

**BEFORE COMMISSIONER ON BEHALF OF
THE CENTRAL OTAGO DISTRICT COUNCIL**

IN THE MATTER of an Proposed Private Plan
Change 13 to the Central Otago
District Plan

BY **RIVER TERRACES
DEVELOPMENTS LIMITED**

Proponent

**EVIDENCE OF DAVID WILLIAM ARTHUR MEAD ON BEHALF OF
HIGHLANDS MOTORSPORT PARK (SUBMITTER 144) AND CENTRAL
SPEEDWAY CLUB CROMWELL INC (SUBMITTER 45)**

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INTRODUCTION

1. My full name is David William Arthur Mead. I am a Director of Hill Young Cooper Ltd, a planning and resource management consultancy based in Auckland.
2. In this evidence I address the resource management issues associated with Plan Change 13, with a particular focus on the urban form and urban planning implications of the Plan Change request.
3. In preparing this statement I have:
 - a) reviewed the plan change request documents and associated reports
 - b) visited the site and surrounds
 - c) read the section 42A report
 - d) reviewed the expert evidence of the requestor, in particular the evidence of Mr Brown, Mr Ray and Ms Hampson
 - e) discussed and reviewed the other expert evidence prepared for Highlands Motorsport Park and the Speedway.
4. My evidence is structured as follows:
 - a) decision making framework;
 - b) existing and future environment, with the plan change and without the plan change;
 - c) likely and potential future urban planning effects under the plan change scenario;
 - d) assessment against policy framework;
 - e) conclusion.

SUMMARY

5. The plan change has some positive features in terms of adding to housing supply and choices and a stated desire to provide a well-designed urban environment.
6. The plan change request is based on an over estimation of the demand for residential development by way of urban expansion. The request underestimates the likelihood of future residential demand being met by development of the surrounding settlements (Bannockburn, Pisa Moorings),

other land closer to the town centre and the longer term role infill and redevelopment of the existing urban area will play.

7. The request does not consider alternative demands on land on the edge of Cromwell, like space for business activities and further expansion of visitor related activities.
8. The residential amenity to be created by the plan change will be less than that typically expected in a residential neighbourhood due to noise and other effects generated by adjacent activities. The adverse effects of adjacent activities on residential amenity are not adequately mitigated. In particular use of outdoor areas and outdoor-related activities will be exposed to high levels of noise on a regular basis. Enjoyment of outdoor areas (on-site or in the local neighbourhood) is a fundamental aspect of neighbourhood amenity.
9. Reverse sensitivity effects on adjacent activities (Motorsport Park, speedway, orchards), with mitigation in place as proposed, are significant and likely to affect their current and future operations, yet these activities have few if any alternative sites to which they might be able to relocate.

QUALIFICATIONS AND EXPERIENCE

10. I hold a Bachelor of Town Planning from the University of Auckland. I have over 26 years' experience in the field of town planning and resource management. I am a full member of the New Zealand Planning Institute.
11. I have been involved in a range of projects that have identified and assessed the consequences of urban expansion proposals. These include the Sturges and Hobsonville/Westgate areas in Waitakere; Takapuna, Albany Centre and Long Bay in North Shore; as well as growth planning in Queenstown, Wanaka and Nelson. Work has covered preparing growth management strategies, structure plans, as well as Metropolitan Urban Limit (MUL) line shifts and plan changes.
12. I have assisted with various strategic planning exercises in the Auckland Region such as the 1999 Regional Growth Strategy, the 2012 Auckland Plan and the recent Transport for Future Urban Growth project.
13. I act as an Independent Hearings Commissioner and have considered plan changes, resource consents and Notices of Requirement. I have provided

expert evidence to the Environment Court on urban growth issues and urban design.

14. I am a member of the Auckland Council's urban design panel.

Code of Conduct

15. I confirm that I have read and agree to comply with the Environment Court's Code of Conduct for expert witnesses outlined in the Environment Court's Consolidated Practice Note 2014. I have complied with this practice note in preparing this statement of evidence. I confirm that my evidence is within my area of expertise except where I state that I am relying on the evidence of another person. I have not omitted to consider material facts known to me that might alter or detract from my expressed opinions. I also confirm that, as an Associate Member of the New Zealand Planning Institute (NZPI), I respect and am bound by the Code of Ethics of the NZPI.

DECISION MAKING FRAMEWORK

16. This case involves consideration of a Plan Change to the Central Otago District Plan.
17. When considering changes to district plans, the RMA sets out a wide range of issues to be addressed. The framework for assessing the merits of a plan change are set out in sections 31 and 32 and 72-76 of the RMA. The framework has been summarised in decisions such as Long Bay and Colonial Vineyard as a series of tests.¹ Tests relevant to district plan changes are as follows:

A. General requirements:

1. A district plan change should be designed to accord with - and assist the territorial authority to carry out - its functions so as to achieve the purpose of the Act.
2. The district plan change must also be prepared in accordance with any regulation and any direction given by the Minister for the Environment (there are none at present).

¹ *Colonial Vineyard Ltd v Marlborough District Council* [2014] NZEnvC 55 at [17]

3. When preparing its district plan change the territorial authority must give effect to any national policy statement or New Zealand Coastal Policy Statement.
4. When preparing its district plan change the territorial authority shall:
 - (a) have regard to any proposed regional policy statement
 - (b) give effect to any operative regional policy statement
5. When preparing its district plan change the territorial authority must also:
 - (a) have regard to any relevant management plans and strategies under other Acts,
 - (b) consistency with plans and proposed plans of adjacent territorial authorities;
 - (c) take into account any relevant planning document recognised by an iwi authority; and
 - (d) not have regard to trade competition or the effects of trade competition.

B. Objectives [the section 32 test for objectives]

6. Each proposed objective in a district plan change is to be evaluated by the extent to which it is the most appropriate way to achieve the purpose of the Act

C. Policies and methods (including rules) [the section 32 test for policies and rules]

7. The policies are to implement the objectives, and the rules (if any) are to implement the policies
8. Each proposed provision (policy or method including each rule) is to be examined, as to whether it is the most appropriate method for achieving the objectives of the district plan by:
 - (i) identifying other reasonably practicable options for achieving the objectives,
 - (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives and
 - (iii) summarising the reasons for deciding on the provisions.

The evaluation must contain a level of detail that corresponds to the scale and significance of the environmental, social and cultural effects that are anticipated from the implementation of the proposal.

9. The assessment of whether the provisions are the most appropriate for achieving the objectives of the district plan must:
 - (i) identify and assess the benefits and costs of the environmental, social and cultural effects that are anticipated, including the opportunities for economic growth and employment that are anticipated to be provided or reduced and
 - (ii) if practicable quantify the benefits and costs; and
 - (iii) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions; and
 - (iv) if the proposal will impose a greater prohibition on an activity to which a national environmental standard applies than the existing prohibition or restrictions in the standard, whether the prohibition or restriction is justified in the circumstances

D. Rules

10. In making a rule the territorial authority must have regard to the actual or potential effect of activities on the environment ;
11. Rules have the force of regulations;
12. Rules may be made for the protection of property from the effects of surface water, and these may be more restrictive than those under the Building Act 2004;
13. There are special provisions for rules about contaminated land.
14. There must be no blanket rules about felling of trees in any urban environment.

E. Other statutes

15. Finally territorial authorities may be required to comply with other statutes.

18. Mr Brown presents a condensed version of the above tests in his evidence, which I largely agree with. I note that the fifth test he refers to (his test (e): whether the provisions have regard to the actual or potential effects on the environment, including, in particular any adverse effects) is derived from section 76(3). Section 76 deals with district plan rules, not the broader

category of 'provisions'. In relation to his test (g) – which relates to policies – section 32 requires consideration of reasonable alternatives.

