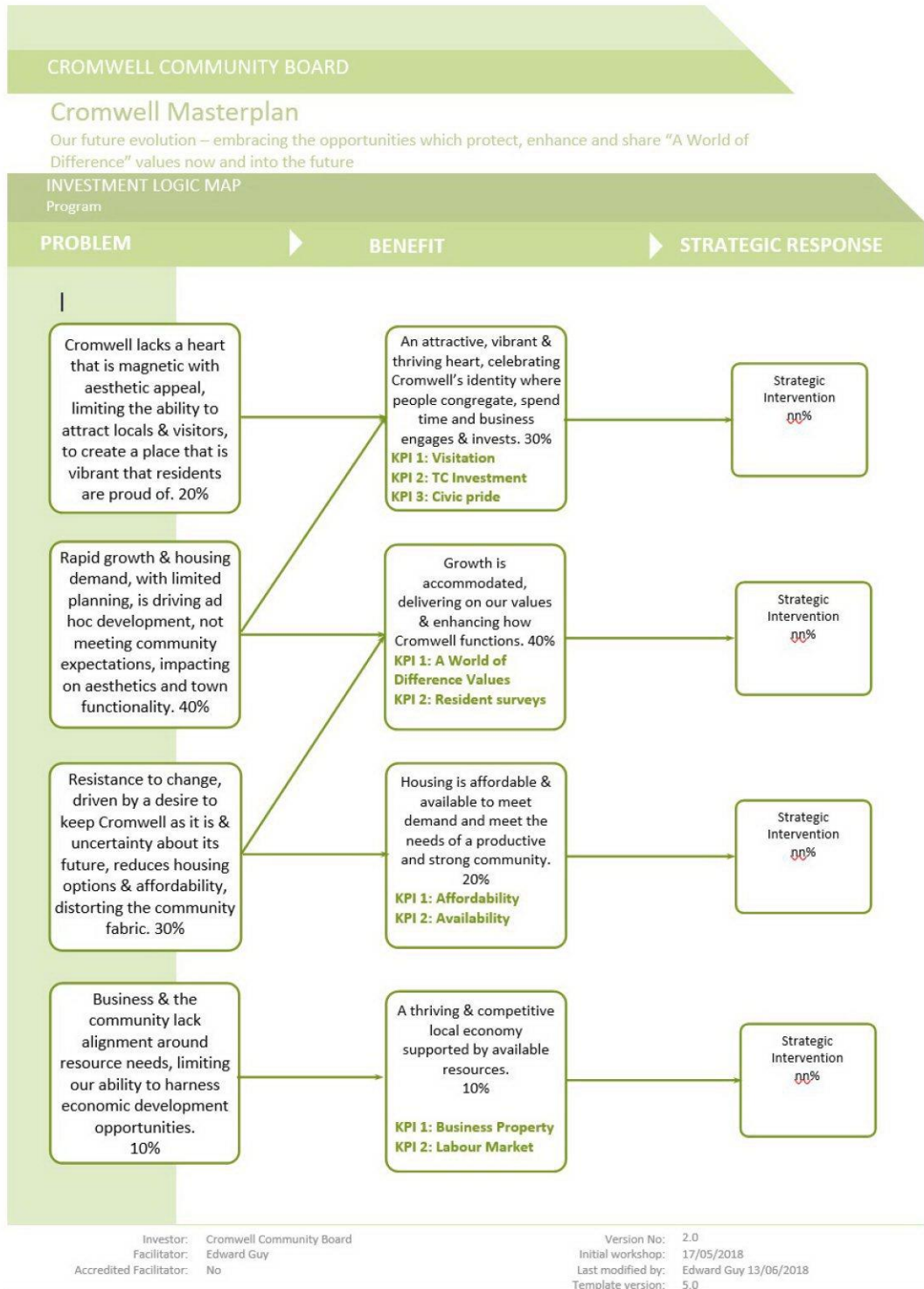
29. **Step eight – Preferred Programme Development:** The project team met in December 2018 to synthesise the consultation results. They utilised the feedback and applied technical expertise to address the themes. The preferred option for each section was developed and plans created for presentation to the Cromwell Community Board ("CCB") on the 17 December 2018. At this presentation the CCB received the Masterplan timeline showing the sequencing of projects (covered in the Management Case), and forecast cashflow analysis out for the next 10 years (covered in the Financial Case).
30. The Masterplan timeline that was agreed when the CMPBC was launched illustrates the opportunities that the community had to get involved in the process. It can be seen in Attachment C: Cromwell Masterplan Timeline.
31. The Masterplan Process and Schedule can be seen in Attachment D: Masterplan Process and Schedule. This sets out the process that would be taken to arrive at the final Masterplan.

Desired Outcomes

32. Initial workshops were carried out using a technique called Investment Logic Mapping (ILM) that identified the problems that needed to be solved as part of the Masterplan. These were developed through facilitated workshops between CODC staff, CODC elected members, and key stakeholders during May 2018. Through these workshops five Investment Logic Maps were developed, spelling out the problems and benefits across the following:
 - a) The Cromwell Masterplan (the overarching ILM).
 - b) Spatial Framework.

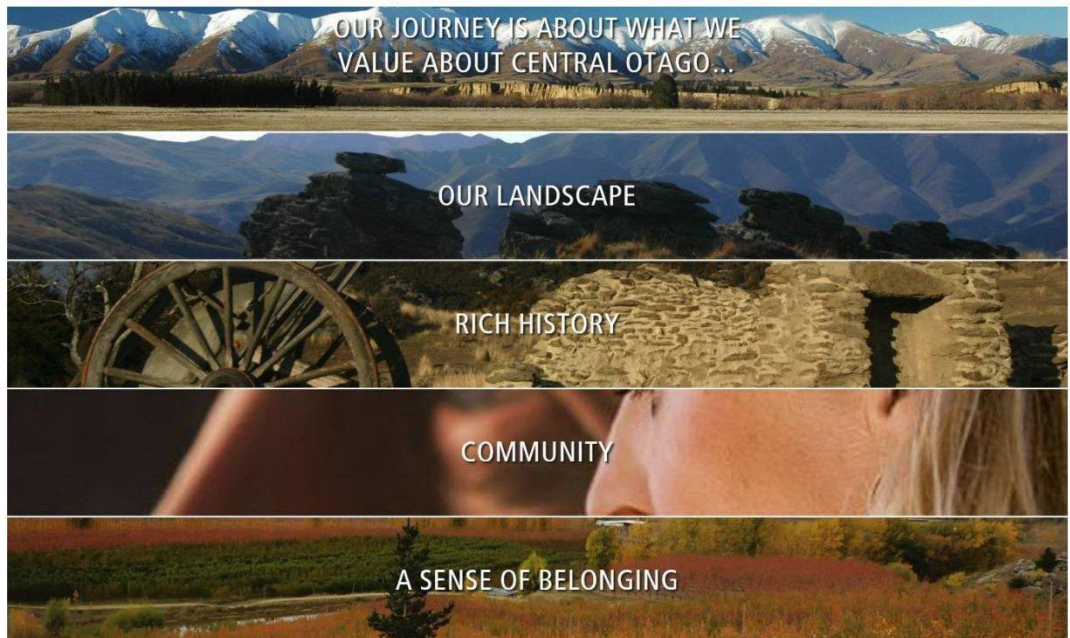
- c) Town Centre.
- d) Civic Facilities.
- e) Memorial Hall.

