

29 July 2021

4 CONFIDENTIAL REPORTS

21.6.9 GAIR AVENUE, CROMWELL

Doc ID: 544278

Public Excluded

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in s48(1)(a)(i) of the <i>Local Government Act 2002</i> .
Sub-clause and Reason:	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

1. Purpose of Report

To consider development of the final stage of the Gair Avenue block and funding engineering design for the development.

Recommendations

That the Cromwell Community Board

- A. Receives the report and accepts the level of significance.
- B. Agrees to adopt the development plan titled Super Lot Concept Plan dated 31 May 2021.
- C. Recommends to Council that the final stage of Council's land at Gair Avenue, Cromwell be developed in general accordance with Super Lot Concept Plan dated 31 May 2021.
- D. Agrees to apply to the Infrastructure Acceleration Fund for funding of infrastructure.
- E. Agrees to funding \$370,000 for engineering design for the development.
- F. Agrees to progress construction of horizontal infrastructure in general accordance with the adopted plan, subject to receiving funding from the Infrastructure Acceleration Fund.

2. Background

A report was referred to the Cromwell Community Board (the Board) on 18 September 2018 seeking approval to progress the subdivision development of the final stage of Council owned land at Gair Avenue, Cromwell (Stage 6) and seeking funding for development of the McNulty Buffer Reserve.

The Board approved the funding of the development of the reserve but did not agree to progress the final stage of Gair Avenue residential development until it had first heard from the Central Otago Affordable Housing Trust.

The Central Otago Housing Trust attended a meeting of the Board in February 2019 where they discussed the opportunity for delivering affordable housing using the secure housing model or similar. Trust members referenced the work of the Queenstown Lakes Affordable Housing Trust and advised that their proposed approach was that the Board/Council transfer land to the Central Otago Housing Trust to enable the Trust to facilitate affordable housing options in Central Otago.

In 2019, Council agreed to a programme of work to articulate Council's role in housing. Council received staff reports on this subject in March and May 2020. On 22 September 2020, a report was referred to the Cromwell Community Board providing an update on the progress of the housing work and recommending development of the final stage of Gair Avenue residential subdivision. The Board agreed to note progress of the work and to receive a report on the development of the remaining land at Gair Avenue.

In November 2020, a report was referred to the Board (in accordance with its resolution of 22 September 2020), recommending development of the final stage of Gair Avenue subdivision, by delivering a range of section sizes and thereby offering more choice of housing typology and affordability to the community. A copy of the report is contained in **Appendix 1**.

After discussion, the Board agreed that it was too early in the process to make any recommendations to Council, and instead that there should first be a Community Board workshop to discuss the options for development of the land.

Following the Board resolution in November 2020, consultants Boffa Miskell were invited to workshops in January 2010 and March 2021 to discuss opportunities for residential development of the Gair Avenue block. The consultants were asked to provide options for a range of densities and housing typologies that could enable delivery of affordable housing, incorporating good urban design and access to open space.

The presentations to the Board discussed opportunities to intensify some areas in the Gair Avenue development block into medium-high residential developments to offer a new form of residential living in Cromwell. The concepts promoted cost effective, innovative housing solutions with integration of best practice design for safe and healthy environments. Crucial to the success of higher density living is the integration of green networks and high-quality urban design.

3. Discussion

Following the workshop in March, and feedback from the Board, the consultants were asked to further develop the concepts taking into account geotechnical and engineering constraints of the site.

The concepts have now been finalised and are included in the attached document titled *Residential Development: Gair Avenue, Cromwell* dated 31 May 2021. See **Appendix 2**.

The proposed development comprises 7 super lots which provide the opportunity for a range of densities and housing typologies as follows:

Super Lot 1

- 5 detached dwellings
- 18 semi-detached dwellings

Super Lot 2

- 4 detached dwellings
- 6 semi-detached dwellings

Super Lot 3

- 5 semi-detached dwellings
- 7 terrace houses

Super Lot 4

- 8 semi-detached dwellings

- 8 terrace houses

Super Lot 5

- 14 terrace houses

Super Lot 6

- 20 low rise apartments

Super Lot 7

- 7 semi-detached dwellings
- 8 terrace houses

Detached dwellings	9
Semi-detached dwellings	44
Terrace houses	37
Low rise apartments	20
Total	110

The plan titled Super Lot Concept Plan dated 31 May 2021 is attached as **Appendix 3**.

The provision of super lots enables staging of the development to meet demand, while testing the market for interest in different housing typologies. Developing in this method enables the Board to be a leader in delivery of new types of housing in Cromwell, providing more affordable options whilst managing risk; if there is not sufficient interest at any stage the Board can reconsider lot sizes, housing typologies or time of release of sections/dwellings, taking into account growth, demand and market conditions.

The Board, as a developer, has the opportunity to provide leadership in a new form of residential living in Cromwell whilst ensuring delivery of a high level of residential amenity by ensuring excellent urban design, access to open spaces and provision of greenways.

The proposal, as detailed in the appended documents *Residential Development: Gair Avenue, Cromwell* and the *Super Lot Concept Plan* (both dated 31 May 2021), meets the Cromwell Masterplan objectives relating to accommodating growth by making housing available and affordable (per the Investment Logic Map problem and benefit statements) and also contributes to the yields identified in the Cromwell Spatial Plan adopted by the Board in May 2019.

The proposal is also consistent with Council's work on housing as it supports their role in contributing to housing affordability. A report will be referred to a future Council meeting which will likely align with any recommendations the Board make to Council on the development of the final stage of Gair Avenue subdivision.

Since development of the overall concept plan titled *Residential Development: Gair Avenue, Cromwell* (dated 31 May 2021), Kāinga Ora have announced the Infrastructure Acceleration Fund (IAF). The IAF is a contestable process designed to allocate funding to infrastructure projects for housing development, enabling a meaningful contribution to housing outcomes in areas of need.

The IAF criteria are summarised as follows:

- Housing outcomes (40%): how will the Proposal, if delivered, contribute to the housing outcomes that are the purpose of the Infrastructure Fund?

- ii. Impact of funding (20%): how critical is this funding to advancing the infrastructure and housing development?
- iii. Cost and co-funding (20%): how cost effective is the Proposal and is everyone paying their fair share?
- iv. Capability and readiness (20%): if funding is approved, how certain is it that the project will advance, and at what pace?

A two-stage process will apply where all applicants are invited to provide an Expression of Interest (EOI) with high level information on the housing development. Following an assessment of the proposals, a reduced number of applicants will be invited to submit a full proposal in response to a Request for Proposal (RFP).

Investigations into the IAF criteria indicate that Council has a strong case to access funding for construction of the infrastructure. If funding is obtained to cover (or partially cover) the cost, this will change how the development of the land will be staged and the speed at which housing can be delivered to the Cromwell community.

In order to make a robust application to the IAF, engineering design is required so that the cost of the infrastructure for the development is known. This would both inform the application and also demonstrate Council's commitment to the proposal to develop and deliver housing. Engineering design is a part of the development process required in any case, so completing this work upfront will expedite the application for subdivision regardless of the outcome of the application for funding.

It is therefore proposed that engineering design be undertaken, and an application made to the full value of the infrastructure for the overall development. Further partnership opportunities to deliver affordable houses may be available (subject to funding from IAF).

On receiving the outcome of the funding application, the delivery of the development can be planned, including staging, detailed design of housing typologies, marketing opportunities and development options including any potential involvement of development partners. A report will be brought to the Board seeking approval to progress the staged development and marketing.