19. In my opinion, tests 6 and 8 in the above list are the important tests in this case. While there are a number of higher order plans (such as the Operative Regional Policy Statement and National Policy Statement on Urban Development Capacity) that are relevant to the consideration of the plan change, in my view none of these statements are determinative to decision making, in the sense that the plan change is needed to give effect to a specific direction within these documents.
20. The relevance of the NPS-UDC is a matter in contention. In my reading, the NPS-UDC does not apply to Cromwell township. Policies PA1 to PA 4 of the NPS apply to any urban environment that is expected to experience growth, while additional policies apply to medium or high growth urban areas (which Cromwell is not). The NPS defines 'urban environment' to mean 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. Ms Hampson contends that as the wider Cromwell area will exceed 10,000 people in 2038, then the NPS applies, as it must be 'intended' that the population of the area will exceed the 10,000 threshold for the township to be an urban environment². But the area she takes into account is not, in my view, a 'concentrated' settlement, rather it is a much wider area.
21. Test 6 relates to objectives. The objectives of the proposed new resource area to be introduced by the plan change must be assessed as to whether they achieve sustainable management of natural and physical resources for the Cromwell area, not just the site in question. In this regard, the Operative Central Otago District Plan must be taken as an important document as to what sustainable management means in the context of the Cromwell area. While the district plan is due for review, it nevertheless is an important reference point. This means that the proposed objectives for the RTRA need to be considered alongside the settled objectives of the operative district plan. I note that the requestor's section 32 report addressed how the objectives of the proposed resource area may achieve sustainable management in isolation of district-level policies. Having said that, Mr Brown in his evidence

² Para 65, EIC N Hampson

has provided such an assessment, but I would have expected the request documents to provide an assessment so as to assist potential submitters to understand the implications of the proposal.

22. In relation to policies and methods, I see the important tests for this case to be section 32 (1) (b), namely:

examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—

(i) identifying other reasonably practicable options for achieving the objectives; and

(ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives.

23. In undertaking the tests above, I consider it important that:

- a) Any assessment should extend over a reasonable period of time, given that a shift from rural to urban is an irreversible change to the environment. I acknowledge that as time periods extend, then uncertainties increase, but this should not be a reason to discount long term effects.
- b) Consideration be given to a range of futures for the land in question. Alternatives must extend beyond alternative means of implementing the requestors' goal; that is obtaining a residential zoning. Alternatives include maintaining the rural environment, or providing for an alternative urban activity, such as business/industrial land uses. Whilst the decision in this case is whether to zone the land as requested or leave it as rural, it is my view that the considerations of alternatives is not a binary consideration.

EXISTING AND FUTURE ENVIRONMENT

24. To understand the implications of the plan change request, it is necessary to first consider the environment of the area as it currently exists and how this environment might evolve under the different options.

Motorsport Park

25. The Motorsport Park was consented in 2009. I understand from talking with the Motorsport Park operator that the site was selected because of its then remoteness from the residential area of Cromwell. There was (and still is) an existing speedway track to the west.

26. The 2009 Environment Court decision that authorised the activity noted³:
- a. North across State Highway 6, there were orchards, houses, and open paddocks, as well as the Cemetery.
 - b. Much of the eastern boundary of the site adjoins Chafer Beetle Reserve, an area of open grassland between the site and Bannockburn Road which is identified on the planning maps as an area of significant natural value. Across Bannockburn Road there is an area of rural-residential housing with associated plantings.
 - c. To the west, across Sandflat Road was a house surrounded by mature garden plantings owned by the (then) applicant. Further south across Sandflat Road the land is zoned Rural Residential, predominantly in grassland, and the Alpine Gold bottling plant is directly opposite the site.
27. The Court also noted that the settlement of Bannockburn is some two kilometres to the south of the site. The nearest residentially zoned site is to the north, in Cromwell, approximately 1.2 kilometres distant, and north of McNulty Road.
28. The Motorsport Park has consent to operate a wide range of activities on its site. These cover a range of motorsport activities, as well as other commercial recreational and community orientated activities. Consent conditions refer to Tier 1 and Tier 2 events.
29. RC 150225 allows for up to 16 'Tier 2 days' at Highlands which are essentially race or major event days when a large number of people and cars are likely to attend events. These Tier 2 days have no noise limit applying to them other than the requirement that all race vehicles meet a limit of 95dB LAmax when measured at 30 metres from the sound source. There is no limit on the number of people who may attend.
30. RC 150225 provides for Tier 1 days on any day of the year excluding Christmas Day and before 1pm on Anzac Day. On Tier 1 days noise levels from Highlands are permitted to reach 55dB LAeq at the notional boundary of any dwelling identified on a specific map, between the hours of 0800 and 1800 and 40dB LAeq between the hours of 1800 and 0800.

³ Para 40 to 44, NZEnvC 131/2008.

31. RC 150225 consented helicopter landing and take-off ancillary to activities at Highlands with a limit of 30 helicopter movements (15 flights) on any Tier 2 Day; and a limit of 6 helicopter movements per day (3 flights) or 10 per week (5 flights) on Tier 1 Days.
32. The Court decision authorising the activity in 2009 noted that the Motorsport Park would have adverse noise effects on surrounding properties. It noted that the decision to grant consent was finely balanced. In my view, having read the decision, the then relatively sparsely developed receiving environment was an important consideration in granting consent.
33. The Motorsport Park site is identified as a Rural Resource Area in the operative District Plan. It does not enjoy a site specific zone. If the Motorsport Park wished to undertake activities or events that lie outside its current consent, then it would need further consents.
34. Adjacent to the Motorsport Park is the Cromwell Speedway. The speedway has a planning consent to carry out its activities. Historically the speedway has held in the order of 12-20 events a year. These tend to be during weekend evenings. They can run until 10-11pm. The speedway consent does not impose any limits in relation to noise levels, event operation times or the number of events.

Future Environment: Current Plan

35. In paragraph 2.3 of his evidence, Mr Brown sets out his assessment of the future environment for the request site under the current zoning. His assessment is that the land could accommodate 18, 2ha rural residential lots and one 13ha rural lot. I do not disagree with his assessment. To the north of the subject site (and the Motorsport Park), on the opposite side of the State Highway is a Rural Resource Area. To the south of the subject site is further Rural-Residential land.
36. Because the 1980 planning consent for the Speedway contains no specific controls relating to noise emissions; and does not restrict the number of days on which the Speedway can operate; or restrict the hours of operation it is possible that the Speedway could incrementally increase its activity if demand existed.

37. I accept that development of the Request site in terms of the current zoning would place some more people close to the Motorsport Park, speedway and orchards.

Future Environment: Requestor's Option

38. Under the requestor's option the subject land is zoned for residential activities.
39. The maximum number of residential units (including retirement living units) in the RTRA is to be 900 residential units. The resident population may be up to 3,000 people (at 3 people per dwelling).
40. Residential activities and buildings within the Residential Sub-Areas A and B are permitted activities provided various standards are complied with. Maximum building height is 9m.
41. A neighbourhood centre and retirement village are also possible. Buildings in these areas are a restricted discretionary activity. Buildings may be up to 12m high in these areas. Where located on the upper terrace, it is likely that these buildings will have some outlook over the Motorsport Park and speedway to the east. My reading of the plan change request is that a hotel type development would be possible in the neighbourhood centre.
42. Residential buildings within 80m of the State highway boundary are to be constructed to ensure internal noise levels do not exceed 40 dBLeq (24hr) in bedrooms and all other habitable spaces.
43. By way of submission from River Terraces Developments Limited, a further rule is to be added requiring reduction in noise transmission between outdoor and indoor areas of all Activities Sensitive to Noise. As notified, the rule is unclear as to whether this standard is to be achieved with windows and doors open or closed, and if closed, how a source of fresh air is to be provided. I understand from Mr Brown's evidence that this has now been addressed. The evidence of Aaron Staples addresses the adequacy of the proposed acoustic treatment.
44. A no-complaints covenant is required to be registered in favour of the Council and the Motorsport Park, provided that the Motorsport Park and Council agree to their registration. If they do not agree to the registration, it is not required and consent to the relevant development can still be granted.
45. The residential development will increase traffic using the State Highway adjacent to the Motorsport Park; while many more people will be walking and

cycling down Sandflat Road and Cemetery Road, as well as along the State Highway. In these locations, they will be subject to noise from activities in the Motorsport Park and from the speedway.

46. It is possible that during major events at the Motorsport Park, the streets in the residential area will be used for informal parking by visitors to the events.

EFFECTS PREDICTIONS AND ASSESSMENTS

47. In this section of my evidence, and where relevant in reliance upon the evidence of the other experts, I set out my assessment of likely and potential urban form and urban design effects of the requestor's option. Effects covered are:
 - a) housing capacity and supply
 - b) business capacity / tourism / productive rural capacity
 - c) residential environment to be created
 - d) reverse sensitivity
 - e) urban form.
48. These are not all of the effects that may be generated. The above are what I consider to be the important or distinguishing urban planning effects.