33. The Masterplan ILM is shown below. It highlights the existing problems and the desired benefits that could be achieved by addressing those problems.



A World of Difference Values

34. The vision for the Masterplan ILM is ‘Our future evolution – embracing the opportunities which protect, enhance and share “A World of Difference Values” now and into the future.
35. The project to establish Central Otago’s “regional identity” was initiated by CODC in 2005. It focused on defining the points of difference that distinguish Central Otago and make it special, both for residents and visitors alike. These can be seen below.



36. The importance of the Central Otago “A World of Difference” values became apparent early in the engagement process. Despite the changes occurring in Cromwell, these values continue to be relevant and have provided the foundation of both the design principles and the Masterplan Vision Statement.
37. The values resonated through community feedback and this reaffirmed the importance of ensuring that planning for the future of Cromwell remains true to them.
38. As such, the World of Difference values have been central to the development of the Masterplan and have captured in the Masterplan’s Vision Statement: Embracing opportunities that protect, share and enhance our ‘A World of Difference’ values, now and in the future.

ILM Issues

39. The issues that were identified as part the ILM workshops were used to build the final ILM above. These issues can be seen in Attachment E: ILM Issues.

ILM Problem Statements

40. **Problem Statement 1:** Cromwell lacks a heart that is magnetic with aesthetic appeal, limiting the ability to attract locals and visitors, to create a place that is vibrant that residents are proud of. (20% Weighting).

41. MarketView analysis was used to analyse spending in Cromwell. It showed that:

- a) the majority of spend occurs in the Town Centre.
- b) international visitors contribute very little to the Cromwell economy, comprising 4% of overall spend.
- c) peak spending is during the summer (December/ January) period and is at the lowest during winter (July).
- d) supermarket and specialised food outlets attract over 50% of the total spend in Cromwell.

42. Mobile phone data was used by commissioning analytics firm Qrious Ltd. to track the movement of people in order to provide an insight into the behaviour of visitors and locals. It showed:

- a) Domestic visitors are a large proportion of the people visiting Cromwell, exceeding local visitation by a large amount year-round (See Figure 32 below). However, their retail spend per person is significantly lower than locals, indicating they are not contributing to the commercial success and business vitality.
- b) Over 50% of local visitors spend between less than two hours in Cromwell, and this percentage jumps to over 60% when talking about domestic and international visitors combined – this suggests a low level of visitor participation in the local economy.
- c) day visitors from within the Central Otago area (locals) are primarily coming to Cromwell for work purposes. Their duration of stay suggests limited retail and hospitality participation. This impacts on the commercial and business

vibrancy of Cromwell and presents another opportunity to improve the appeal of Cromwell.

- d) Both domestic and international visitors have a high proportion of short stays. The main purpose of these visits may be a quick stop for fuel, the use of public facilities, or food shopping on their way to a further destination. It is apparent that they have a short dwell time and contribute little to the wider well-being of Cromwell's hospitality and retail sectors.
- e) A very small percentage of the visitors to Cromwell stay overnight. This has significant implications for visitor spend, town centre vibrancy and associated hospitality activity.

43. The community survey reflects this problem statement as well.

44. **Problem Statement 2:** Accommodating Growth – Rapid growth and housing demand, with limited planning, is driving ad hoc development which isn't meeting community expectations, while impacting on aesthetics and town functionality. (40% weighting).

45. Rapid growth and housing demand has the highest weighting and is the key problem that relates to this evidence. The problem identified was summarised as rapid growth and housing demand with limited planning driving ad hoc development that isn't meeting community expectations, impacting on aesthetics and town functionality. The evidence of the problem was:

- a) The Cromwell Ward has been experiencing 3-5% annual population growth over the past four years - this has pushed the town into a high growth scenario under the National Policy Statement for Urban Development Capacity (NPS-UDC).
- b) The population of the Cromwell Ward is set to almost double over the next 30 years.
- c) Growth is occurring beyond the town's existing urban boundaries, with two significant private plan changes underway that have the potential to shape where new residential development is planned, influencing how Cromwell looks and functions¹.

46. The main drivers for the rapid growth and increasing housing demand are the town's position as a strategic hub for distribution and tourism-based enterprises,

¹ One of these plan Changes, Wooing Tree PC12, is now operative

the flow on effects of Queenstown Lakes development and land prices, and growth of land-based industries such as horticulture and viticulture.

47. Community feedback received early in the development of the Masterplan showed the issue of growth, and its flow on effects factor highly in the concerns of residents, as such this has been given a 40% weighting – the highest of all the problem statements.
48. **Problem Statement 3: Housing Options and Affordability – Resistance to change** driven by a desire to keep Cromwell as it is and uncertainty about its future is reducing housing options and affordability, which is distorting the fabric of the community. (30% weighting).
49. Due to large section sizes and a lack of housing diversity there are limited housing choices in the Cromwell market. Prices are increasing, driven in a large part by significant price increases in neighbouring Queenstown Lakes District. The increasing unaffordability of housing in Cromwell is having a flow on effect into the social fabric of the community, with financial pressures and increased workloads seeing people leave the district, impacting the community's quality of life, and increasing mental health issues.
50. **Problem Statement 4: Resource Needs - Business and the community lack alignment around resourcing needs, limiting our ability to harness economic development opportunities.** (10% weighting).

Consistent population growth, increasing house prices, reducing housing availability and expansions in the horticulture and viticulture industries are combining to create significant resourcing shortfalls across Cromwell. These issues, when combined with a historical inability to plan for increasing future resource demands, has created a barrier to increased economic development.

Optioneering Process

51. The initial community engagement provided a substantial number of potential interventions. Following a range of initial workshops, engagement and evidence gathering, a longlist to shortlist options assessment was carried out under each of the original workstreams. This included developing multi-criteria analysis (MCA) tools for the Spatial Framework. These options assessment tools were tested against ILM investment objectives, critical success factors and design principles in internal workshops between the Council staff and the project team.
52. For the Spatial Framework the longlist for the residential growth options was considered by the Cromwell Community Board (CCB) in July 2018 and again once

integrated in August 2018. The shortlist was chosen because it provided contrasting growth options (i.e. growth in the settlements, balanced growth and intensify the core) which all delivered on the population increase expected, but with different land use/form outcomes.

53. Options can be eliminated when an option fails on one of the following critical success factors:

- a) **Strategic Fit.** Alignment to the masterplan investment objectives/outcomes.
- b) **Value for money.** The balance between cost and the benefits delivered by the option.
- c) **Supplier capacity and capability.** Can the project be delivered?
- d) **Affordability.** Ability to fund the project within the timeframe.
- e) **Achievability.** Ability and skills to deliver + community & political appetite.