4. Options

Option 1 – (Recommended)

That the Board:

- Recommends to Council that the final stage of Council's land at Gair Avenue, Cromwell be developed in general accordance with the layout provided in the document *Residential Development: Gair Avenue, Cromwell* dated 31 May 2021. Staging of the development will be subject to a further report when outcomes from funding application are known
- Agrees to adopt the development plan titled *Residential Development: Gair Avenue, Cromwell* dated 31 May 2021
- Agrees to adopt the document titled *Residential Development: Gair Avenue, Cromwell* dated 31 May 2021 to be used as the guiding document for the overall subdivision development
- Agrees to apply to the Infrastructure Acceleration Fund for funding for building the infrastructure for the overall development
- Agrees to funding \$370,000 for engineering design for the development
- Agrees to the construction of horizontal infrastructure if funding received

Advantages:

- Development of the engineering design will enable a more robust application to the IAF
- External funding for building of infrastructure will enable the overall development to progress more quickly as will be less reliant on income from sections sales to progress
- External funding may enable partnering opportunities for delivery of affordable housing
- External funding will reduce risk and provide a stronger financial return to Council
- Progressing in a staged manner gives the Council the ability to test the market and release land in accordance with demand
- Staging the development enables delivery of any Council policy in relation to affordable housing

Disadvantages:

- The outcomes of the IAF will not be known until later in 2021, so may delay commencement of development

Option 2

Do not agree to the land being made available for development and to applying to the IAF for funding of infrastructure.

Advantages:

- Enables a Council position or policy to be developed on affordable housing prior to the development of the land

Disadvantages:

- Not providing land or houses to the market may contribute to undersupply and therefore reduce opportunities for the community and newcomers to the area to own a home
- Lack of housing supply potentially worsens affordability and may affect decisions for people to settle in Cromwell
- May be perceived as land banking to maximise return
- Council would receive less return overall if external funding not obtained

Option 3

Agree to sell the block as a whole on the open market.

Advantages:

- Minimal resources are required by Council to make the land available for sale
- The land will quickly become available for a developer to progress
- There is low risk to the Board/Council

Disadvantages:

- The Board will not have the opportunity to control outcomes and deliver different housing typologies to the market
- This option presents the lowest potential return to the Board
- Opportunities to create more affordable housing are likely to be lost
- External funding through the IAF may not be available

Option 4

Agree to adopt the *Residential Development: Gair Avenue, Cromwell* document dated 31 May 2021 and sell super lots to the market.

Advantages:

- Minimal resources are required to make the land available for sale
- This gives the Board some opportunity to control the high-level design of the subdivision
- Low level of risk

Disadvantages:

- The Board has less control over housing typologies
- Lower level of return
- External funding through the IAF may not be available to Council

Option 5

Agree to advertise for a development partner and undertake a more traditional subdivision.

Advantages:

- Less input required from the Council
- Good return to the Board
- Low risk
- External funding through the IAF may be available for the development

Disadvantages:

- Board loses an opportunity to lead the way for a new form of residential living in Cromwell
- Less return

Option 6

Agree to undertake the development without a development partner.

Advantages:

- The Board has full control of outcomes
- Potentially highest returns
- Potential for IAF funding

Disadvantages:

- Will require high level of staff resource and external consultant expertise
- Highest level of risk

5. Compliance

Local Government Act 2002 Purpose Provisions	This decision enables democratic local decision making and action by, and on behalf of communities.
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	<p>Section 10 of the Local Government Act 2002 includes the purpose of local government to meet the current and future needs of communities for good quality local infrastructure, local public services and performance regulatory functions in a way that is most cost effective for households and businesses.</p> <p>Sale of land provides income which helps fund those activities.</p> <p>AND</p> <p>This decision promotes the social, cultural, and economic wellbeing of communities, in the present and for the future by facilitating development of land in order to deliver housing and providing choices of housing typologies and affordability to the community.</p>
Financial implications – Is this decision consistent with proposed activities and budgets in long term plan/annual plan?	\$370,000 for engineering design to be funded from reserves. This will be replenished when sections are sold.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	The decision is consistent with the Cromwell Spatial Plan.
Considerations as to sustainability, the environment and climate change impacts	This decision does not impact on sustainability beyond objectives of Council's Procurement Strategy.
Risks Analysis	Risk is low as the income from the development will replenish reserves. Risk relating to the overall proposal will be addressed in a subsequent report detailing how the development will be staged and developed.
Significance, Consultation and Engagement (internal and external)	<p>The land is zoned residential, so development is consistent with community expectations and the District Plan.</p> <p>No thresholds in the Significance and Engagement Policy are exceeded.</p> <p>The land is not a strategic asset.</p> <p>Given the above it is considered that adopting the proposal is not significant and no further engagement or analysis of community views is deemed necessary.</p>

6. Next Steps

- Report to Council recommending development of Gair Avenue subdivision.
- Engage an engineer to undertake engineering design.
- Application to IAF for funding.
- If funding received build infrastructure for the whole block.
- Further planning and report to the Board for development of the block.

7. Attachments

Appendix 1 - Report to Cromwell Community Board [↓](#)

Appendix 2 - Concept Document - Residential Development: Gair Avenue, Cromwell [↓](#)

Appendix 3 - Super Lot Concept Plan [↓](#)

Report author:



Garreth Robinson
Property and Facilities Manager
12/07/2021

Reviewed and authorised by:



Louise van der Voort
Executive Manager - Planning and Environment
13/07/2021

Released from public exclusion



**Cromwell Community Board
9 November 2020**

CONFIDENTIAL

Report for Decision

**Gair Avenue, Cromwell – Consider the Sale or the Development of Land
(Doc ID 511728)**

Public Excluded

The public are excluded because the report includes financial details submitted by another party. If the financial details were made public prior to the proposed actions being completed, it would prejudice that party's position.

The public are also excluded to enable the Council to negotiate without prejudice.

The authority to exclude the public for the above reasons is pursuant to Section 7 (2) (b) (ii) and Section 7 (2) (i) of the Local Government Official Information and Meetings Act 1987.

1. Purpose of Report

To consider the development of Council's residential land adjacent to Olds Crescent and Gair Avenue, Cromwell (the Gair Avenue block).

Recommendations

That the Community Board:

- A. **Receives** the report and accepts the level of significance.
- B. **Agree** to facilitate development of the Gair Avenue block using urban design options including a 'super lot' for development into medium-density housing options, by inviting parties to tender on a public/private development partnership arrangement(s) to develop the land concurrently in two stages.
- C. **Agree** to the Chief Executive selecting the preferred party or parties based on set parameters and the completion of due diligence.

Report author: Development Consultant

- D. **Agree** that this report be made available to the public from the date of this resolution, but information about the portion of the minimum additional payment over and above the block value must be withheld until an unconditional agreement is in place for development of the land.
- E. **Agree** that the minutes for this item be made available to the public from the date of this resolution.
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2. Executive Summary

Development of the remainder of the Gair Avenue block will enable Council to be an innovator and instigator of higher density housing in Central Otago, delivering a range of sections sizes and offering more choice and affordability to the community. The development will help stimulate the economy through direct involvement in development and construction, and will give effect to the Cromwell Spatial Plan and Council's work on housing in the COVID-19 environment.

3. Background

The Cromwell Community Board (the Board) received a report on 18 September 2018 recommending that parties be invited to submit offers to facilitate development of the balance of the Council land adjacent to Olds Crescent and Gair Avenue, Cromwell. A copy of the report is attached as **Appendix 1c**.

The Board did not agree to progress the development considering they should first hear from the Central Otago Housing Trust.

The land subject to this report, shown below, is described as Lot 102 DP 531282 and comprises 5.2578 hectares with a current rateable value of [REDACTED]

Report author: Development Consultant



The southern portion of 4.5 hectares has been subdivided by way of a private/public partnership agreement dated 16 October 2017. Under the agreement, the private developer manages and funds all development in exchange for a fee which is determined in a profit share arrangement. Council receives the proceeds from the sale up to the agreed block value of the land, plus a percentage of the net profit from the development. A copy of the plan is attached as **Appendix 1d**.

The private developer also prepared a proposed subdivision plan for the balance of the land which is designed with traditional section sizes. A copy of the plan is attached as **Appendix 1e**.

Council received a report on 18 May 2020 regarding Council's role in housing where Council agreed that in addition to work on incentivise and promote density options, land development and construction options be developed as part of a COVID-19 economic recovery package for consideration. Council also agreed that an updated market analysis be provided in 2021, and that any further work on affordable housing be deferred until consideration of the updated market analysis. The report is attached as **Appendix 1b**.

A further update was provided to the Cromwell Community Board on 22 September 2020, where the Board agreed to note the progress on the work on Council's role in housing, and receive a paper on developing the remaining land at Gair Avenue as part of the 'land and development' options in the housing work. The report is attached as **Appendix 1a**.