Effects on housing capacity and supply

49. The RTRA may provide for up to 900 dwellings. Exceedance of the 900 unit cap is a discretionary activity. Minimum and maximum lot size provisions apply in the Residential A and B sub areas. No estimate is given if development density is towards the minimum lot size areas (160m² in Area A, 400m² in Area B), rather than the maximum lot sizes. No minimum areas apply in the neighbourhood centre, nor the retirement living overlay.
50. In my experience, it is not uncommon for master planned greenfields areas to obtain gross housing densities of between 20 to 25 dwellings per hectare. 1,000 to 1,250 dwellings may be possible. This in itself is not a negative aspect. Rather the issue goes to potential effects and whether these have been fully assessed.
51. The wider Cromwell is facing strong growth pressures. The ME report that is part of the plan change request estimates that dwelling demand between

2016 to 2043 is in the order of 2,340, for Cromwell and surrounds as a whole⁴. This estimate is based on a high growth rate over the 30 year period. In her evidence⁵ Ms Hampson refers to 108 additional dwellings per year from 2016 to 2028 and 86 for the period 2016 to 2043 (which is a 27 year period) for Cromwell and surrounds.

52. The ME plan change report indicates that about 26%, of this demand (or 480 dwellings) is assumed to be holiday homes / unoccupied homes⁶. Whether such a high percentage of new homes in Cromwell township will be in this category, into the future, is debatable.
53. Setting aside the 480, of the projected 1,860 permanent homes in the Cromwell and surrounds area, outer Cromwell's share of this total demand is about 37%, or 690 dwellings, if the figures in Table 2.11 of the M.E. Economic Assessment are used. Outer Cromwell is not defined, but is presumed to cover the townships of Bannockburn, Lowburn and Pisa Moorings. It may also have a rural-residential component.
54. In paragraph 20 of her evidence, Ms Hampson states that the growth projections for Cromwell and surrounds mean that suitable land in Cromwell needs to be identified, zoned and serviced.
55. In my view it is wrong to include all of Outer Cromwell demand with Cromwell township demand to derive the demand for dwellings in Cromwell. I note that in paragraph 31 of her evidence, she allows for 10% of the total demand to be accommodated in rural and rural fringe areas. Even so, this is only a small allocation for "non Cromwell" growth.
56. Based on M.E.'s numbers, Cromwell township itself is estimated to increase by 1,170 permanent dwellings, over the 30 year period. This is within ME's assessment of current capacity, which is in the order of 992 to 1,122 dwellings, as set out in page 143 of the request document. Even this assessment of capacity is questionable. In her evidence, Ms Hampson clarifies that she would also allow for up to 80 units by way of infill and redevelopment over the 30 year period, or roughly 2.6 dwellings per year,

⁴ Economic Assessment. River Terrace Private Plan Change Cromwell. ME, December 2017, page 139.

⁵ Para 21 EIC, N Hampson.

⁶ Economic Assessment, ME, page 21.

taking capacity from 1,072 to 1,202. The River Terrace development could double this capacity.

57. In my opinion, the ME assessment of the current capacity of Cromwell is very conservative. As noted in the section 42A report there are a range of areas closer to the town centre that could be rezoned for residential purposes. In my view (as I discuss further in my evidence) infill and redevelopment is a realistic prospect over time, as land values rise and buildings age.
58. My assessment would be that the plan change adds capacity which may help to provide more choice into the local housing market, but it is not needed to meet demands post 2028. I disagree that by 2043 there will be a significant shortfall.
59. The plan change may provide some buffer to accommodate faster growth or greater spill over growth from Queenstown Lakes District Council, but this extra capacity or buffer is a 'nice to have' not a 'must have'. As a nice to have, other options to meet longer term demands should be considered.
60. While single ownership of a large site can bring benefits of master planning, it can also bring costs in the sense of one landowner controlling a major slice of the housing supply in an area. This can see them slowly release land and sections to buyers so as to maintain prices.
61. I also note that if the River Terrace development occurs in the near term, then this may 'siphon' off some housing development that would otherwise occur closer to the existing centre, services and facilities. This would not support the wider goal for a more effective and efficient use of existing urban resources that the plan change supports.

Effects on business capacity, productive rural capacity

62. The ME assessment for PC 13 does not address business land capacity and needs. Neither does the evidence of Ms Hampson. The NPS-UDC covers both residential and non-residential activities and their demand for space, while the Otago Regional Policy Statement (discussed below) identifies the need to provide for business activities. Industrial land is limited in extent in Cromwell. As the population grows there will be a need for more space.

63. Given an irreversible change from rural to urban is proposed by the plan change request, in my view it is appropriate to consider alternative urban uses of the land, in particular the implications for business land needs.
64. The Council through the Cromwell Masterplan exercise has identified a western expansion of the current industrial area. My estimate would be that the area identified in the masterplan could add about 50ha. This is a useful increase, but may not be sufficient in the long term, given Cromwell's central position in Central Otago.
65. For example, there is likely to be a growing spill over of business land demands from Queenstown. The 2017 QLDC business capacity assessment⁷ notes:

In the long-term, the District Plans provide sufficient capacity to cater for projected industrial land demand (and allowing for a margin on top of demand), but only if developed to its maximum potential – which is highly unlikely.

66. ME, who prepared the QLDC assessment, note that under an alternate capacity scenario, there is a long-term shortfall of industrial capacity (37.6 ha of demand relative to 28.1 ha of capacity by 2046)⁸.
67. In response, the QLDC Proposed District Plan does identify a new industrial area at Coneburn. This decision is subject to appeal. Nevertheless the ME QLDC assessment notes that Cromwell is well placed to serve QLDC (and Central Otago):

“Heavy vehicles are unable to use the Crown Range Road and need to access Wanaka via Cromwell, which is an approximately 75 minute car drive. In this regard, Cromwell is likely to be a more feasible location for industrial activities that need to service both QLD wards and may become more relevant if a shortage occurs at this timeframe⁹.”

68. Ms Hampson states that the master plan document has presumably concluded that the identified expansion of the industrial area is sufficient for

⁷ Business Development Capacity Assessment 2017 Queenstown Lakes District, page 29

⁸ Ibid, page 29

⁹ Ibid, page 30

the long term (yet questions the masterplan's approach to residential capacity). I would not draw the same conclusion.

69. While there may be options to accommodate industrial land uses elsewhere in the Cromwell area (as there is with residential development), such as the racecourse site, there is no analysis as to potential locations and their potential costs to landscapes, transport networks, reverse sensitivity and the like. The land subject to the plan change request is flat, located beside the State Highway and beside existing non-residential activities that generates a range of off-site effects. It is some distance from the main residential area. On the face of it, this is an ideal location for industrial activities.
70. There is a risk that the foreseeable need for economic growth will be constrained by a lack of suitably zoned land. Just as Cromwell faces spill over residential growth from QLDC, as well as growth of its own residential base, the district also faces spill over industrial and visitor related demands. The removal of the opportunity to accommodate additional industrial / business activities is a significant opportunity cost of the proposal.
71. To the west of the application site lies productive rural land. These activities have few choices should they feel constrained by the residential activities, and wish to seek alternative locations. This is a significant issue. Equally, the Motorsport Park and Speedway have invested heavily in their sites. The Motorsport Park in particular attracts a significant number of visitors and employs many people. The Motorsport Park would have major difficulties in finding an alternative site in the wider Central Otago area. The Motorsport Park can be considered to be a business activity and ideally would have an appropriate zoning (rather than Rural) that enables the activity.

Residential environment to be created

72. This set of effects relates to the residential environment to be created. This is a relevant effect in respect of the health and safety of the environment to be provided, and the social and economic benefits that flow from stable residential neighbourhoods. This is not just a matter of 'buyer beware' or consumer choice. Placing people near potential harm inevitably has long term consequences for people and community wellbeing. In my experience, residential environments that do not offer an appropriate amenity may see higher than average turnover of renters and owners. A more transient, less

stable resident population may not build up the networks and day-to-day relationships that are so important in building social capital and sustaining community wellbeing.