54. Key considerations included:

- a) Shortlist options were all able to accommodate growth supported by the growth modelling.
- b) Longlist options one, two and six were discounted at this stage as the Project Team, guided by the community engagement, determined them to be unattractive and lacking community support.
- c) Longlist Option 6 failed the strategic fit and value for money factors and failed ultimately on the achievability critical success factor. It was not at all consistent with the community feedback on where they saw the town developing, and how. The community did not want to see Cromwell continue to expand outwards.

55. Graphic of the Spatial Framework Longlist to Shortlist can be seen in Attachment F.

56. The following shortlist was used for community consultation on growth options:

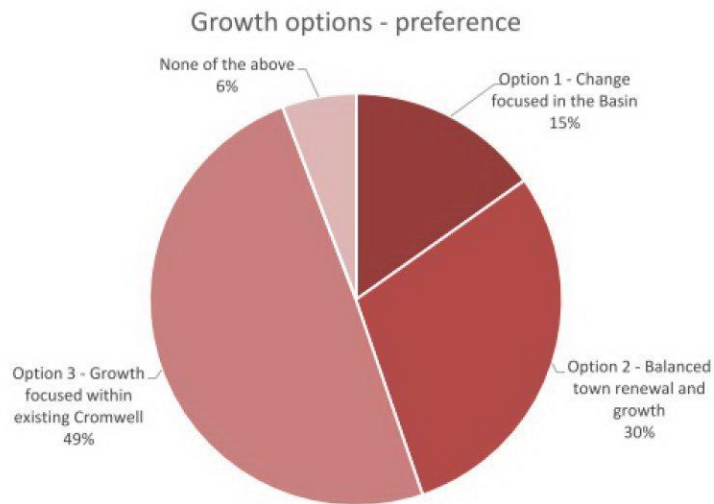
Option 1 – Change focused in the Basin.

Option 2 – Balanced town renewal and growth.

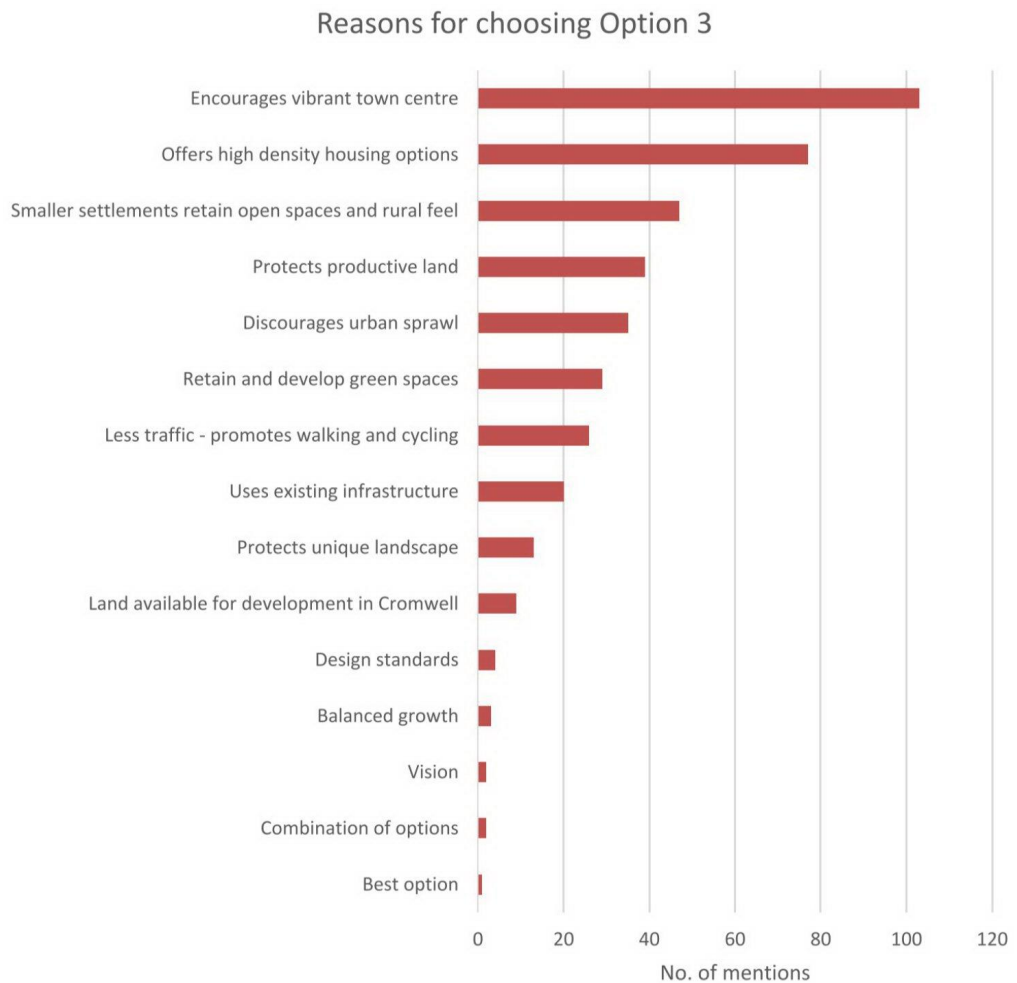
Option 3 – Growth focussed within existing Cromwell.

Community Feedback on the Options

57. The resounding feedback from the Cromwell community was for the Masterplan to be more ambitious, with the majority preferring the most ambitious shortlist option for each workstream. The message given was loud and clear – do it once, do it right and do it now.
58. The community was asked which of the three growth options they preferred and why. This question was compulsory and all 467 respondents provided a response, refer to the graph below.



59. There were 422 comments offering reasons why respondents chose the option they did. These have been categorised into themes. For those that chose option 3 the reasons are shown below.



60. The commentary below provides more detail about the responses for those themes that were mentioned 10 times or more.

- a) 'Encourages vibrant town centre' (103 comments) - People felt that focusing future growth within existing Cromwell township would help create a vibrant and busy town centre. Many said that the focus should be on the existing town first before outlying areas to keep the majority of the population close to existing amenities. Comments suggested that a more concentrated population would 'bring the town back to life'.
- b) 'Offers high density housing options' (77 comments) - Respondents felt that high density housing keeps the town compact and accessible. They said that more people in centralised areas brings them closer to services, businesses, retail and dining options. They liked the choice and affordability of

townhouses, apartment style and high-rise housing options and said it will bring people in the community together.