Report author: Development Consultant

4. Discussion

The residential property market since COVID-19 has been fuelled by record low interest rates. This provides additional incentive for the progressing the development of the Gair Avenue land. There are a range of options for development including selling the land as a development block, undertaking the residential subdivision with a private partner, or the Board undertaking the subdivision as the sole developer.

The Cromwell Spatial Plan adopted by the Board in May 2019, provides for growth within Cromwell boundaries to be achieved by increased density, and for the development of a range of housing typologies giving the community increased choice and affordability. Development of the Gair Avenue land provides an opportunity for the Board to give effect to the Spatial Plan.

Undertaking the development now also has the benefit of stimulating the economy in the COVID-19 environment.

It is proposed that the recommended lot sizes in the development would vary between 250m² to 600m² to achieve increased density and options for sections sizes. Good urban design and access to open space is essential when undertaking closer density developments to ensure highly liveable and attractive residential environments are achieved.

The underlying land value is the fundamental factor that can influence the price of residential housing. The price per square metre does not vary much if the residential section size changes for example from 600m² to 300m². Therefore, if the cost of land can be reduced by delivering smaller section sizes that will contribute to more affordable housing opportunities.

Below are examples of house and land packages showing price comparisons of different section sizes using the following assumptions:

- Land price @\$[REDACTED] per square metre
- Smaller sections add 5% for intensity (land price increases by 5% as property size gets smaller)
- Build price @\$[REDACTED] per square metre

House and Land Package Price Examples			
Dwelling / Ha	Item A 600 m ²	Item B 400 m ²	Item C 300 m ²
Land Size	600	400	300
House size	200	150	100
Land price	[REDACTED]	[REDACTED]	[REDACTED]
House Price	[REDACTED]	[REDACTED]	[REDACTED]
House and Land package	[REDACTED]	[REDACTED]	[REDACTED]

Report author: Development Consultant

These different house and land package examples are illustrated in **Appendix 2**. The remaining land at Gair Ave is in the centre of existing residential development and close to town amenities. Part of this land would lend itself to a greater density option targeting affordable living options while the remaining land could be developed in a more traditional form.

Cromwell has an enviable greenway network providing the opportunity to reduce household vehicles by utilising these active transport options. Access to schools, community facilities, clubs, town centre and other commercial activities can be achieved by walking, biking, or other suitable non-road vehicles.

Urban design professionals could be engaged to design the subdivision with consideration to higher density housing on the site that will fulfil Council's aspirations for economic stimulus and allow for an exemplar development on this site. This design will consider the higher density area coupled with a larger footprint sites to accommodate many housing options and enhancing the environment.

The design process should consider the site's broader context, which will ensure this final stage of the Gair Avenue block is sympathetic to the wider Cromwell community and the immediate neighbours. The proposed design process should include "super lots" (shown in red) as part of the new subdivision. A proposed design layout is contained in **Appendix 3**. The "super lot" is essentially a large area that can be further developed into smaller lots as determined appropriate by Council. This approach will enable Council to control the development to achieve the desired densities for alternative residential housing options in Cromwell.

It is proposed that the development be undertaken in a staged process as outlined below:

- Stage 1: Enter into a partnership with the private sector to subdivide the remaining land including creation of some super lots for Council to utilise as development opportunities for medium-density housing. The agreement will provide that Council's input is the land and the private developer will fund the development costs. The agreement will provide for a profit share arrangement.
- Stage 2: Enter into an agreement with the private sector for subdivision and development of the super lots including the construction of medium-density housing options to sell or hold for long term rentals. This may include two or more construction companies. The agreement will provide that Council's input is the land and the private developer will provide construction expertise and fund all of the development, consenting and construction and costs. The agreement will provide for a profit share arrangement.
- A comprehensive sales and marketing approach would be required to successfully deliver on the above strategy.

It is therefore proposed that Council undertake an open market process to attract interested parties to facilitate the two stages. This process will allow opportunities for developers and construction specialists and real estate agents to propose suitable arrangements at each stage.

Report author: Development Consultant

5. Options

Option 1 – (recommended)

A new subdivision plan to be developed with urban design options including a 'super lot' for development into medium-density housing options. Undertake this process with a development partner.

Development of the Gair Avenue block by inviting parties to tender on a public/private development partnership arrangement(s) to develop the land concurrently in 2 stages.

Advantages:

- The best-use urban design principles can be applied
- Facilitate housing and land packages of different sizes more affordable options for Cromwell which have not been supplied to the market to date
- Council forms profitable relationships to finish this development
- Minimise risk to Council
- Implementation of Cromwell Spatial Plan
- Is consistent with Council's work on housing

Disadvantages:

- An amended plan requires further design and valuation input at a cost.

Option 2

The Board does not recommend to Council to approve the development of the final stage of Gair Ave and the block is sold as a development block.

Advantages:

- Low risk with one transaction to implement

Disadvantages:

- Does not provide Council with further income from development
- Does not address affordable new typology in residential housing

Option 3

Council develop the Gair Ave land without a partner.

Advantages:

- Potentially highest return
- Provides Council with further income from development
- Facilitates housing and land packages of different sizes more affordable options for Cromwell which have not been supplied to the market to date

Report author: Development Consultant

Disadvantages:

- Further expense to Council
- Not Council's core business
- Highest risk to Council

Option 4

Council undertake the subdivision with a development partner as outlined in Option 1, and provide some land to a community housing provider to develop affordable housing through a model such as the secure home model. This could take the form of leased land and owned improvements (buildings); rent to buy improvements (buildings), or stable rental options.

Advantages:

- Reduces income for Council from property sales
- Facilitates housing and land packages of different sizes more affordable options for Cromwell which have not been supplied to the market to date

Disadvantages:

- Handing over the control to a housing trust
- Further expense and risk to Council

6. Compliance

<p>Local Government Act 2002 Purpose Provisions</p>	<p>Section 10 of the Act includes a purpose of local government to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.</p> <p>Sale or development of land provides additional income which may help fund other activities.</p> <p>AND</p> <p>This decision promotes the social, cultural and economic wellbeing of the community, in the present and for the future by facilitating development of land in order to meet demand, increased choices of housing typology and</p>
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Report author: Development Consultant

	affordability to the community.
Financial implications: Is this decision consistent with proposed activities and budgets in long term plan/annual plan?	Under the private public agreement arrangement, funding of the development is the responsibility of the private developer. Council will share in profits from the sale to the value of the land and an agreement percentage.
Decision consistent with other Council plans and policies, such as the District Plan, Economic Development Strategy, etc?	The decision is consistent with the Cromwell Spatial Plan and Council's work on housing.
Considerations as to sustainability, the environment and climate change impacts	The decision does not impact on sustainability.
Risk Analysis	Risk is shared under a private public agreement whereby the costs of development are borne by the private developer, and Council shares in the profits.
Significance, Consultation and Engagement (internal and external)	<p>The land is zoned residential and so it is expected by the community that at some time the land will be developed for that purpose as provided for in the District Plan.</p> <p>None of the thresholds or criteria in the Significance and Engagement Policy are considered to be have been met or exceeded. Also, the land is not a strategic asset and is in fact, held for development or sale.</p> <p>Given the above, it is considered that adopting the proposal is not significant under the policy. No further analysis of the impacts or of the community's views is deemed necessary.</p>

7. Next Steps

- Engage an urban design specialist to develop the subdivision plan including "super lots"
- Call for tenders for Stage 1 development
- Concurrently call for tenders for Stage 2 development
- Evaluate and select tenders
- Consenting

Report author: Development Consultant

- Engineering approvals
- Marketing lot and house/land packages
- Undertake subdivision development
- Undertake housing construction

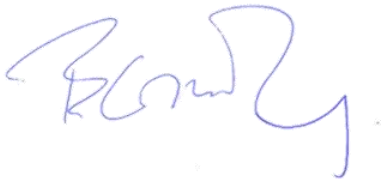
Attachments

Appendix 1: Report to Cromwell Community Board 22 September 2020: An overview of the work on council's role in housing and direction on the next steps for the remaining land at Gair Avenue

Appendix 2: Examples of general house and land size packages and price comparison

Appendix 3: Illustration of and urban design rationale behind proposed subdivision sizes

Report author:



Brad McLeay
Development Consultant

23/10/2020



Louise van der Voort
Executive Manager - Planning and
Environment

23/10/2020

Released from public excluded

Report author: Development Consultant



**Cromwell Community Board
22 September 2020**

Report for Decision

An overview of the work on council's role in housing and direction on the next steps for the remaining land at Gair Avenue (Doc ID 500895)

1. Purpose of Report

To provide an overview of the work to date on council's role in housing and to receive approval to progress advice on the next stage of the Gair Avenue development as part of this work.