73. Inadequately mitigated amenity effects due to location relate to:
- a) high noise, when outdoors, or indoors with windows open
 - b) spray drift, frost fans, orchard related activities
 - c) separation / severance from community activities.
74. One of the benefits of the RTRA is identified as 'good urban design'. The site is large enough that within the development, there is likely to be a range of open spaces, as well as a potential small neighbourhood centre. No doubt roads and streets will be well laid out and attention paid to house designs that support CPTED principles. These are positive outcomes, but they cannot outweigh the likely costs to environmental health from the site's location.
75. It is acknowledged by the requestor that the Motorsport Park and speedway can undertake a range of very noisy activities, with noise levels well in excess of what may be reasonably expected in a residential environment during Tier Two days and during speedway events.
76. I acknowledge that noise from the Motorsport Park likely impacts upon the western edge of the established Cromwell residential area, with Tier 2 days likely to see noise levels near standard residential limits. The Rural-Residential areas along Pearsons and Bannockburn Roads are also likely to receive high noise levels during Tier 2 days. However these areas benefit from a degree of separation which helps to moderate noise effects, compared to the proximity of the plan change site.
77. I accept that under the current zoning of the request site, dwellings can be constructed as a permitted activity. These dwellings will be subject to noise (and would not necessarily be designed with appropriate noise insulation). However, there is a major difference in the number of people exposed, as well as in the ability for rural-residential dwellings to locate and design indoor and outdoor areas to minimise noise effects. I also note that to the east of the Motorsport Park are a number of residential units (which form the Highlands Innovation and Technology Park¹⁰), some of which are live/work type

¹⁰ Discussed in more detail in the evidence of Josie Spillane.

arrangements. I understand that a condition of purchase of these units is that owners of these units must become members of the Motorsport Park, and as a result the units attract people with an interest in motorsports. The land is also subject to encumbrance with a range of obligations placed on landowners. Ms Spillane discusses this in greater detail including some of the challenges that have been faced.

78. The request seeks to ensure that future residents of the River Terrace development will have an internal living environment that protects them from noisy activities, while the no complaints covenant seeks to alert them to the presence of noisy activities. Mr Staples concludes in his evidence that even with the proposed acoustic insulations residents will still experience internal noise levels that are likely to be 'highly annoying'.
79. I note that it is hard for prospective residents to gauge noise levels when viewing a property to buy or rent, especially the nature and duration of noise over time. It is possible that residents will underestimate the noise environment. In particular would be the cumulative effects of the Motorsport Park, speedway, noise from normal orchard operations and the increasingly busy State Highway.
80. Tier 1 days will generate noise, with conditions requiring that noise received at nominated dwellings does not exceed 55dBLeq. This level is similar to that which applies in Rule 9.3.5(iii)(a) of the Operative District Plan which stipulates that all activities conducted in the Industrial Resource Area not exceed a noise limit of 55dBA L10 at any point within the Residential Resource Area during the hours of 7:00am – 10:00pm. I note that in more recent plans, such as the Auckland Unitary Plan, day time noise limits for residential areas are 50 dB Leq.
81. Tier 2 days are limited to 16 per year. No noise limits apply. The number of days is the main method of mitigating effects. Multi-day events are possible, and the conditions require that Tier 2 day events be held between October and April. Speedway is in addition to the 16. If held on different days (which is generally required by the Highland's conditions), then approximately 36 very noisy events could be held each year. Those events are concentrated through the spring to autumn period when residents are more likely to be wanting to utilise their outdoor areas and neighbourhood amenity spaces.

82. The proposed mitigation methods set out in the request are not sufficient to address amenity and health issues. I note that the proposed rule recommended by Styles Group requires that where doors and windows need to be closed to achieve the required reduction in noise, then a source of fresh air is required to be provided along with a method to cool interiors to avoid the need to open windows. This requirement was not included in the provisions, as notified. The amended provisions attached to Mr Brown's evidence now includes this requirement.
83. Mr Brown relies upon the requirement for internal insulation, ventilation and cooling as the means to provide a quality living environment. Even with these requirements in place, Mr Staples notes that when indoors, people will experience noise effects. No mitigation is possible of noise received while outdoors. This may be when residents wish to undertake outdoor activities around their property or the neighbourhood (such as walking, informal use of open space areas). The extent to which people's normal day to day enjoyment and use of their residential environment will need to alter to accommodate the noisy events generated by existing activities is a major weakness of the proposal and a long term cost that is not accounted for in the requestor's assessment. A likely reluctance to use outdoor areas during summer months due to noise issues stands in stark contrast to the design moves taken to help generate neighbourhood movement and interaction (such as the connected street network, houses overlooking streets, low front fences, open spaces and the like).
84. For a greenfields development where there are options as to how land is to be developed, I find the reliance upon 'mitigation' to be flawed. Where there is an option to avoid long term harmful effects on residential amenity by appropriate location of activities, then the option of separating incompatible activities should be taken. The mitigation measures offered may be appropriate in a situation where there are no other options, but that is not the case in Cromwell.
85. Mr Styles states at paragraph 66 that reduced outdoor amenity is 'unavoidable', but in his view, these affects are acceptable as they are limited to no more than 16 days for the Motorsport Park and up to 20 evenings for the speedway (potentially a total of 36 afternoon / evenings per year, or 12 days per month for the three summer months). He relates this level of activity to a 'temporary activity' and comparable to other residential areas subject to noise

from major venues. Mr Styles does not appear to consider the cumulative effects of these activities with the other noise effects that accrue from the orcharding activities that are also adjacent to the site. In paragraph 73 he lists a range of situations where acoustic insulation of dwellings is required where dwellings are likely to receive constant noise (e.g. near a motorway).

86. I agree that the combined noise from the Motorsport Park and Speedway is not constant, but neither can it be called a temporary activity. The situations he identifies where residential activities are insulated tend to be large cities where options to avoid development or create buffer areas are limited. In many cases they involve major infrastructure like motorways, ports and airports that cannot relocate and which are afforded a degree of protection due to their significance in facilitating social and economic activity.
87. At paragraph 77 Mr Styles notes that the noise effects that would be experienced after the imposition of the controls in PC 13 need to be weighed against all other effects and considerations accordingly. I agree that not all noise effects are mitigated, and that the nature and extent of unmitigated effects need to be considered alongside other effects. However I would caution against some form of 'trade off' exercise whereby noise effects are considered acceptable because of other benefits. This is because noise is so closely related to people's health and wellbeing.

Reverse Sensitivity

88. The presence of up to 900 dwellings and possibly 3,000 people living close to the Motorsport Park and speedway raises significant issues for the on-going operation and management of these facilities. The requirement for noise insulation of residential dwellings and no-complaints covenants provide limited mitigation of reverse sensitivity effects. Further mitigation, such as a buffer or set back area between housing and the western boundary of the Motorsport Park will not likely assist much, given the nature and extent of the noise generated. Neither would a noise wall located along the western boundary of the Motorsport site assist.
89. The proposed no complaints covenant raises significant issues in terms of administration. It is likely that each noisy event will see residents question the Motorsport Park, speedway and Council as to whether the activity was being carried out in accordance with the relevant conditions of consent. This then

imposes a significant burden on the Council and the Motorsport Park operator to monitor and report on conditions. Some form of independent monitoring programme may be required, with further significant costs to the Motorsport Park operator.

90. The conditions of consent were not designed to fit a situation where there is a large resident population in close proximity. For example condition 35 relating to noise is not clear at which point the noise levels are to be measured. Condition 45 relates to off-track events. The condition refers to noise received at the notional boundary of identified receivers. The new houses to be built are not identified as receivers. This will create substantial confusions as to what level of noise meets the relevant standards.
91. The no-complaints approach has a range of other potential complexities:
- a) Sec 16 of the RMA still applies – with the requirement for the Motorsport Park to take BPO to manage unreasonable noise. Is this requirement superseded?
 - b) There will be other off-site effects that may be very hard to determine whether they are related to motorsport activities or other activities occurring in the area, for example:
 - i. Traffic management issues during a number of events, e.g. speedway, motorsport related parking within the residential area itself
 - ii. Crowd management (such as evening community events) where there are overlapping events
 - iii. Dust, litter effects.
92. Future expansion options for the Motorsport Park and speedway are likely to be constrained or severely limited. The ability to hold further Tier 2 events will likely be curtailed, with subsequent lost opportunities for regional economic development. Maintenance and upkeep may suffer if sufficient funding cannot be generated by additional activities to cover rising costs. Further diversification of activities may be limited. It is unlikely that the Park will seek consents to add new activities or amend conditions, given the level of population present. It is clear from the evidence of Ms Spillane that the ability for the Motorsport Park to evolve and adapt is important to its ongoing success.