- c) 'Smaller settlements retain open spaces and rural feel' (47 comments) - Respondents said they wanted the smaller settlements to retain their open space, rural feel and larger section sizes. People felt the smaller settlements can provide a nice contrast to the more built up township and that those who have chosen to live out of town have done so largely for the space it offers.
- d) 'Protects productive land' (39 comments) - Respondents felt it was very important to protect valuable horticulture and viticulture land. Many mentioned that "this is what Cromwell is known for" and "it's the essence of Cromwell".
- e) 'Discourages urban sprawl' (35 comments) - Comments mentioned that they did not want the town to spread out and that Option 3 helps create a heart by "keeping people close to infrastructure and amenities".
- f) 'Retain and develop green spaces' (29 comments) - Respondents said that green spaces (greenways, parks, playgrounds, gardens) must be retained and developed in all future developments particularly with high density housing. Six respondents mentioned it was important to keep the golf course as it is.
- g) 'Less traffic - promotes walking and cycling' (26 comments) - Respondents felt that more people in town would mean less traffic on roads, less use of vehicles and would encourage more walking and cycling.
- h) 'Uses existing infrastructure' (20 comments) - Respondents said that infrastructure is already in place with this option and that the population would be close to existing infrastructure. Some also mentioned that infrastructure must be well planned well for future growth.
- i) 'Protects unique landscapes' (13 comments) - Respondents felt this option protects the hills and surrounding natural environment from development and retains essence of the unique surrounding landscape.

Multi Criteria Analysis (MCA)

- 61. The final Spatial Framework MCA can be viewed as Attachment G: Cromwell Masterplan Spatial Framework MCA.
- 62. As noted earlier in my evidence, the Spatial Framework MCA identified that Longlist Option 6 did not deliver on three factors. Ultimately it failed on the achievability critical success factor. It was unpalatable to the community and

attributed a higher level of risk because of this. After analysing the community feedback, it became apparent that Longlist Option 5 was attractive to the community and it was therefore taken forward into the shortlist as Shortlist Option 3. This was again reflected in the results of the “Let’s Talk Options” shortlist consultation where almost half of all respondents selected “Growth focused within existing Cromwell” as the preferred option.

Analysis and Derivation of the Preferred Way Forward

63. The preferred way forward for the spatial framework is explained in Section 4.5 of Ms Brown’s evidence.

PART 3: PC13’S CONSISTENCY WITH THE MASTERPLAN PREFERRED WAY FORWARD

PC13 is inconsistent with the Masterplan

64. PC13 is inconsistent with the Masterplan.

65. The development of PC13 would alter the dynamic of the Masterplan and see many of the desired outcomes rendered unachievable.

66. The Masterplan seeks to achieve increased vibrancy in the Cromwell Town Centre, making it attractive to business, developers and the community at large.

67. To achieve this vibrancy, residential growth needs to be focussed within existing Cromwell and move into the town centre.

68. PC13 would see the development of a secondary population base, that would work against the concept of increased density, expanding Cromwell as opposed to focusing on growth within existing Cromwell.

69. The Masterplan is aligned with community sentiment around the importance of increased residential concentration with improved open spaces, greenways and a more walkable and cyclable town centre.

The affect PC13 will have on the outcomes sought from the Masterplan.

70. The problems the Masterplan seeks to overcome can be seen in the ILM referenced earlier in my evidence. Each of these problems have been given a weighting indicating their importance to the overall Masterplan outcome.

71. PC13 will have impacts on all the problems we are seeking to address, these are explained below.

72. **Lack of a Heart (20%)** – Cromwell lacks a heart that is magnetic with aesthetic appeal, limiting the ability to attract locals and visitors, to create a place that is vibrant that residents are proud of.
73. By creating a new population centre outside of Cromwell’s existing urban boundaries, alongside a community retail village, PC13 will create an alternative offering to the Cromwell Town Centre, diluting the number of people using it and reducing the attractiveness and vibrancy of a magnetic town centre.
74. In order to improve Cromwell’s town centre, increased residential density within the current urban boundaries and within the town centre itself is required. PC13 offers the alternative.
75. **Rapid Growth and Housing Demand (40%)** – Rapid growth and housing demand, with limited planning, is driving ad hoc development which isn’t meeting community expectations, while impacting on aesthetics and town functionality.
76. PC13 will see the continuation of developer led ad hoc development, as opposed to the consolidation and infill required within the existing urban boundaries to create density and allow for a range of housing choices.
77. Further sprawling development on Cromwell’s outskirts will continue this ‘ad hoc’ approach, impact the town’s aesthetics and effect on Cromwell’s “A World of Difference Values’. This is something the community has strongly shown their opposition to throughout the Masterplan engagement process.
78. The opposition to further sprawling development on Cromwell’s outskirts reflected in PC13 is now evident in the level of the community’s opposition to PC13.
79. **Housing Options and Affordability (30%)** – Resistance to change driven by a desire to keep Cromwell as it is and uncertainty about its future is reducing housing options and affordability, which is distorting the fabric of the community.
80. While on the face of things it would seem that PC13 would help alleviate this problem, the community has made it clear that they would prefer to see infill, increased density and mixed use housing opportunities within Cromwell, as opposed to the development of a satellite suburb on the outskirts.
81. Increased density in the form of town house infill development would offer affordable housing options without impacting on the way Cromwell functions.

82. Increased density has been shown to lead to increased vibrancy and a better sense of community, moving a large population base outside of the current urban boundaries would offer the opposite.
83. **Resource Needs (10%)** – Business and the community lack alignment around resourcing needs, limiting our ability to harness economic development opportunities.
84. Although this is a significant individual issue, it has received a lower weighting as the root causes of the problem can be largely attributed to issues covered in the previous problem statements. However, again – the impact of reduced density would see less economic development opportunities for Cromwell.

CONCLUSION

85. The Better Business Case (BBC) framework has provided a transparent and evidence-based opportunity for the organisation and key stakeholders to influence the direction of the investment proposal and to avoid too much effort being put into developing investment proposals and options that should not proceed.
86. The BBC process involved repeated engagement with the key stakeholders and the community through surveys, facilitated Investment Logic Mapping (ILM) workshops, optioneering and public engagement events.
87. Rapid growth and housing demand was the key problem identified through the ILM workshops. The problem was summarised as rapid growth and housing demand, with limited planning, driving ad hoc development that isn't meeting community expectations, impacting on aesthetics and town functionality.
88. The initial community engagement provided a substantial number of potential interventions. Following a range of initial workshops, engagement and evidence gathering, an options assessment was carried out including developing multi-criteria analysis (MCA) tools. These options assessment tools were tested against ILM investment objectives, critical success factors and design principles in internal workshops between the Council staff and the project team.
89. These tools helped to narrow a longlist of spatial framework options, six in total, down to a shortlist of three options for community consultation.
90. The shortlist was chosen because it provided contrasting growth options (i.e. growth in the settlements, balanced growth and intensify the core) which all

delivered on the population increase expected, but with different land use/form outcomes.