Recommendations

Community Board:

- A. **Receives** the report.
- B. **Notes** the progress on the work on council's role in housing.
- C. **Agrees** to receive a paper on developing the remaining land at Gair Avenue as part of the 'land and development' options in the housing work.

2. Background

In 2019, Council agreed to a programme of work to articulate council's role in housing. The Cromwell Community Board have deferred decisions on housing dependant on the outcome of this work. These decisions include the development of Gair Avenue Estate and the approach made to the Board by the Central Otago Housing Trust for support in developing a secure homes model.

The first stage of the work which was to understand the Central Otago housing market has been completed. A detailed Cromwell housing stocktake was completed as part of the Cromwell Masterplan work and was presented to the Cromwell Community Board and Council in late 2019. A full district housing stocktake has also been completed and was presented to Council in early 2020.

An investment logic mapping exercise was undertaken in February 2020 with stakeholders (including a social service provider, industry representatives and a representative from the Central Otago Housing Trust). A shortlist of options was derived from this exercise and presented to Council in March 2020. At that time Council indicated they wanted further advice on a package of options focussing on promoting density and incentivising

Report author: Chief Advisor

development (focussing on levers Council already has including the District Plan and development contributions). Councillors also indicated they wanted to understand the secure homes model further. The Queenstown Lakes Community Housing Trust manager and a board representative were subsequently invited to the April Council meeting.

Not long after the March 2020 Council meeting and the direction was set for this project, New Zealand was hit with an unprecedented and wide-ranging pandemic, the effects of which are still being felt. This pandemic will have on-going and long-lasting economic and social impacts. Initially the predictions were that the Central Otago housing market would be hit hard, with at least at 11% drop in values (though this prediction has softened in recent months).

A further report was presented to Council in May 2020 (refer to Appendix 1) and revisited the direction set in light of COVID-19. At this meeting, Council agreed to extend the package of advice to include work on land and development options as part of a COVID-19 economic recovery package. Council also agreed to receive an updated market analysis early in 2021, at which time they will give further direction on any further work required on an affordable homes package as part of this work.

3. Discussion

A paper was presented to the 2018 Cromwell Community Board on the Gair Avenue development and decisions on the proposed development were not made at that time (refer to Appendix 2). The potential development of the remaining land at Gair Avenue forms an important part of the considerations on the land and development options Council requested in May 2020. Officers have put in a shovel ready application to the Government's Infrastructure Fund, with the intentions of developing Gair Avenue with Board approval. At the time writing, the outcome of this application is not yet known but it is now prudent to progress this work regardless. As such, with the Board's endorsement officers will consider options for the next stage of the Gair Avenue development for consideration at the 9 November 2020 meeting.

4. Options

Option 1 – Agree to receive a paper at the 9 November 2020 meeting on development options for the remaining land in the Gair Avenue Estate (recommended)

Advantages:

- Enables the Board to consider the best way to develop the land in line with the Cromwell Spatial Plan
- Enables the Board to consider ways to stimulate the economy as a broader economic response to COVID-19
- Enables the Board to consider ways to provide alternative housing options in line with the Cromwell Housing Stocktake and the District Housing Stocktake as part of the overall housing work
- May generate cashflow to help deliver on the Cromwell Masterplan initiatives and priorities.

Disadvantages:

- None identified.

Report author: Chief Advisor

Option 2 – Do not agree to receive a paper at the 9 November 2020 meeting on development options for the remaining land in the Gair Avenue Estate.

Advantages:

- Officer time can be re-allocated to other pieces of work.

Disadvantages:

- Would not enable the Board to consider development options to deliver on the findings of the Spatial Plan and the Cromwell Housing Stocktake, nor provide mechanisms to assist in the broader economic response to COVID-19.
- May result in a shortage of land in the Cromwell area in the future
- Lessens the ability of the Board to provide direction for growth and housing types in Cromwell.

5. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the economic wellbeing of the community, in the present and for the future by enabling the consideration of developing land for residential housing.
Financial implications: Is this decision consistent with proposed activities and budgets in long term plan/annual plan?	There are no direct financial impacts of this paper. The financial options and considerations will be presented in the November 2020 paper.
Decision consistent with other Council plans and policies, such as the District Plan, Economic Development Strategy, etc?	Yes this paper is consistent with the Cromwell Housing Stocktake, the Spatial Plan and the work to date on council's role in housing.
Considerations as to sustainability, the environment and climate change impacts	There are no direct considerations as to sustainability arising from this paper.
Risk Analysis	There are no risks in agreeing to receive the further advice. The further advice will outline the risks associated with the various options.
Significance, Consultation and Engagement (internal and external)	This paper does not trigger the threshold in the Significance and Engagement Policy.

6. Next steps

Pending the direction of the Board, advice on development options for the remaining land at Gair Avenue Estate will be presented to the 9 November 2020 meeting.

Attachments


Appendix 1. Report to Council meeting 18 May 2020: 'Council's role in housing – framework for a new approach post COVID-19'

Report author: Chief Advisor

Appendix 2. Publicly released redacted version of the report to Cromwell Community Board meeting 18 September 2018 'Gair Avenue, Cromwell – consider the sale or development of the balance of council's residential land'

Report author:

Reviewed and authorised by:



Saskia Righarts
Chief Advisor

Louise van der Voort
Executive Manager - Planning and
Environment

11/09/2020

11/09/2020

Released from public excluded

Report author: Chief Advisor

Appendix 1
22/09/20



Council
18 May 2020

Report for Decision

Council's Role in Housing – Framework for a New Approach Post COVID-19 (DocID 444618)

1. Purpose of Report

To agree to a new two-stage approach to the work on Council's role in housing.

Recommendations

That the Council:

- A. **Receives** the report and accepts the level of significance.
 - B. **Agrees** to a new two-stage approach for this work.
 - C. **Agrees** for stage one that in addition to work on *incentivise and promote density* options, that land development and construction options be developed as part of a COVID-19 economic recovery package for consideration.
 - D. **Agrees** for stage two that an updated market analysis is provided in 2021
 - E. **Agrees** that any further work an affordable housing option is deferred until consideration of the updated market analysis in 2021.
-

2. Background

In 2019 the development of Council's approach to housing was agreed as one of the items to be prioritised in the strategy and policy work programme. The first step was collating a comprehensive understanding of Central Otago's housing market. This stage included the housing stocktake for Cromwell completed in late 2019 (as part of the Cromwell Masterplan) and the district housing stocktake completed in February 2020. Overall, this data revealed that Central Otago was on the cusp of having a housing affordability issue.

This data helped to inform the next stage which was to develop options on Council's involvement for consideration. A shortlist of options was developed in February 2020 in a two-day investment logic mapping workshop attended by a wide variety of stakeholders (including social service providers, construction experts, and housing trust trustees). The

Report author: Chief Advisor

list of options was presented to councillors in March 2020, at which point councillors gave an indication that they would like to receive further advice on a package of options which promote density and incentivise development, as well as understand further what an affordable homes option would look like in practice. The agreed next step was to come back to councillors with further information on the affordable homes option at the planned April meeting 2020, and at which point councillors would agree the direction of the strategy for a draft to be presented at the May 2020 meeting.

3. Discussion

Impact of COVID-19

Since this topic was last considered by Council, the world has been dealing with an unprecedented pandemic that effects have been wide-ranging, including having significant economic, social and health impacts. As New Zealand and the world begins to recover, the medium to long-term impacts of this pandemic are not yet known. Central Otago's housing market is likely to be impacted with the predicted job losses and impact of heading into a recession likely to result in a softening of the market. The data that Council used to inform initial direction for this work is now less informative, with market activity likely to change over the short to medium term. The impact of COVID-19 on the housing market will start to become apparent in the next 6 to 12 months.