Effects on urban form

93. The effects of the plan change on the urban form of Cromwell are profound. The request is supported on the basis of a compact, consolidated form of expansion of the urban area of Cromwell. The options of more dispersed development across the outer lying villages or intensification and redevelopment of the existing urban area are not seen to be viable by the requestor.
94. I disagree that expansion of the urban area is the only option. Some form of intensification of the existing urbanised area will occur as land values rise. Cromwell has a range of larger sites that can be infilled and/or redeveloped. Respondents to the Cromwell masterplan consultation report considered 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. 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. Having said that I agree that intensification will not be the only method of accommodating growth.
95. Expansion of the outer-lying settlements is likely to continue to occur, given the relatively short travel distances to main employment areas, shops and schools etc. People with workplaces in Wanaka may find Pisa Moorings more convenient than Cromwell as a place to live.
96. I agree that a consolidated form of urban expansion that does not involve expansion of outer lying settlements may have some advantages in relation to infrastructure costs per capita, while limited infill and retention of existing amenity of residential areas may have some benefits to current residents. However these costs and benefits need to be considered alongside other alternatives and other costs, such as those arising from separation and severance from main urban activities.
97. The request site lies outside what is normally taken to be a walkable catchment to the town centre, recreation, community and educational facilities (that is, it is more than 800m / 10 min walk). I acknowledge that the site is not as separated as places such as Bannockburn and Pisa Moorings. These areas are also outside a walkable catchment, but the greater degree of separation is likely to mean that trips into town are combined and planned,

rather than being casual. In contrast, the proposed rezoning is likely to generate a substantial number of trips to the established part of Cromwell by car due to relative proximity.

98. These trips will be shorter than trips from outer lying areas, but are likely to be much more frequent. While there will be demand for safe walking and cycling connections, car parking demands in the town centre, around the school and community facilities are likely to increase, with associated potential for congestion in specific areas and the devoting of more land to surface parking areas.
99. Other options identified in the sec 42A report for development in and around the existing centre towards the north and north-west such as development of the golf course land and the racecourse land, provide for much better connectivity and proximity and are more likely to support active modes (walking and cycling) than the PC 13 option.
100. A neighbourhood centre is proposed, and this is positive for local trips and social interaction. However the retail offering is likely to be limited (as confirmed by ME report). The population base that will develop, coupled with its separation from the main area of the town, may generate demands for a range of local facilities to be funded and added to the area, over time (such as recreational facilities, indoor meeting space etc). This is likely to pose some challenges to the Council in terms of infrastructure funding.
101. Having noted the above, I accept that the urban area of Cromwell will likely expand over time. The issue is the extent of this expansion and its logical layout. Here I disagree with the requestor that residential development of the subject site is 'the next logical step'.
102. In response to a Minute from the Commissioners, Alastair Ray of JASMAX has provided a report on the strategic urban design issues involved with the plan change. In that report and his associated evidence, Mr Ray presents the following diagrams, showing what appears to be the logical steps in the development of the town. This being the 'infilling' of vacant land to the north and west of the town, then a southward extension. The golf course and racecourse are identified as 'open space', with both lying within his 'urban boundary'. He discounts the redevelopment of existing residential lots. The industrial area expands, and he shows the Motorsport Park as a type of business area (purple colour).

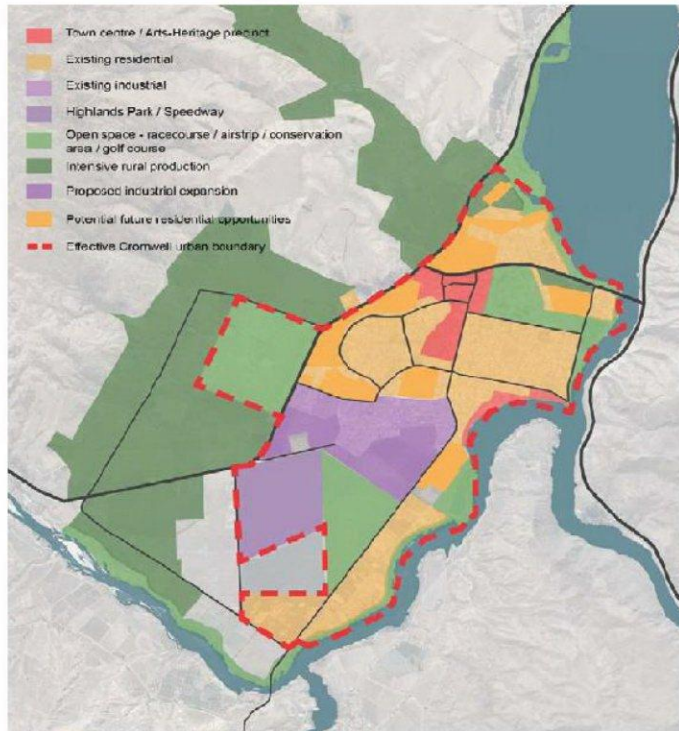


Figure 1

103. I agree to an extent with his analysis. The development of vacant land close to the centre is a logical step, as is the expansion south west of the industrial area. I disagree that no or very limited redevelopment will occur over the longer term, ie. 15 to 30 years out.
104. Mr Ray makes no attempt to estimate the capacity provided by the development of the vacant areas identified. These areas appear to be more extensive than the areas identified by Ms Hampson in her capacity assessment that is part of the plan change request documents.
105. At this point in his analysis, Mr Ray then turns to the Lets Talk Masterplan options southern extension option. The Lets Talk Options consultation document suggested that one option was a gradual extension of the town to the south, as per the diagram below.

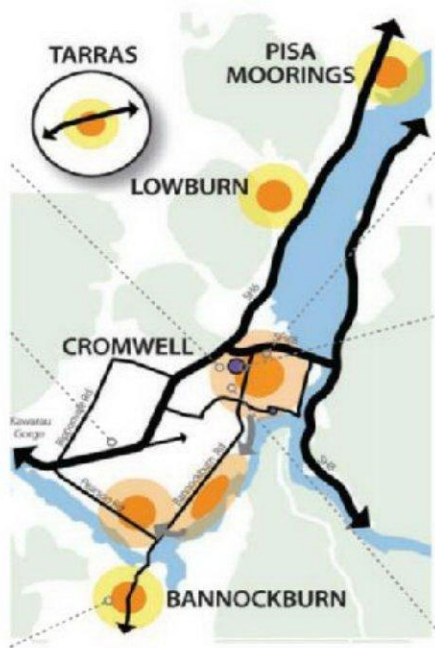


Figure 2

106. Mr Ray takes this concept, speeds it up so rather than a gradual expansion it becomes an immediate expansion and enlarges the concept so as to include the River Terrace land, as per the following diagram (Figure 3).

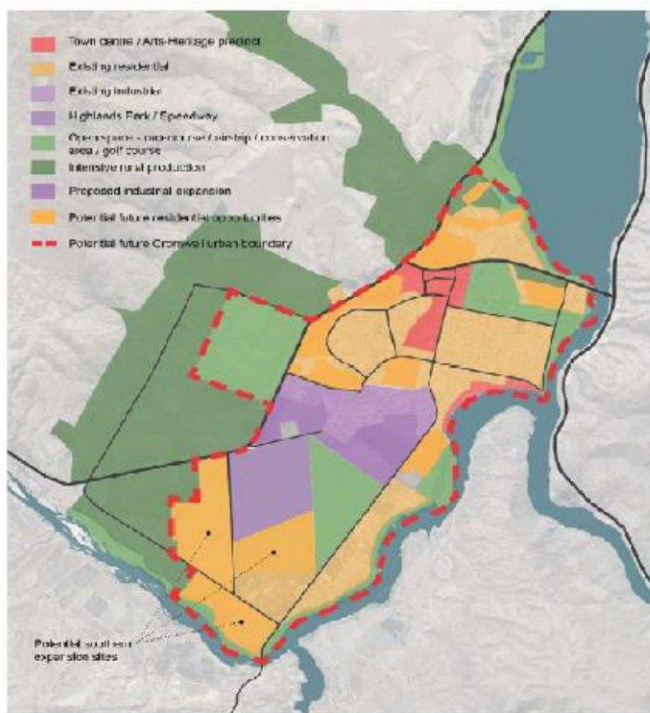


Figure 3

107. He makes no comment as to the desirability or otherwise of having a residential area sitting between a known, noisy 'business area' to the east and an established orchard area to the west.
108. The alternative option of industrial land to the west of the Motorsport Park is not explored.