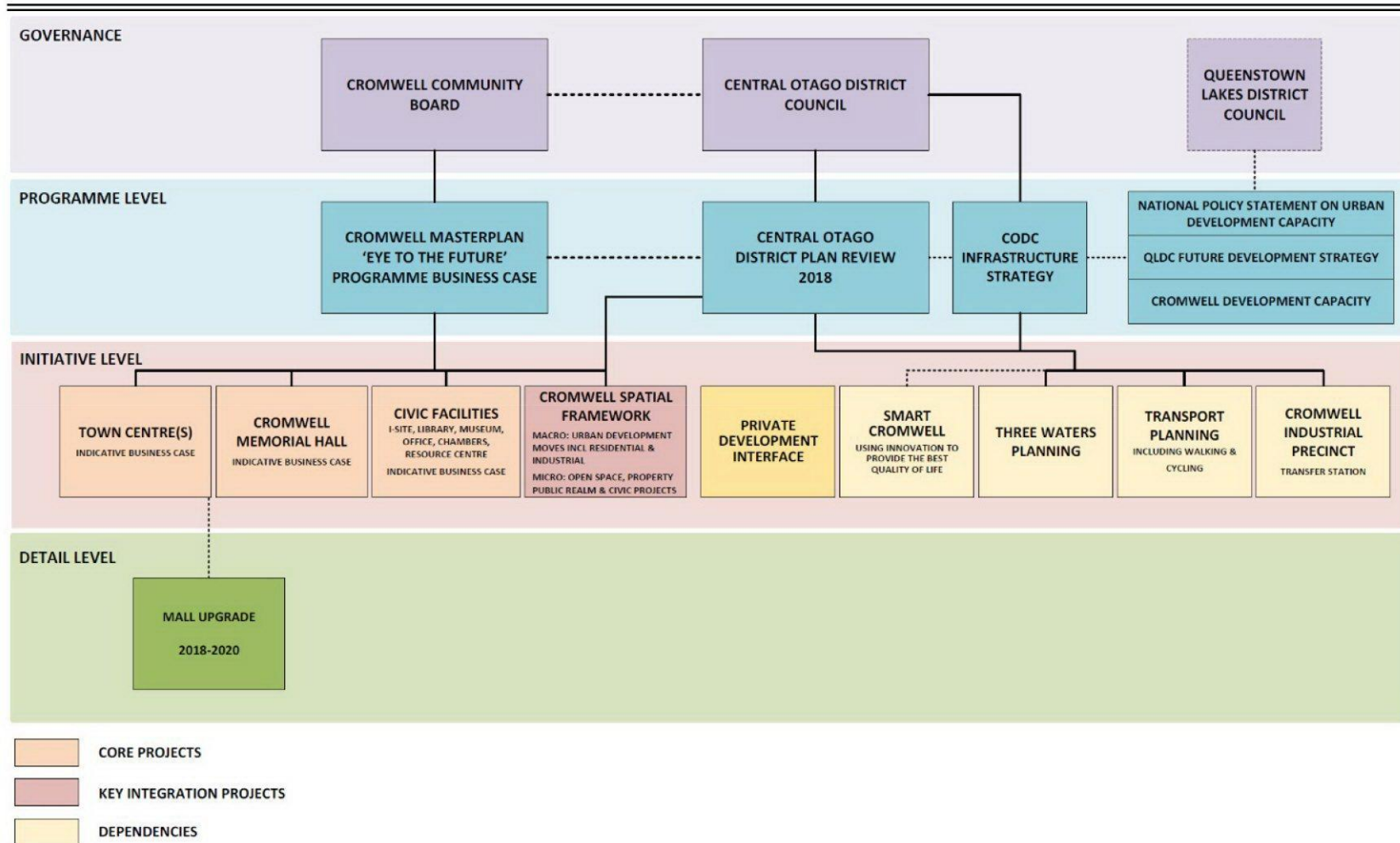
91. Longlist options one, two and six were discounted at this stage as the Project Team, guided by the community engagement, determined them to be unattractive and lacking value-for-money.
92. The community was asked which of the three growth options they preferred and why. Of the 467 respondents 49%, the highest response, preferred Shortlist Option 3 – Growth focused within existing Cromwell. I have outlined at para 60(a) of my evidence the reason for support for Option 3.
93. Further sprawling development on Cromwell’s outskirts will continue this ‘ad hoc’ approach, impact the town’s aesthetics and effect on Cromwell’s ‘A World of Difference Values’. This is something the community has strongly shown their opposition to throughout the Masterplan engagement process. The opposition to further sprawling development on Cromwell’s outskirts reflected in PC13 is now evident in the level of the community’s opposition to PC13.