Economic recovery and Council's role in housing development

As Council considers its broader role in the response to the impacts of COVID-19, while housing market activity is uncertain, Council involvement in development and construction would help stimulate the economy. This in turn would bring wider benefits to the community through the employment opportunities that would arise. Such a development could occur on land earmarked for future development such as Gair Estate in Cromwell and the Pines in Alexandra (both projects which are subject to applications to the government's infrastructure fund for shovel ready projects for post COVID-19 recovery), or another suitable piece of land.

A new two-stage approach

Given the significant changes that have occurred since Council last considered this work, a new two-stage approach is proposed to this work for consideration.

Stage one: 2020

In addition to the *promote density and incentivise* options currently being explored, Council also agree to add for consideration to this package advice on options to help stimulate the economy through active involvement in development and construction. Such advice would be developed in consultation with the respective community boards if in principle support of Council is attained. This work would consider things such as the different ways of constructing a development (such as a joint venture), whether Council should pro-actively develop higher density housing options in line with the Cromwell Masterplan, and what the financial ramifications for Council would be.

Report author: Chief Advisor

Stage two: 2021

Provide Council with an updated market analysis which shows the short-term impacts of COVID-19, as well as the predicted medium to longer term impacts. Council to then consider, if they still wish, what an affordable homes option (similar to that run in Queenstown Lakes with the support of Queenstown Lakes District Council) would look for Central Otago District Council.

4. Options

Option 1 – (recommended)

Agree to a new two-stage approach to the work on Council's role in housing, with options developed on an economic recovery focussed package for consideration and work on an affordable homes package deferred to 2021.

Advantages:

- Takes into consideration that the likely impacts of COVID-19 on the housing market.
- Shows community leadership in agreeing for work to be done on an economic recovery focussed package for consideration.

Disadvantages:

- Will take more time to develop options (with community board involvement and additional staff time).
- May require investment from Council (financial implications will be provided in further advice).

Option 2

Do not agree to the new approach and proceed as directed in March 2020.

Advantages:

- Less time required for option development.
- Less investment may be required from Council.

Disadvantages:

- Does not take into consideration the likely impacts of COVID-19 on the Central Otago housing market

5. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the economic wellbeing of the community, in the present and for the future by considering how Council could stimulate the economy in support of the COVID-19 recovery.
Financial implications: Is this decision consistent with proposed activities and budgets in long term	There are no immediate financial impacts of this paper. Financial modelling will be presented for Council

Report author: Chief Advisor

plan/annual plan?	to consider when the detailed options are provided.
Decision consistent with other Council plans and policies, such as the District Plan, Economic Development Strategy, etc?	Yes.
Considerations as to sustainability, the environment and climate change impacts	There are no immediate sustainability impacts as a consequence of this paper.
Risk Analysis	This paper does not result risks to Council as only in principle support to conduct the work is requested. A discussion of risks will be included when the detailed options are provided.
Significance, Consultation and Engagement (internal and external)	This paper does not trigger the significance and engagement policy.

6. Next Steps

Pending Council's endorsement of the proposed approach, work will immediately commence on the package of options for consideration with respective community boards as appropriate and Council.

Report author:

Reviewed and authorised by:




Saskia Righarts
Chief Advisor
6/05/2020

Louise van der Voort
Executive Manager - Planning and Environment
6/05/2020

Report author: Chief Advisor

Appendix 2
22/09/20



**Cromwell Community Board
18 September 2018**

**Report for Decision
Confidential**

Gair Avenue, Cromwell – Consider the Sale or the Development of the Balance of Council's Residential Land (PRO 62-3099-00)

Public Excluded

The public are excluded because the report includes financial details submitted by another party. If the financial details were made public prior to the proposed actions being completed, it would prejudice that party's position.

The public are also excluded to enable the Council to negotiate without prejudice.

The authority to exclude the public for the above reasons is pursuant to Section 7 (2) (b) (ii) and Section 7 (2) (i) of the Local Government Official Information and Meetings Act 1987.

Purpose of Report

To consider whether or not the balance of Council's residential land adjacent to Olds Crescent and Gair Avenue, Cromwell should now be developed and if so, to determine how that development should occur.

To approve funding for a greenway development.

Recommendations

- A. **Recommended** that the report be received and the level of significance accepted.
- B. **Agree** to facilitate development by inviting parties to submit an offer to develop the balance of the Council land adjacent to Olds Crescent and Gair Avenue.
- C. **Agree** to the Chief Executive selecting the preferred party based on set parameters and the completion of due diligence.
- D. **Agree** to adopt the subdivision plan titled "Gair Estate Stages 5 and 6" dated 29 August, 2017.
- E. **Approve** an overspend of up to \$640,000 in the Cromwell Reserves Landscaping Account for development of the McNulty Buffer Reserve, Flora Street and Reserve Link greenway shown on the landscape plan named "Gair Estate Stage 5" dated 13 November, 2017. The cost is to be funded from the Cromwell Reserves Contribution Account.

Report Author: Property and Facilities Manager

- F. **Agree** that this report be made available to the public from the date of this resolution, but information about the portion of the minimum additional payment over and above the block value must be withheld until an unconditional agreement is in place for development of the land.
- G. **Agree** that the minutes for this item be made available to the public from the date of this resolution.

Background

The Council owns 10.3 hectares of residentially zoned land in Gair Avenue, described as Lot 4 DP 493016, as shown below.



The southern portion of 4.5 hectares is currently being developed by way of an agreement dated 16 October, 2017.

Under the agreement, a developer manages and funds all development in exchange for a fee equivalent to a 50% share of the profit. Council receives the proceeds from the sale up to the block value of the land, plus 50% of the net profit from the development.

The development agreement includes a provision that, whether or not a profit is realised from the development, Council will receive monies equivalent to the block value plus [REDACTED]. Should 50% of the profit be greater than that, Council will receive a higher premium. This

Report Author: Property and Facilities Manager

removes the risk from development for Council while maximising potential proceeds over and above the block value.

The residential subdivision includes:

- 78 lots of mixed sizes
- Formation of a reserve greenway buffer to the industrial zone to the south
- Development of the unformed Flora Street into a greenway
- Development of a greenway from west to east along the northern boundary of the development to connect the Gair Block central greenway to the Flora Street Greenway

A copy of the subdivision plan is attached as **Appendix 1**.

Construction is well under way with all services in place. Roads have been formed and some are sealed. The earthworks for the adjoining McNulty Buffer Reserve have also been formed and the asphalt walkway has been laid.

As at the date of this report, 33 of the 78 lots are the subject of sale and purchase agreements.

Application for titles for the first 25 lots is expected to be made in early September, 2018 and the remaining 53 lots in December, 2018.

Reserve Development

The development of the greenways and open space area has always been part of the concept plans for the Gair Ave blocks and a requirement in sale and purchase agreements for the prior stages.

As per prior stages of the Gair Ave block, it is agreed that Council meet the cost of developing the adjoining reserves. This is funded from the Cromwell Reserves Contribution Account.

To date the cost for development of that part of the McNulty Road buffer reserve is \$79,118.15, which has predominantly been used for earthworks.

A landscape plan has been developed and agreed to by Council's Parks Department. The eastern portion of the McNulty buffer reserve, developed by Horton Developments Ltd (at the same time as the prior Gair block stage) cost \$173,752 for a 192m by 30m area.

Reserve Cost Estimates

Construction will be at market unit rates. While full costings are still to be finalised, it is estimated that the cost will be a similar metre cost to the prior stage but with additional plantings.

High level cost estimates are set out below:

Report Author: Property and Facilities Manager

Location	Size	Cost
McNulty buffer reserve associated with the balance stage	226m x 30m	\$170,000
Flora Street Greenway	357m x 20m	\$273,000
West to East along the northern boundary	258m x 18m	\$198,000
Total		\$641,000

Funding approval is also proposed in this report to formalise all consents and approvals for the greenway development conditions in the development agreement. The final cost will be determined as a result of full detailed rates being provided throughout the construction period.

Reserves Contribution Account Balance

This account is where reserves contributions collected from subdivision resource consents are accumulated. The purpose of the accumulating fund is specifically to fund new reserves required by demand through incremental growth.