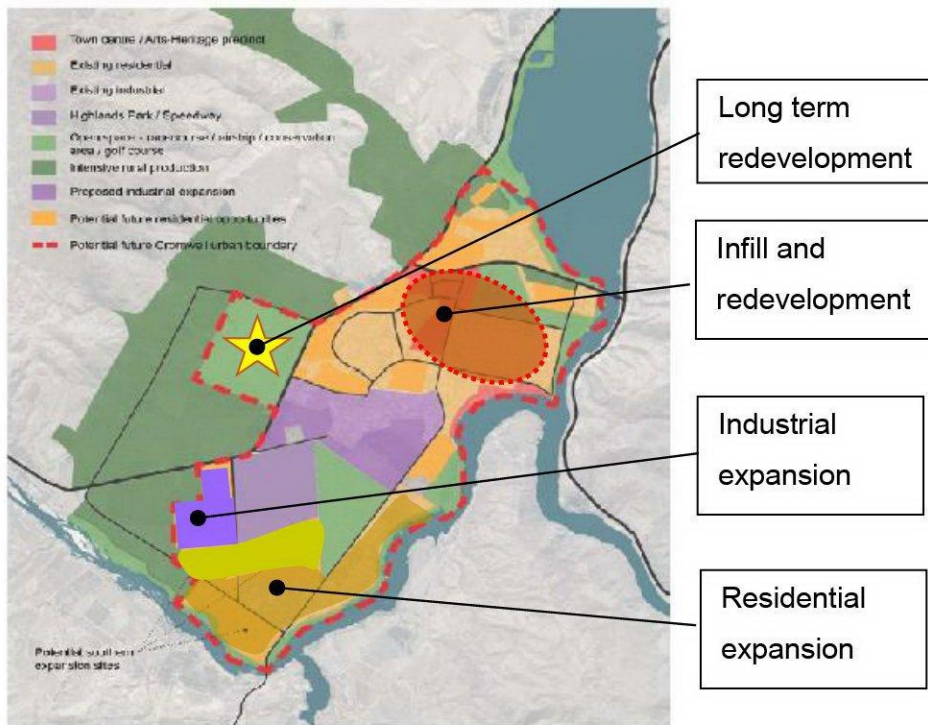


Figure 4 – Alternative option with industrial expansion on RTDL site

109. In my view, taking Mr Ray's analysis and that of the Masterplan, then an alternative long term option conceptual could look like the following (Figure 4):
110. In my view, if there was to be some lateral expansion of the town south, then the option of confining this expansion with the river corridor is preferable to the PC 13 option. It limits the potential for reverse sensitivity effects on the Motorsport Park, speedway and orchards, utilises land currently occupied by rural-residential activities and places people in a higher amenity environment. It also retains the longer term option of the PC 13 land being used for industrial activities. The residential environment would be subject to less noise and enjoy easier access to the river corridor.
111. The State Highway corridor is retained for through traffic, and business-related movements, Bannockburn Road strengthens its residential character.

112. The feasibility of redeveloping the rural-residential lots along Bannockburn Road is discounted in the ME analysis, due to fragmentation of land ownership and expensive dwellings. In my experience, site-by-site redevelopment will occur if there is the opportunity to do so. Most urban areas grow and develop through a process of gradual infill and redevelopment.
113. In conjunction with the river bank extension would be infill and redevelopment of land to the east of the town centre ('old Cromwell'). This area is flat, with good access to the town centre, as well as proximity to the lake edge and the small heritage area. As indicated in the maps attached to the ME memo 13 November 2019, this is an area of predominantly 800 to 1000 sqm sections and houses dating from the 1970s and 1980s. In 20 years time, many of these houses will be 70 years old. Many are likely to be of an age and condition where replacement is feasible.
114. The racecourse site must be a longer term redevelopment option, given its proximity to the existing urban area.

STATUTORY TESTS

Function of Councils

115. There is no debate that the plan change is within the functions of the Council under section 31 of the RMA. What is at issue is whether the plan change is needed for Council to fulfil its obligations under Section 31.
116. Section 31 refers to integrated management, as well as ensuring sufficient development capacity in respect of housing and business land to meet the expected demands of the district.
117. Based on my analysis, the plan change does not achieve integrated management of effects as it does not adequately address the effects of adjacency to the Motorsport Park, the speedway and productive rural activities. This is in terms of the amenity of the residential area to be created, as well as reverse sensitivity effects on these activities.
118. In my opinion, within the context of Cromwell, the plan change oversupplies residential land, but in the longer term, may lead to an undersupply of business land.

National Policy Statement – Urban Development

119. I acknowledge that while the NPS-UDC does not directly apply to Cromwell, the NPS-UDC nevertheless does contain important policies relating to sufficient capacity, choice and efficient operation of urban land markets. The NPS is very much focused on enabling supply. On one level, the plan change does achieve this outcome, and the price of the land subject to the request is likely to be a signal that a residential use is more 'efficient' use of the land than a rural or possibly an industrial use. However in enabling efficient supply, as Mr Copeland notes, it is necessary to consider:
- a) The knock on effects if the land is used for housing and not other activities, such as business land needs (community wide effects)
 - b) The externalities of the proposed zoning on adjacent activities (effects that cannot be appropriately avoided or mitigated).
120. In this regard I consider that the plan change request incorrectly places too much emphasis on the residential capacity to be provided, and underestimates the impacts on existing business-related activities (Motorsport Park, speedway, orchards) and the lost opportunity to provide additional business land in a suitable location, and the compromised residential amenity that will be achieved within the proposed site.

Regional Objectives and Policies

121. Any plan change must give effect to an operative RPS, and have regard to a proposed RPS. I do not wish to repeat the analysis set out in the Section 42A report, which I agree with. I comment on policies specific to urban growth and urban design.

Partially Operative Regional Policy Statement

122. I note that the partially operative regional policy statement contains a range of objectives and policies that support social and economic wellbeing. This is at the community wide level. Social and economic benefits from more housing choices must be considered alongside social and economic costs to businesses and other activities.
123. Objective 4.5 - Urban growth and development - states that urban growth is to be "well designed, occurs in a strategic and coordinated way, and integrates effectively with adjoining urban and rural environments". Policy 4.5.1 implements this objective.

Policy 4.5.1 Providing for urban growth and development

Provide for urban growth and development in a strategic and co-ordinated way, including by:

- a) Ensuring future urban growth areas are in accordance with any future development strategy for that district.*
- b) Monitoring supply and demand of residential, commercial and industrial zoned land;*
- c) Ensuring that there is sufficient housing and business land development capacity available in Otago;*
- d) Setting minimum targets for sufficient, feasible capacity for housing in high growth urban areas in Schedule 6*
- e) Coordinating the development and the extension of urban areas with infrastructure development programmes, to provide infrastructure in an efficient and effective way.*
- f) Having particular regard to:*
 - i. Providing for rural production activities by minimising adverse effects on significant soils and activities which sustain food production;*
 - ii. Minimising competing demands for natural resources;*
 - iii. Maintaining high and outstanding natural character in the coastal environment; outstanding natural features, landscapes, and seascapes; and areas of significant indigenous vegetation and significant habitats of indigenous fauna;*
 - iv. Maintaining important cultural or historic heritage values;*
 - v. Avoiding land with significant risk from natural hazards;*
- g) Ensuring efficient use of land;*
- h) Restricting urban growth and development to areas that avoid reverse sensitivity effects unless those effects can be adequately managed;*
- i) Requiring the use of low or no emission heating systems where ambient air quality is:*
 - i. Below standards for human health; or*
 - ii. Vulnerable to degradation given the local climatic and geographical context;*
- j) Consolidating existing coastal settlements and coastal urban areas where this will contribute to avoiding or mitigating sprawling or sporadic patterns of settlement and urban growth."*

124. The requestor's section 32 report did not address the above policy. Mr Brown addresses the policy in his evidence, but this appears to be a post hoc assessment.

125. In my opinion, the Plan Change has significant shortcomings in relation to the following matters:

...

(c) ensuring sufficient business and housing land; ...

(f) (i) providing for productive rural activities; ...