Dated 20 May 2019

EDWARD ALEXANDER GUY

Attachment A: Cromwell Masterplan Workstream Diagram

CROMWELL WORKSTREAMS



Attachment B: The Path to the Preferred Option

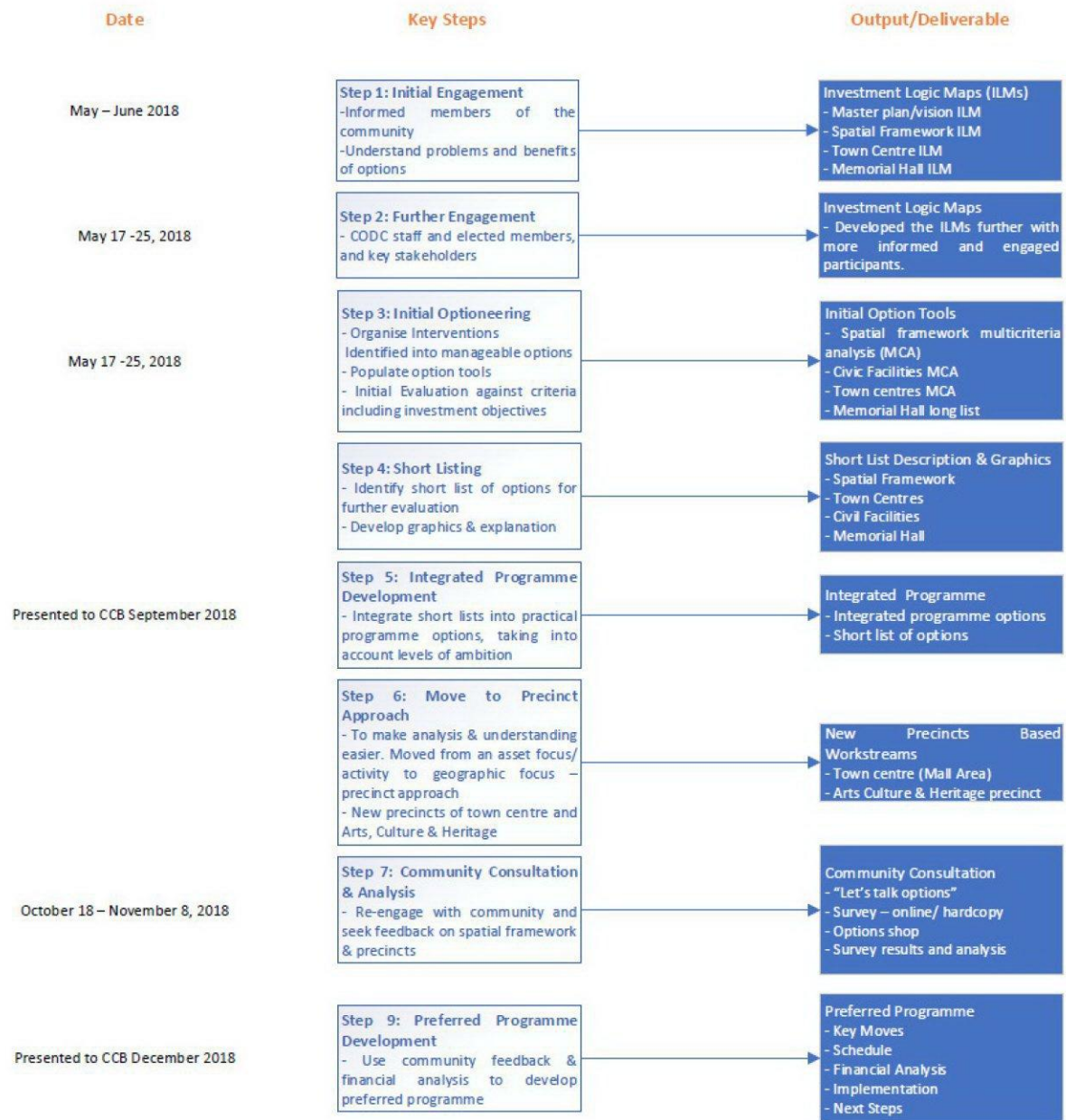
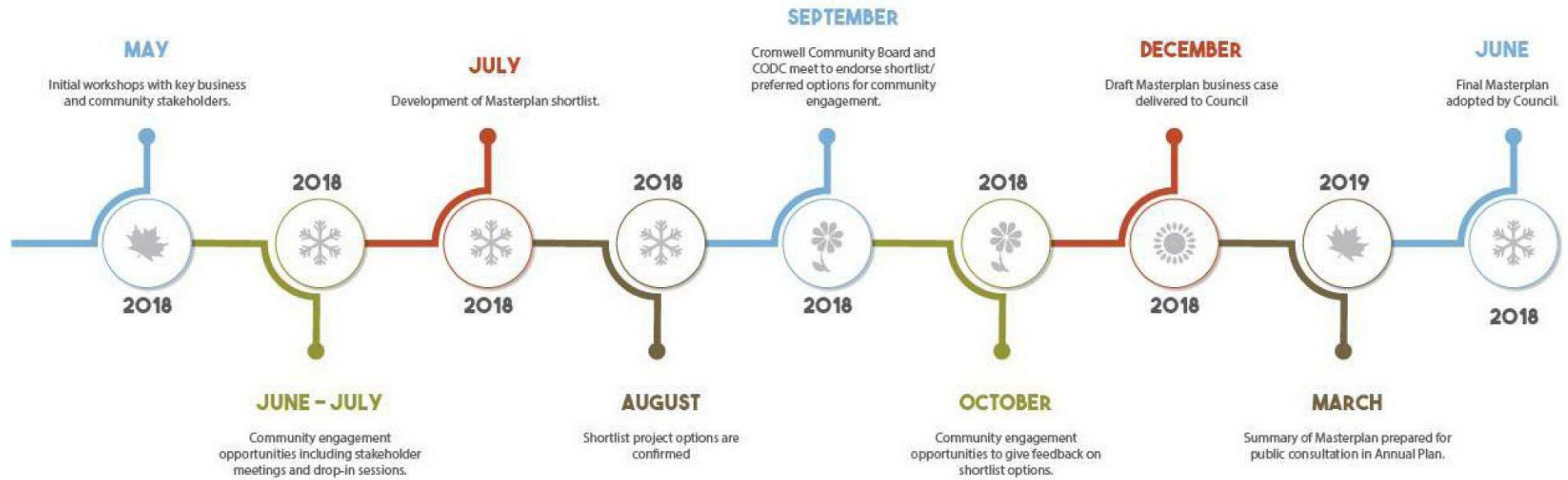
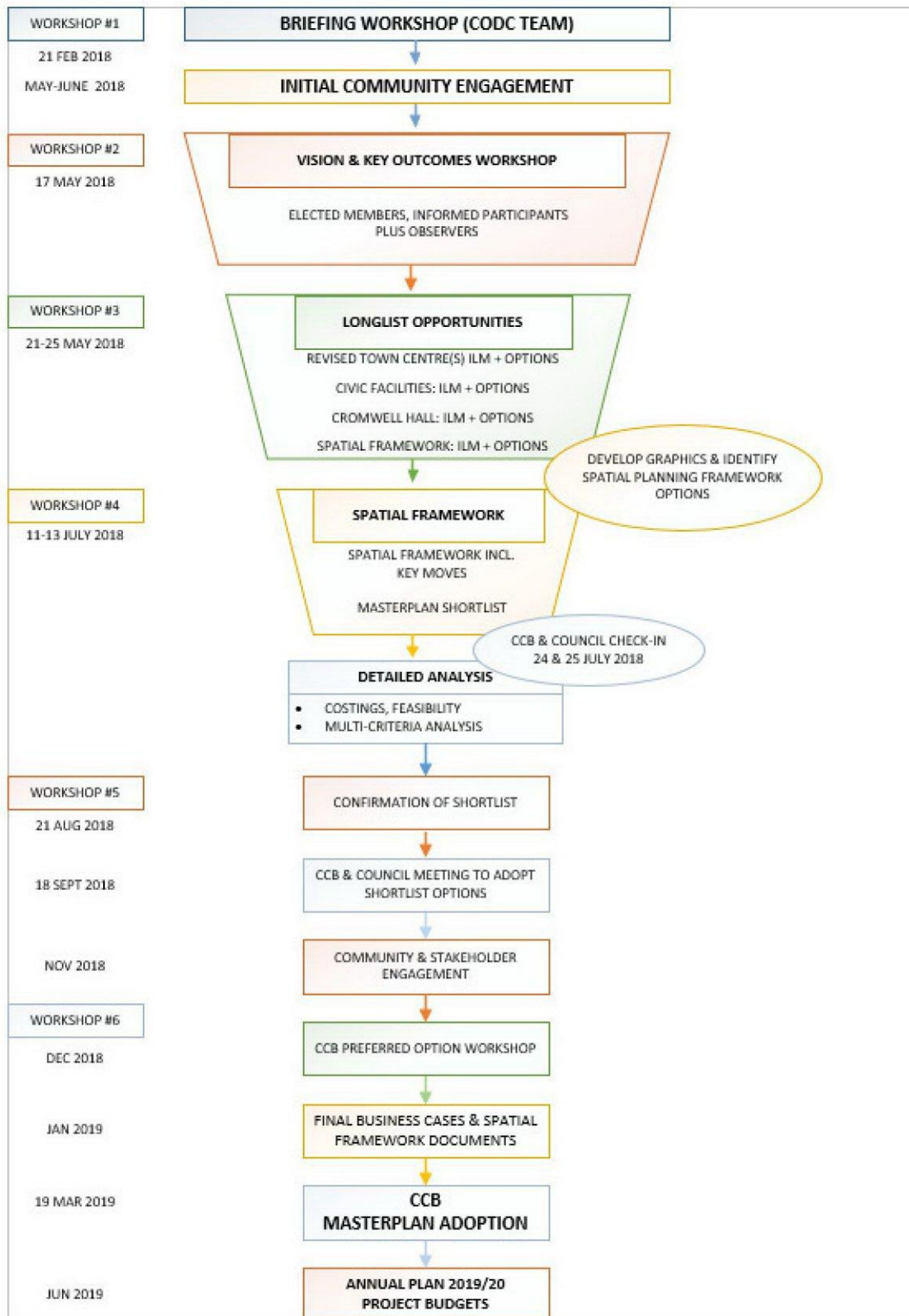


Figure 1: The path to the preferred option

Attachment C: Cromwell Masterplan Timeline



Attachment D: Masterplan Process and Schedule



Attachment E: ILM Issues

Cromwell Masterplan – Our future evolution.