Account balance as at 30 June 2018:	\$1,257,780
Reserves contributions from current Gair block stage	\$ 141,180
Reserves contributions from balance of Gair block development	\$ 139,430
Total	\$1,538,390

There will also be additional reserves contributions from other consented and future subdivision developments in Cromwell.

As at the date of the development agreement, being September 2017, the return to Council was estimated at the below, which was based on minimum conservative sale prices:

Payment for land:	\$4,105,000
50% of profit:	\$4,861,265
TOTAL	\$8,966,265

The updated projected estimated return to Council is now:

Purchase price for the land as set at the time of development of the contract:	\$4,105,000
50% of the net profit:	\$5,255,000
Horton Developments access agreement fee:	\$ 300,000
TOTAL	\$9,655,000

It is proposed that the board consider starting the process to facilitate the development of the five hectare balance of the block and sale of lots.

Justification:

- 42% of the lots in the current development are sold
- The time to complete the process from a decision, resource consents, design and construction to completion of the development and titles is now to mid to late 2019

Report Author: Property and Facilities Manager

A draft subdivision plan is attached as **appendix 2**, integrating development of the balance land with the current stage.

Setting Block Value and List Prices

The block value has been assessed at \$ [REDACTED]. The average section value is assessed at \$ [REDACTED].

Options to be Considered

The options to consider for the development of the land include:

- Sale as a development block
- Council develop the block
- Council provide the land and engage with a developer being paid a development fee

Option 1

Not agree to the land being made available for development.

Advantages:

- While the residential market remains strong, the land will increase in value.

Disadvantages:

- The growth forecasts for the Cromwell area indicate ongoing strong demand
- There is only one other consented residential development with sections on the market, being the first stage of the ex-Cromwell Camp Ground
- Not providing this land to the market as soon as possible may contribute to the market remaining undersupplied
- Council could be perceived as land banking to maximise return
- Given earthworks have been undertaken over the whole block to date, not proceeding with the development will result in dust issues in future. Spending funds on mitigation instead of minimising the duration of dust issues by completing development would be a poor use of funds

This option is not the preferred option.

Option 2

Agree to the land being sold as a block on the open market.

Advantages:

- Minimal resources are required by Council to make the land available to the market for development
- The land will be available for development by a developer
- Council selling the land will demonstrate to the community that it is making land available for residential development in times of a lack of supply of sections
- It would be another party's responsibility to manage dust

Disadvantages:

- Council receives no more return for the land than its block value

Report Author: Property and Facilities Manager

- Council has no control over when the land is developed
- Council does not have any influence on the development unless it imposes conditions on sale
- Conditions could compromise the value of the land

This option is not the preferred option.

Option 3

Council develops the land as a residential subdivision and sells the sections at market value.

Advantages:

- Providing the market remains strong, Council could have the potential to obtain a maximum possible return as opposed to just the sale of the block
- Council developing and selling Lots will demonstrate to the community that Council is making residential Lots available while there is a lack of supply of sections
- Council would have control over how and when the land is developed
- Funds would not need to be spent sowing and establishing grass to mitigate dust
- The Board's income would increase over the course of the next two years. This income could fund projects that eventuate from the "Cromwell Eye to the Future" project

Disadvantages:

- Significant Council staff resources and external resources would be required to facilitate the development in a timely manner
- Council would take on the full commercial risk of the expenditure of the development

Option 4

Agree to facilitate the development by inviting parties to submit an offer to develop the block under parameters similar to that for the current stage under development, which are:

1. Council contributes the land
2. A selected developer arranges and funds the development and lot sales
3. Council receives payment for the land of \$ [REDACTED] and 50% of the profit (but no less than the minimum committed by the developer)
4. Developers submit a minimum amount of no less than \$500,000, to be paid over and above the block value. This to be the minimum additional paid, should half the profit be less than the agreed minimum
5. The developer receives a development fee equivalent to 50% of the net profit, provided the profit is more than twice the minimum developer payment commitment
6. The Chief Executive sets the minimum sections prices having regard to valuation advice
7. Development and payment timing to be negotiated with the party
8. No securities are to be registered against the land by the developer

The Chief Executive selects the preferred party based on the above criteria and the completion of due diligence with regard to their track record as a developer and their financial capability to fund the development.

Report Author: Property and Facilities Manager

Advantages:

- As a minimum, Council's return would be a premium of \$500,000 over and above the block value and potentially significantly more should the property market remain strong
- Given Council would not be funding development, the financial risk to Council would be negligible to none
- Council will demonstrate to the community that it is making land available for residential development while there is a lack of supply of sections
- Council would have control over how and when the land is developed
- Funds would not need to be spent sowing and establishing grass to mitigate dust
- The Board's income would increase over the course of the next two years. This income could fund any projects that eventuate from the "Cromwell Eye to the Future" project

Disadvantages:

- The return will be greater than the block value, but it will not be as great as the potential return Council could receive if it was the developer and received all the profit

Option 5

The Board adopts the subdivision plan attached as **Appendix 2**.

Advantages:

- Integrates with the current stage and reserves
- Provides a mix of section sizes and so various price levels
- Minimises access points onto Gair Avenue which is an increasingly busy arterial route

Disadvantages:

- No apparent disadvantages

Option 6

A new plan of subdivision be developed (rather than adopting the consented plan contained in **Appendix 2**)

Advantages

- The Board could have some input into the subdivision design.

Disadvantages:

- A new amended plan and lot numbers would require the valuer to update his valuation, which incurs a cost.
- Additional surveyors' costs will be incurred for development of a new plan.

Option 7

Approve an overspend of up to \$640,000 in the Cromwell Reserves Landscaping Account for the development of the greenways shown on the landscape plan named Gair Estate Stage 5 dated 13 November, 2017. The cost to be funded from the Cromwell Reserves Contribution Account.

Report Author: Property and Facilities Manager

Advantages:

- Formalises financial approval for expenditure provided for in the development agreement
- Confirms funding to develop reserves in accordance with the agreed landscape plan
- Ensure greenways are provided as part of the residential development
- Enables the McNulty buffer reserve to be developed to match its reserve status
- Demonstrates to the community that the accumulating reserves contributions from subdivisions are used to provide additional reserves

Disadvantages:

- None

Preferred Options

Having regard to the advantages and disadvantages of each option, options 4, 5 and 6 are the preferred options, being:

- Option 4: to develop the land under a similar structure applied to the development of the current stage
- Option 5: to adopt the subdivision plan
- Option 7: to fund the development of the greenways

It is considered that Council should facilitate development of the land given the strong market and lack of supply.

Residential developments are not core Council business. However, it may have merit if there is a mechanism to obtain a return greater than just the block value but minimise risk.

Development of the current stage has been successful to date.

Risk Analysis

The preferred proposal is to proceed with an invitation for interest including a required minimum guaranteed return to Council of the block value plus an additional minimum payment of \$500,000. Parties would be invited to nominate a minimum amount to commit to, over and above the \$500,000 minimum. This would mitigate the risk to Council of a collapse in the residential market.

Due diligence of parties being considered would also be undertaken.

A development agreement template has already been created and applied to the current Cromwell development. The template was developed with advice from two commercial solicitors and a financial professional. The development agreement template document is considered to protect Council's interest as much as possible.

All expenditure is by the developer. The Council's risks are also minimised because all proceeds from lot sales are held by the Council's solicitor and are only released under the

Report Author: Property and Facilities Manager

agreement terms. Council would receive an amount equivalent to the block value plus 50% of the net profit, but no less than an agreed minimum.

Financial Implications

The Long Term Plan Financial Forecasts include the following income forecasts from Council property development and land sales in the Cromwell area. The details of those forecasts are as set out below.

LTP 2018/28 LAND SALES INCOME FORECAST

Property name	Part of Whole	Land sale contract. This is the purchase price		Estimated Settlement date	Confidence level out of 10	Development. \$4.1m is land valuation. Balance \$4.9m is estimated profit			Development. Yr 1 of 2 yr split. Total land value estimate is \$3m. Balance \$3.9m is estimated profit.
		Proceeds				1	2	3	
Stage 1 Gair Block (78 sections)	Part	\$9,000,000		Dec-18	9	\$9,000,000			
Stage 2 Gair Block (58 sections)	Balance	\$6,900,000		late 2018/19	7	\$7,450,000	\$3,450,000		
Cemetery Rd endowment block	Part	\$2,077,000		30/09/2018	8	\$2,077,000			
Sandflats Road endowment land	Whole	\$4,000,000					\$4,000,000		Development. Yr 2 of 2 yr split. Total land value estimate is \$3m. Balance \$3.9m is estimated profit.