(h) *avoiding reverse sensitivity effects. I acknowledge that h) refers to adequate mitigation.*

126. In my analysis:

- i. The plan change does not address whether business activities are a better use of the land than residential. This is in terms of demand, capacity, and fit with adjacent activities
- ii. The plan change is likely to have a negative effect on the viability of nearby productive rural activities due to the presence of a larger number of people
- iii. Reverse sensitivity effects are not mitigated adequately.

127. In other words, the request will not result in co-ordinated urban development that integrates well with adjoining developments.

128. I note that the above policy does not specifically address the amenity expected within a residential area (which to a great extent is a district-level issue). Policy 4.5.3 - urban design – does refer to safe and healthy communities, good connectivity within and between communities and social cohesion.

129. I do not consider that the plan change will offer a resilient, safe and healthy residential environment that will build a sense of cohesion. This is because of proximity to the Motorsport Park, speedway and orchards and their associated on-going, 'off-site' effects. The means to mitigate these effects rely on new residents accepting a level of amenity below what would normally be expected in a residential area, particularly in terms of enjoyment of their outdoor living environment.

130. While there are examples around the country of activities like speedways, racecourses and larger sports facilities co-existing with residential areas (such as Western Springs and Eden Park in Auckland), these are historical situations that have evolved over time. My understanding is that on-going compromises are needed for both to co-exist: Residents have to accept a degree of adverse effect (as most brought in knowing that the facility existed), but equally there are usually management requirements on the facilities that affect how the venues are used. These constraints inevitably adversely affect expansion or upgrade plans to better meet customer expectations or changes in sporting preferences. Eden Park is a clear example of this with recent

media reports highlighting an inability to remain viable given the issues involved in expanding the type of events that can be held at the venue. In a situation where there is a choice as to how land is to be developed (as there is with the River Terrace plan change area), then in my view, effects can be, and should be avoided, rather than partially mitigated.

131. Mr Brown also identifies policies 5.3.1 (rural activities) and 5.3.3 (industrial activities). His assessment is that the plan change is consistent with these policies due to the mitigation measures offered. I disagree that the mitigation proposed avoids or appropriately mitigates reserve sensitivity effects.

Operative District Plan

132. While a plan change can insert existing objectives and policies, it is important consideration be given as to how those new objectives and policies sit alongside and integrate with the existing objectives and policies that are not amended. This goes back to sec 31 and integrated management of the effects of the use, development and protection of natural and physical resources. Plan provisions that 'pull in different directions" undermine sustainable management.
133. The Operative District Plan's objectives for urban areas are relevant, as the plan change, if approved, would have the effect of expanding the urban area. The objectives identify the need to provide for peoples' social, economic and cultural wellbeing, and their health and safety (Objective 6.3.1).
134. Objective 6.3.2 deals with amenity values in urban areas, as follows: "To manage urban growth and development so as to promote the maintenance and enhancement of the environmental quality and amenity values of the particular environments found within the District's urban areas". In Mr Brown's analysis, the plan change achieves the objective as the plan change will not affect the amenities of existing residential areas, while future residents will buy into the amenity being offered in the new development area.
135. The District Plan notes a cross reference to Policy 6.4.1 (discussed below). This policy refers to maintenance and enhancement of amenity values that are acceptable to the community. In my view it is a large assumption to make that new residents will find the level of amenity to be offered as being 'acceptable'. There are clearly substantial risks that, over time, amenity levels will be considered to be sub optimal, and as a result significant issues will

arise for adjacent activities, as well as the long term sustainability of the residential community to be developed.

136. Also of relevance are existing policies relating to urban expansion:.

Policy 6.4.2 – Expansion of Urban Areas

To enable the expansion of urban areas or urban infrastructure in a manner that avoids, remedies or mitigates adverse effects on:

- (a) Adjoining rural areas.*
- (b) Outstanding landscape values.*
- (c) The natural character of water bodies and their margins.*
- (d) Heritage values.*
- (e) Sites of cultural importance to Kai Tahu ki Otago.*
- (f) The integrity of existing network utilities and infrastructure, including their safe and efficient operation.*
- (g) The life supporting capacity of land resources.*
- (h) The intrinsic values of areas of significant indigenous vegetation and habitats of significant indigenous fauna.*

137. The section 42A report identifies incompatibility with (a) and (g). I note that the policy refers to avoiding, remedying or mitigating adverse effects on adjoining rural areas. PC 13 could be said to mitigate effects on adjoining rural areas rather than avoid them. However the level of mitigation is inadequate. I further note that in Mr Brown's analysis of the policy (page 61, Appendix F), he states that in relation to sub clause (a), the effects of the plan change on existing rural residential amenities are adequately taken into account. However sub clause (a) is not confined to rural-residential amenities. Sub clause (a) refers broadly to rural areas and therefore must also include the orchards, speedway and Motorsport Park.

138. As with the RPS, the above policy needs be read in conjunction with policies relating to the quality (not just location) of residential areas.

Policy 6.4.1 - Maintenance of Quality of Life within Urban Areas

To maintain and, where practicable, enhance the quality of life for people and communities within the District's urban areas through:

- (a) Identifying and providing for a level of amenity which is acceptable to the community; and*

(b) Avoiding, remedying or mitigating the adverse effects on the community's social, economic and cultural wellbeing and health and safety which may result from the use, development and protection of natural and physical resources, and

(c) Recognising that change is inevitable in the use of land to enable the community to provide for its wellbeing

139. District Plan controls relating to noise can be taken as one measure of a component of amenity levels that are acceptable to the community. There is clearly a significant noise effect that will be experienced by the future community. This is in relation to enjoyment of outdoor activities, as well as potential constraints on indoor living conditions if the only way to reduce noise effects is to close windows and doors (such as during warmer weather).

Are the objectives appropriate?

140. PC 13 introduces a number of Objectives. As notified these included:

Objective 20.3.10: Development which is undertaken in a manner that is compatible with the surrounding land uses, including State Highway 6, motorsport activities, orcharding.

141. Subsequently, this has been amended to read “protect existing activities from adverse reverse sensitivity effects so that constraints on those activities resulting from reverse sensitivity effects are avoided”.

142. In my opinion, neither the notified or amended objective achieves sustainable management of natural and physical resources present in the area. The direction in the original objective for development to be ‘compatible’ with surrounding activities is weak and results in only minimal mitigation. This means that activities in rural areas, using rural resources will come under pressure to relocate. The amended objective to protect existing activities is much stronger, but is not backed up by appropriate methods that avoid reverse sensitivity issues arising. The mitigation proposed will not ‘protect’ the activities from reverse sensitivity effects. The residential development will place a ‘constraint’ on the Motorsport Park, speedway and orchards. The Motorsport Park will not likely be able to move beyond its current consent, for example.

143. Objective 20.3.3 as notified refers to:
- "A well-designed built environment that provides for and positively responds to roads and open spaces, provides high quality amenity for residents and contributes to public safety".*
144. This has now been augmented by a new objective that refers to buildings that provide quiet and healthy internal environments that protect residents, to the extent necessary, from effects of existing activities adjacent to the resource area.
145. The presence of the Motorsport Park, speedway and orchards and their associated off-site effects (including noise) will not lead to a high quality amenity for residents. The mitigation measures are inadequate, and as made explicit by the new objective, only relate to the internal living environment.
146. Objective 20.3.1 and 20.3.2 relate to greenfields development and housing choices. I agree that, as identified by Objective 20.3.1, greenfields development should be co-ordinated by way of a structure plan. I also agree that housing choice and affordability are important outcomes. However I do not agree that the land in question must be developed for housing, as implied by the objectives. Cromwell has a range of options to provide for more housing supply and choice. It faces much more restricted options when it comes to future business land needs. Furthermore, the Motorsport Park, speedway and orchards cannot relocate to other sites.
147. My conclusion would be that at least four of the objectives are not the most appropriate way to achieve sustainable management.

Do the policy and methods give effect to the objectives, taking into account a range of alternatives?

148. In this section I briefly review options to implement the objectives. In my view, the objectives of the plan change could be summarised as:
- a) meeting Cromwell's growth needs
 - b) delivering a high quality living environment
 - c) protecting existing activities from reverse sensitivity effects.
149. In my opinion, there are a number of options that should be considered to meet these objectives including:

- a. rural residential
- b. business
- c. residential.