Embracing the opportunities which protect, enhance and share ‘A World of Difference’ Values now and into the future

ILM Problem	Item	Issues
2	1.	Houses breaching the skyline or ridge line can happen as it's a discretionary activity under the district plan
2	2.	There are more applications for skyline/ridgeline breaches
2	3.	Highly visible housing that impact on the landscape
2, 3	4.	Accelerated growth and unplanned urban development
2	5.	Significant plan changes
2	6.	Spill over from Queenstown including both residential and commercial/industrial
2	7.	Our town is growing, and our services aren't keeping up – social (hospital)
2	8.	Development is developer driven and low quality because we don't have the right tools
2	9.	Tourism demand – ability to service
2	10.	Profit driven development
2	11.	New developments are not including greenways which provide value for safety, recreation, urban form, access and they are valued by Cromwell people
All	12.	A need to retain our sense of community including vibrancy, positivity and inclusiveness
All	13.	We don't understand or have prescribed identity – service/tourist town, dominant area
All	14.	Seasonal cycles – high demand periods, events, labour shortages
12	15.	Capacity at peak
2	16.	Tourism of a higher quality that remains authentic, and that retains a quality of life for Cromwellians
31	17.	A lack of a quality town centre which is vibrant, attractive, magnetic
1	18.	Professional service/office activities are not in a central location
1	19.	The mall is transitioning from a retail area to something else that is uncertain at this stage.

1	20.	Cromwell people are not proud of the mall and are highly negative about it
1	21.	No reason to go to the mall
2,3	22.	Growth threats include: Becoming a dormitory town, diminishing community feeling, diminishing our land scape and heritage values.
1	23.	We lack community heart – where people come together, bump into each other. Its currently new world, BP, sports fields.
1	24.	We have the components of a community heart but it's not working
1	25.	Community heart facilities are not fit for the future – lacks a shared vision
2	26.	The shoreline of Cromwell is an extensive asset but underutilised by locals and visitors, due to poor wayfinding and not being particularly user friendly.
2	27.	Weed, stony beaches, public realm maintenance, ownership by LINZ, ORC, water quality, foreshore management
3	28.	Declining housing affordability – youth ownership aspiration – many living with parents
3	29.	Housing choices – not everyone wants 2Ha or 1000m
3	30.	250m min lot size – site coverage rules impact on densities and housing options.
3	31.	Accommodating seasonal workers
3	32.	Seasonal workers are losing their social licence – they are not turning up
3	33.	Highest and best use of our land means that our horticulture land will come under pressure for land use change
3	34.	There is infill but not signs of demand for apartment living – there's potential uncertainty about marketability of high density living and cost.
3	35.	Sustainable infrastructure development is an issue as we don't know how the town will grow
2	36.	Social sustainability – labour shortage
3	37.	Multiple development fronts and plan changes mean infrastructure capacity gets consumed elsewhere.
3	38.	Land release timing and prioritisation.
3	39.	Climate – heat, drought, storm water management – treatment & storm events.
3	40.	Holiday homes
3	41.	Youth who stayed here have obtained trades worked in the community but can't afford to live here and subsequently leave.
3, 4	42.	Affordability leads to labour shortages
1	43.	There is tension between our current values and our needs

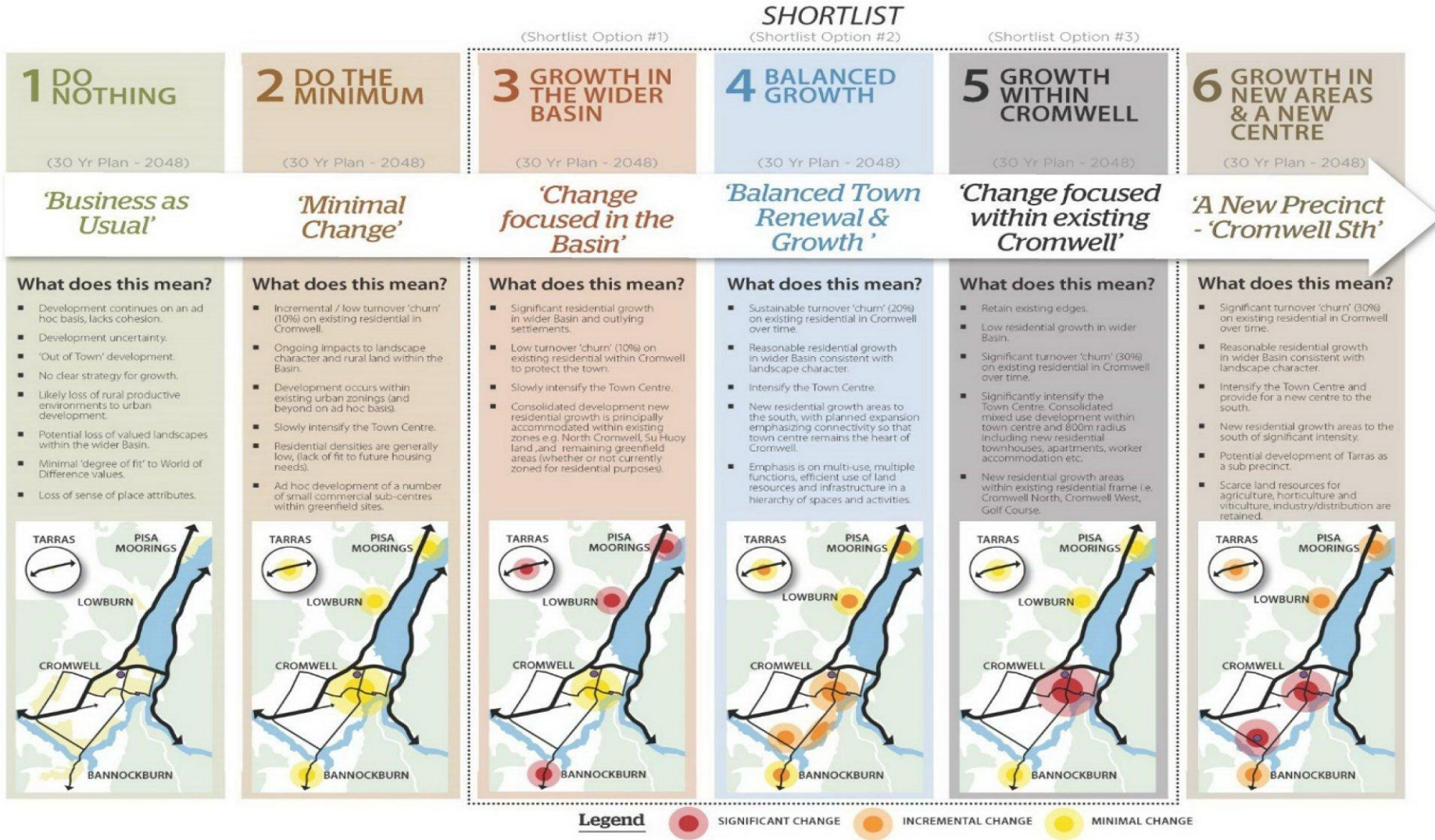
In attendance:

Edward Guy (Facilitator), Ben Smith, Gavin Flynn, Mary Barton - Rationale Ltd
 Marilyn Brown, Neil Penny and Orlando Harrison - NMA Associates and Tract
 Neil Gillespie, Shirley Calvert, Anna Harrison, Nigel McKinlay, Werner Murray
 Tim Cadogan, Louise van der Voort, Sanchia Jacobs, Julie Muir, Mike Kerr, Paula Penno, Shirley Howden
 Ann Rodgers, Sue Smith, Alan Peacock, Vivien Lightfoot - CODC

Carl McNulty, Susan Current, Alan Cool, Jessie Sutherland, Vicki Lawrence Cromwell 2050

Tim Vial	Kāi Tahu ki Otago
Jolanda Foale	Cromwell and Districts Promotions Association
Martin Anderson	Otago Goldfields, Cromwell Museum
Jill Cameron	Old Cromwell Inc Board rep
Ian Begg	Cromwell Town Centre
Mel Keys	Otago Polytech
Greg Wilkinson	Cromwell Business Network
Karen Inglis	Education and youth rep
Terry Davies	Sports Representative
Heather McPherson	Cromwell Arts Council
Terry Davis	Heritage Trust

Attachment F: Spatial Framework Longlist to Shortlist



Attachment G: Cromwell Masterplan Spatial Framework MCA

rationale >

Cromwell Spatial Framework



Activity options

Growth Scenario 1	Growth Scenario 2	Growth Scenario 3	Growth Scenario 4	Growth Scenario 5	Growth Scenario 6
Do Nothing - Business as Usual	Do Minimum - Minimal Change	Growth in the Wider Basin - Change Focused Within the Basin	Balanced Growth - Balanced Town Renewal and Growth	Growth Within Cromwell - Change Focused Within Cromwell	Growth in New Areas & New Centre - A New Town Somewhere.
Generally low density development to continue, with limited housing options. Sprawling ad hoc residential settlement pattern to meet demand, high probability of horticulture amenity and productivity loss, reduced landscape amenity.	Similar to Programme 1 plus opportunities to slowly intensify including the town centre and low level churn. Increased design controls for urban development. Investment in the public realm to enhance utilisation and satisfaction through more attractive, well connected and environmentally acceptable public spaces.	Programme 2 plus enabling the Settlements to undergo significant change to accommodate growth. Ongoing loss of productive, valued rural and landscape amenities.	Programme 2 plus increased opportunity for greater churn (20%) to intensify through infill, increased utilisation of greenfield urban land, reasonable growth in the basin. Residential growth to the south as a natural extension of the urban boundary. Improved protection of rural productive land and landscape amenity.	Programme 2 plus high level intervention to retain urban growth within the existing urban edges. Increased opportunity for greater churn (30%) to intensify through infill, significant increase in utilisation of greenfield urban land. High level intervention to protect rural productive land and landscape amenity.	Create a new township within the Cromwell Basin. More intensive development within Town Centre Precinct. Intensify the Basin, particularly in and around the Settlements. Protect horticulture/viticulture land.

Investment Objective	Description	Relative Importance of objective	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Investment Objective 1	A thriving local economy supported by an appropriately sized and skilled workforce.	20%	6%	20%	28%	54%	77%	60%
Investment Objective 2	Housing is available & affordable to meet the needs of a strong community.	35%	10%	20%	30%	50%	70%	80%
Investment Objective 3	The built & natural environment meet the needs of the community & reflects Cromwell's values.	25%	0%	20%	30%	75%	90%	40%
Investment Objective 3	Improved satisfaction and utilization of public spaces & facilities.	20%	0%	30%	30%	50%	90%	50%

Cost

Investment cost (Range)	\$ -	\$2-3 million	\$3-5 million	\$3-6 million	\$8-13 million	\$5-10 million
Operational costs if significant (Range)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue						
Value Uplift	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Sales						

Time

Implementation of Settings (Range)	0 year	2 years	2-3 years	3-5 years	5-10 year	5-10 year
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Risks

Technical	L	L	M	M	H	H
Operational	L	L	L	L	L	M
Financial	L	L	M	M	H	H
Stakeholder/Public	H	H	H	M	L	VH
Environmental	H	H	H	M	M	M
Economic	H	H	H	M	H	L
Accessibility & Social Inclusion	H	H	M	L	H	M

Dis-benefits

Dis-benefit 1 - Degredation of Rural Amenity	H	H	H	M	L	H
Dis-benefit 2 - Increased Density	L	L	L	M	H	M
Dis-benefit 2 - Reduction in Productive Land	H	H	H	M	L	H

Masterplan Principles

Protect & celebrate the valued landscapes, conservation & heritage settings	01	L	L	L	M	H	H
Celebrate the horticulture, viticulture & agriculture environment	02	L	L	L	M	H	M
Fostering increased diversity in housing choices	03	L	L	L	M	H	H
Reinforcing an authentic local character & identity	04	L	M	M	H	M	M
Support a healthy diverse & welcoming community	05	L	L	L	H	M	M
Create a compact and walking & cycling town	06	L	L	L	M	H	L
Connect the town and community to the waterfront	07	L	H	H	H	H	H
Revitalise the town centre to be attractive & lively	08	L	L	L	H	H	M
Support an increased sport & recreational focus for the town	09	L	L	L	L	M	L
Establish Cromwell as a Creative Town	10	L	L	L	M	M	M
Embed A Smart Cromwell Approach to Town Growth and Renewal	11	L	L	L	L	L	L
Continue to grow Cromwell as a quality tourism destination	12	L	L	L	L	M	L
Foster a Resilient & balanced local economy	13	L	L	L	M	H	M

Dependencies

Ranking			3	1	2	
1-3	<Insert ranking>	<Insert ranking>	<Insert ranking>	<Insert ranking>	<Insert ranking>	<Insert ranking>

Overall Assessment:

The initial feedback from the community along with the public response to PC 13 has led to the conclusion that council would never gain the support of the community for Scenario 6. With concerns raised about degradation of rural amenity, further loss of a community heart and the reduction in productive land. It is therefore recommended to be excluded from the proposed shortlist.

Recommendation:

It is recommended that Scenarios 3, 4 and 5 are carried forward in the development of the Pogramme Business Case for further analysis, investigation and consultation with the community.