Proceeding with the development of the balance of the Gair block is forecasted in the Long Term Plan.

Local Government Act 2002 Purpose Provisions

Section 10 of the Act includes a purpose of local government to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Sale or development of land provides additional income which may help fund other activities.

Council Policies / Plans / Procedures

Council’s Revenue and Finance Policy identifies that a source of income from assets and income is an acceptable funding source to support activities. In fact, it is a favoured source for capital works as it is rates neutral.

Page 63 of the Long Term Plan notes: *“The lack of available land in Cromwell, Clyde and Alexandra is impacting on property prices”.*

Proposal

Facilitate development by inviting parties to submit an offer to develop the block land for a fee equivalent to 50% of the profit, under parameters similar to that for the current stage under development, which are:

1. Council contributes the land
2. A selected developer arranges and funds the development and lot sales
3. Council receives payment for the land of \$ [REDACTED] and 50% of the profit (but no less than the minimum committed by the developer)
4. Developers submit a minimum amount of no less than \$500,000, to be paid over and above the block value. This to be the minimum additional paid, should half the profit be less than the agreed minimum

Report Author: Property and Facilities Manager

5. The developer receives a development fee equivalent to 50% of the net profit, provided the profit is more than twice the minimum developer payment commitment
6. The Chief Executive sets the minimum sections prices having regard to valuation advice
7. Development and payment timing to be negotiated with the party
8. No securities are to be registered against the land by the developer

The Chief Executive selects the preferred party based on the above criteria and the completion of due diligence with regard to the track record of the developer and their financial capability to fund the development.

Adopt the subdivision plan attached as **Appendix 2**.

Approve an overspend of up to \$640,000 in the Cromwell Reserves Landscaping Account for the development of the greenways shown on the landscape plan named Gair Estate Stage 5 dated 13 November, 2017. The cost to be funded from the Cromwell Reserves Contribution Account.

Implementation Plan

18 Sep 2018	The Board resolution for development
22 Sept - 19 Oct 2018	Advertising period for expressions of interest from developers
29 Oct 2018	Proposals considered and a preferred party selected
Dec 2018	Development contract signed

Consultation and Engagement

A copy of the Significance and Engagement Policy is attached as **Appendix 3**.

The land is zoned residential and so it is expected by the community that at some time the land will be developed for that purpose as provided for in the District Plan.

The income from the development is included in the Long Term Plan. That plan was consulted on and adopted by Council.

None of the thresholds or criteria in the Significance and Engagement Policy are considered to have been met or exceeded. Also, the land is not a strategic asset and is in fact, held for development or sale.

Given the above, it is considered that adopting the proposal is not significant under the policy. No further analysis of the impacts or of the community's views is deemed necessary.

Communication

A media statement will be released as a result of the decision from this report.

Attachments

Appendix 1 Copy of the subdivision plan.

Report Author: Property and Facilities Manager

- Appendix 2 Draft subdivision plan for the full block.
- Appendix 3 Council's Significance Policy.

Report Author:

Reviewed and Authorised by:



Mike Kerr
Property and Facilities Manager
29/08/2018

Louise van der Voort
Executive Manager - Planning and Environment
5/09/2018

Released from public excluded

Report Author: Property and Facilities Manager



Released from public records

FOR CONSENT

NOT FOR CONSTRUCTION
 SETOUT FROM APPROVED
 LAND TRANSFER PLAN ONLY

EXISTING COUNCIL RESERVE

NOTES:

- The areas and dimensions shown on this plan should be considered indicative and subject to final Land Transfer Survey. Areas and dimensions may vary upon survey. This plan should not be attached to sale & purchase agreements without an appropriate condition to cover such variations.
- Additional easements may be required at the time of final Land Transfer Survey.



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APPLICANT: A W HEY
 DRESSED BY: 728565
 TERRITORIAL AUTHORITY: CENTRAL OTAGO DISTRICT
 LAND DISTRICT: OTAGO
 TOTAL AREA: 10.3846ha DATE: 29/8/2017

Drawing Title:
GAIR ESTATE STAGES 5 & 6 BEING A SUBDIVISION OF LOT 4 DP 493016 OLDS CRESCENT CROMWELL

Prepared for:
A W HEY

Plan Revisions:

REV.	DESCRIPTION	DATE
A	ORIGINAL ISSUE	29/8/2017

SCALE:
1: 1,500 @ A3

DATUM & LEVEL:
LINDIS PEAK 2000

ROAD WIDTHS
 Olds Cres. - 20m
 Road 1 - 17m
 Roads 2-6: 12m

REVISION	DATE	DRAWING REFERENCE	SHEET
A	16/8/17	U4025_S1	2 OF 2

SIGNIFICANCE AND ENGAGEMENT POLICY

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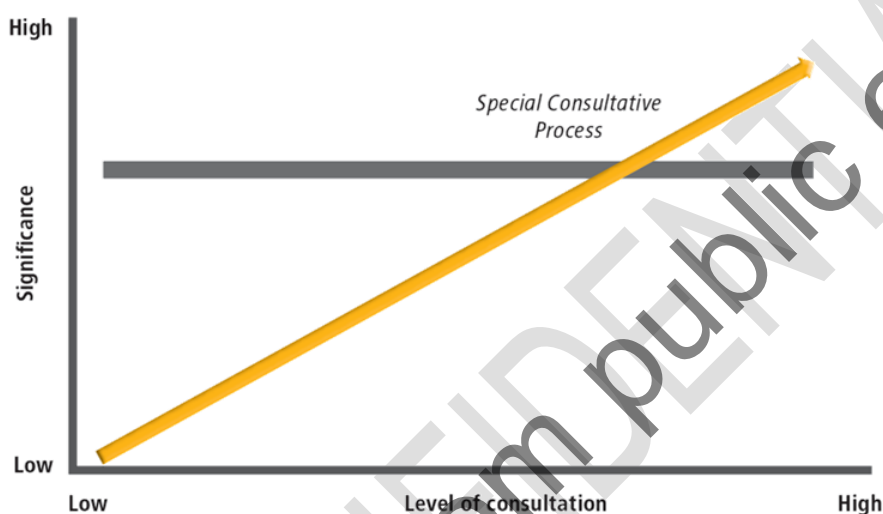
Significance & Engagement Policy

1. Purpose

The purpose of the policy is to enable Council and our community to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It also aims to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters. The policy will also inform the Council from the beginning of a decision making process about the extent of any public engagement that is expected before a particular decision is made, and the form and type of engagement required.

2. Determining Significance

When considering a proposal or decision Council will take into account the thresholds and/or criteria detailed; if the decision relates to the strategic assets or is prescribed by legislation. If the issue exceeds one or more of the criteria/thresholds the matter is likely to have a higher degree of significance. Generally the greater the financial input the higher the impact on the community, a higher degree of public interest and therefore a higher degree of significance. However, there may be some cases where small financial transactions may attract great public interest, while large ones do not. See Appendix 2 for the Local Government Act 2002 definition of significance and significant.



The level of significance has a direct relationship to the level of consultation required with interested communities. Decisions of low significance may require little or no consultation, however as significance rises the requirement for consultation increases with decisions of high significance likely to require council to undertake a special consultative process.

Council may take into account knowledge it has previously gained about what the preference of the community is e.g. resident opinion surveys, community plans, community outcomes, previous public submissions and media coverage.

Each proposal or decision will be considered on a case by case basis to determine significance. The method and level of consultation or engagement will differ for each issue and will be proportional to the decision depending on location, level of significance and community preferences. The decision on a matter's significance lies ultimately with Council.