150. Briefly, and in summary, the advantages and disadvantages of these alternatives can be described as follows:

Objectives	Rural , Rural residential	Business	Residential
Meet Cromwell's growth needs	Rural residential development helps meet some housing needs (but not housing supply or choice). However other options exist to meet residential needs in Cromwell.	Will provide long term options for expansion of business activities, recognising Cromwell's role as a central hub. Will not provide for residential demand, but other options for residential development exist in the Cromwell area.	Will provide more housing options, but within a context of an alternative range of spatial and intensity options within Cromwell. Will foreclose options for expansion of business activities
Residential environment	Some compromises would be needed, but rural residential lots provide more scope for units and outdoor areas to be designed and laid out to better manage noise effects.	Will not generate any effects that would compromise residential environments	Will inevitably result in a residential environment with reduced levels of amenity, compared to what is normally expected.
Protects existing rural activities	May generate some reverse sensitivity effects from additional housing, but at a much lesser scale than the plan change request	Is compatible with adjacent rural activities	Will not protect existing activities from reverse sensitivity effects. Creates long term uncertainty over enforcement, monitoring and expansion plans

In short, the plan change is not, in my view, the most appropriate means to achieve objectives that (in turn) achieve the purpose of the Act.

METHODS

151. A key aspect of the request are the methods used to deliver a high quality residential environment and to address reverse sensitivity effects (being noise insulation requirements and no complaints covenants).
152. The evidence of Mr Staples addresses the amenity and building cost issues associated with the proposed noise insulation requirements.
153. With regard to the efficiency and effectiveness of the proposed no-complaints covenant, I am aware of the method being proposed as part of resource consent applications. In terms of RMA plans, the method is used in the Auckland Unitary Plan in relation to the North Harbour Stadium, located in the Albany Centre. One standard for residential development close to the stadium is as follows:

I502.6.1. Dwellings in sub-precinct A (1): Any new dwelling must be subject to a no-complaint covenant entered onto the property title and registered in favour of the North Shore Stadium and North Shore Domain Trust. The no-complaint covenant will require any landowner or occupant to forego any right to lodge submissions in opposition to, or otherwise restrict, sound from concerts at the stadium which are in accordance with any lawfully established activities or any approved resource consent.
154. I have had some involvement in Albany Centre planning. My understanding of the above standard was that it was inserted into the then North Shore City Council District Plan by way of a plan change that amended plans for the Albany Centre. The North Harbour Stadium was built early in the development of the centre, when the centre was seen to be a second (employment and retail focused) 'CBD' for the North Shore. Subsequently the Council amended plans for the centre to enable a larger residential role in the centre's mix of activities. The sub-precinct that the rule applies to is some 50m from the stadium.
155. The no-complaints covenant is aimed at a specific type of future activity that may be held at the stadium, being concerts. It does not restrict complaints about noise from sports events. I also note that the Albany Centre is developing as a mixed use area where there are a range of commercial, retail and food and entertainment activities. The residential environment is therefore very much an 'inner city' type environment where the main residential building

type is multi-storey apartments. This is a considerably different context from Cromwell.

156. A no-complaints provision also applies in the Britomart Precinct, which is adjacent to the Ports of Auckland¹¹. This is an inner-city, mixed use precinct. One of the standards for residential development in the Precinct is that dwellings and visitor accommodation must be subject to a restrictive non-complaint covenant in favour of the Ports of Auckland that states owners and occupiers must not complain as to effects generated by the lawful operation of the port. The restrictive non-complaint covenant is limited to the effects that could be lawfully generated by the port activities at the time the agreement to covenant is entered into. This does not require the covenantor to forego any right to lodge submissions in respect of resource consent applications or plan changes in relation to port activities (although an individual restrictive non-complaint covenant may do so).
157. As far as I am aware, no residential development has occurred in the Britomart Precinct, and as a result the method has not been tested. In both the above cases, the expectation residents would have as to amenity levels will be substantially different to those that might be expected in a residential neighbourhood. It would also be easier for prospective residents to gauge, ahead of time, what effects they may experience (and effectively have to accept).
158. In my view, in the context of Cromwell, the no-complaints method will not be an effective and efficient method. It will:
- a) Operate in an environment where owners and occupiers of residential units will have high expectations as to the amenity to be provided, part of which will be on-site outdoor living.
 - b) Be difficult for prospective owners and occupiers to assess, ahead of purchase or occupation of houses, the likely effects that they cannot complain about.
 - c) Result in substantial compliance costs for council and adjacent activities.
 - d) Not prevent future actions to stymie expansion of activities on the Motorsport Park site.

¹¹ Rule I201.6.1. Dwellings and visitor accommodation.

RESPONSE TO REQUESTOR'S EVIDENCE

159. In my evidence, I have made reference in a number of places to the evidence of Mr Brown and Ms Hampson. I do not intend to add further commentary, as this evidence is covered in more detail by other experts called by Highlands. In the following paragraphs I make comment on the evidence of Mr Ray.
160. Mr Ray refers to a full and proper urban planning assessment of the River Terrace development as being necessary in his paragraph 7.2. I agree that a full assessment is necessary, yet his list of issues focuses solely on residential demands, when urban planning must consider residential, business and visitor related activities and how they should be accommodated and integrated. An assessment should also cover the amenity to be created, as well as the effects of new development on existing activities.
161. At paragraph 7.8 Mr Ray identifies the need for a mix or blend of residential growth options –development of smaller settlements, infill of existing urbanised area as well as the outward expansion of the main township. I agree that a blend or mix is likely and reasonable in the context of Cromwell. Yet Mr Ray goes on to discount development of smaller settlements as not being a 'valid' option. To my mind, this is a very cursory assessment when there is clearly demand for living in these smaller settlements.
162. He goes on to say that a mix of 'more intensive development within central Cromwell urban area to maximise efficiencies and support the town centre but recognising that due to growth pressures growth beyond central Cromwell urban area will be required". I agree that such a mix is likely and should be planned for. However Mr Ray's analysis of intensive development appears to go no further than the subdivision of vacant land within the urban area. He does not appear to ascribe any potential to infill and redevelopment of sites, over the longer term.
163. From this basis he then contends that a southern extension is 'logical'. As I have stated, a southern extension is likely. Whether the southern extension of the scale he depicts in his plan in Para 7.30 is necessary over the 30 year planning horizon is not discussed. He does not appear to have considered other options, such as redevelopment of the racecourse land which is physically closer to the existing centre and facilities.
164. In addition to over emphasising the necessity of the expansion proposed, given other options present, to my mind, Mr Ray's analysis is incomplete:

- a) The amenity of the residential environment to be created has not been taken into account. He refers to noise from the speedway and Motorsport Park being factored into the design of houses. The impact of noise on outdoor activities and associated residential amenity are not addressed, yet are clearly significant.
- b) Mr Ray does not address long term business or visitor related activity demands, apart from noting the Cromwell Masterplan's proposal to expand the existing industrial area.
- c) He does not consider reverse sensitivity effects and the implications for these activities should they be forced to move.

CONCLUSIONS

- 165. The plan change has some positive features in terms of adding to housing supply and choices and a stated desire to provide a well-designed urban environment.
- 166. These benefits have to be considered alongside the following considerations:
 - a) The plan change request is based on an over estimation of the demand for residential development by way of urban expansion. The request underestimates the likelihood of future residential demand being met by development of the surrounding settlements (Bannockburn, Pisa Moorings), and the longer term role infill and redevelopment of the existing urban area will play.
 - b) The request does not consider alternative demands on land on the edge of Cromwell, like space for business activities and further expansion of visitor related activities.
 - c) The residential amenity to be created will be less than that typically expected in a residential neighbourhood due to noise and other effects generated by adjacent activities. The adverse effects of this on residential amenity are not mitigated. In particular use of outdoor areas and outdoor-related activities will be exposed to high levels of noise on a regular basis.
 - d) Reverse sensitivity effects on adjacent activities (speedway, Motorsport Park, orchards), with mitigation in place, remain significant and are likely to affect their future operations, yet these activities have few if any alternative sites to which they might be able to relocate.

167. My review of national, regional and local policies does not indicate to me that, in the context of Cromwell, the benefits of housing choice and supply and 'good urban design' should be given such weight that these benefits outweigh the significant costs identified. If anything, the policies recognise the need to provide a high quality living environment while ensuring that new urban development can integrate with adjacent rural-based land uses.

David Mead

16 May 2019