2.1 Criteria / Thresholds

Council will consider the following matters when considering whether an issue, asset or other matter is of significance under this policy:

- The potential level of financial consequence, in particular the impact on rates, user fees and charges
- The consequences or impacts of the issues, assets, or other matters on the District
- The extent of the consequences or impact on the ratepayers and residents within the District
- The issue, asset, or other matter have a history of wide public interest within Central Otago, the Otago Region or New Zealand generally
- The achievement of, or ability to achieve, the Council's strategic issues and objectives as set out in the Long Term Plan
- The capacity of Council to perform its role and carry out its activities, now and in the future
- The financial, resource and other cost impacts of the decision
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity
- Entry into any partnership with the private sector to carry out a significant activity
- The degree to which the decision or proposal is reversible
- The sustainability of the decision or proposal
- The degree to which the issue has cultural relevance
- The creation of a new group or activity, the cessation of a group or activity

2.2 Strategic Assets

Listed below are the assets that Council considers to be strategic. Council needs to retain these assets to maintain its capacity to achieve or promote outcomes that it determines to be important to the well-being of the community.

- Council water, wastewater and stormwater networks as a whole
- The roading network as a whole
- Reserves listed and managed under the Reserves Act
- All other Council owned infrastructure
- Alexandra Airport

3. Procedure

Council will consult when it has a legislative requirement to do so and the Special Consultative Procedure is the formal process which enables the community to have a say on significant decisions. Please see Appendix 3 for Section 83 of the Local Government Act which outlines the Special Consultative Procedure.

Council recognises its responsibilities with respect to consulting Maori and endeavours to foster the development of Maori capacity to contribute to Council's decision making as set out in the Long Term Plan.

Council prepares a proposal and advertises it for public submission. Submissions on the proposal can be received from anybody and the time period for receiving submissions is at least a month.

People who have submitted can also request to speak to Council regarding their submission and this is done through a hearings process. This is organised in the most appropriate council office/service centre and we will provide for audio/audio visual links as well as facilitate translation (however, we will require notice). We will acknowledge receipt of submissions (automatically acknowledged online).

After considering all the submissions the Council then makes a decision on the proposal. We will provide access to the decisions made and free access to view the Council's website is available at the District's libraries. The Special Consultative Procedure has to be undertaken for Long Term Plans; making, amending or revoking a bylaw (if required under LGA 2002 Section 156(1)(a)); transferring Council's ownership of a strategic asset and other acts expressly required by law such as the Local Government Act 2002 and Resource Management Act 1991.



If a matter is considered significant by this policy and we don't have to use the Special Consultative Procedure we can engage in a less formal way – examples of when and how this will happen are set out in Appendix 1. The methods used will depend on the significance of the issue and we will use those methods considered most appropriate for the issue and the community affected. Council is not limited to these examples and is open to new and developing methods of engagement through the use of technology and innovation.

Every agenda item requiring a decision will require the report author to consider significance and engagement. Council officers will be responsible for making recommendations to elected members about a decision's significance and the level of engagement or consultation they believe is required. When the proposal or decision is considered to be significant the report will include a statement addressing the appropriate observance of the Local Government Act 2002. The final decision about the significance of any matter rests with elected members who will also take into account other factors such as urgency, safety and commercial sensitivity.

4. When Council Won't Consult or Engage

There are times when we won't normally consult with the community because the issue is routine, or operational or because there is an emergency. The Council will not engage on:

- Emergency management activities such as during a state of emergency
- Decisions that have to be made urgently and it is not reasonably practicable to consult
- Decisions to act where it is necessary to comply with the law
- Decisions that are confidential or commercially sensitive as prescribed under the Local Government Official Information Act 1987
- Commercial decisions that are time sensitive
- Organisational decisions (such as staff changes and operational matters) that do not materially change a level of service
- Decisions with regard to legislative requirements and enforcement activities
- Any decisions that are made by delegation/sub-delegation to officers (detailed in CODCs Delegation Register)
- Any matter where the costs of consultation materially outweigh the benefits of it
- Entry or exit from a development agreement (private contract) as per section 207A Local Government Act 2002
- An issue where Council already has a good understanding of the views of the persons likely to be affected by or interested in the matter e.g. resident opinion survey, community plans, community meetings
- A matter that Council has consulted on in the last 24 months, where there has been no material change to the issue over this period

When Council doesn't consult it is still required to consider the views and preferences of persons likely to be affected by, or have an interest in the proposal or decision.

5. Policy Review

The policy will be reviewed at a minimum of every three years during the first six months of the new triennium; as required by any legislative changes or other reason.

Changes to this policy do not have to be made through the Special Consultative Procedure and may be made by Council resolution.

Appendix 1

ENGAGEMENT LEVELS AND METHOD

SIGNIFICANCE	Very high degree of significance	Level of Community Engagement	Engagement Examples	Engagement Toolbox (Council will use a combination of methods considered most appropriate and not limited to those listed)
	Very low degree of significance	High (including Special Consultative Procedure)	<ul style="list-style-type: none"> • Long Term Plan (LTP) • District Plan • Annual Plans (where there are significant or material differences to the LTP) • Transferring ownership or control of a strategic asset • Making, amending or revoking 	<ul style="list-style-type: none"> • Statutory notice (if required) • Advertising newspaper and radio • Media releases/website news • Social Media • Drop-in sessions/roadshows or public stands/public meetings • Rates newsletter article (if/when timing allows) • Consider targeted consultation if any special interest groups or stakeholders (email/letter/direct contact) • Hard copies available at Council facilities (service centres and libraries) • Submissions (by mail, email, online) • Hearings • Public decision • Direct feedback to submitters
		Medium	<ul style="list-style-type: none"> • Making minor bylaw changes • Electoral system review • Resident Opinion Survey 	<ul style="list-style-type: none"> • Statutory notice (if required) • Advertising • Media releases/website news • Social Media • Drop-in sessions • Rates newsletter article (when timing allows) • Consider targeted consultation if any special interest groups or stakeholders (email/letter/direct contact) • Hard copies available at Council facilities (service centres and libraries) • Feedback opportunities (by mail, email, online) • Feedback via website/public notices/media
		Low	<ul style="list-style-type: none"> • Road works • Maintenance work on Council infrastructure • Annual Report adoption • Holiday closures • Service disruptions 	<ul style="list-style-type: none"> • Media release/website news or media advisory/website note/spotlight (as appropriate) • Advertising • Social Media • Targeted information for any known special interest groups or stakeholders

Appendix 2

Local Government Act 2002

5. INTERPRETATION

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

(a) the district or region:

(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance

Appendix 3

Local Government Act 2002

83. SPECIAL CONSULTATIVE PROCEDURE

(1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must -

(a) prepare and adopt -

(i) a statement of proposal; and

(ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and

(b) ensure that the following is publicly available:

(i) the statement of proposal; and

(ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and

(iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and

(c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)

(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and

(d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and

(e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)-

(i) is given a reasonable opportunity to do so; and

(ii) is informed about how and when he or she may take up that opportunity.

(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

77 Requirements in relation to decisions

(1) A local authority must, in the course of the decision-making process,—

(a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and

(b) assess the options in terms of their advantages and disadvantages; and

(c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

(2) This section is subject to section 79.

78 Community views in relation to decisions

(1) A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

(2) [Repealed]

(3) A local authority is not required by this section alone to undertake any consultation process or procedure.

(4) This section is subject to section 79.

80 Identification of inconsistent decisions

(1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—

(a) the inconsistency; and

(b) the reasons for the inconsistency; and

(c) any intention of the local authority to amend the policy or plan to accommodate the decision.

(2) Subsection (1) does not derogate from any other provision of this Act or of any other enactment.

81 Contributions to decision-making processes by Maori

(1) A local authority must -

(a) establish and maintain processes to provide opportunities for Maori to contribute to the decision-making processes of the local authority; and

(b) consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the local authority; and

(c) provide relevant information to Maori for the purposes of paragraphs (a) and (b).

(2) A local authority, in exercising its responsibility to make judgments about the manner in which subsection (1) is to be complied with, must have regard to—

(a) the role of the local authority, as set out in section 11; and

(b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.

82 Principles of consultation

(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

(a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:

(b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:

(c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:

(d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by

the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:

(e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:

(f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

(2) A local authority must ensure that it has in place processes for consulting with Maori in accordance with subsection (1).

(3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.

(4) A local authority must, in exercising its discretion under subsection (3), have regard to—

(a) the requirements of section 78; and

(b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and

(c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and

(d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and

(e) the costs and benefits of any consultation process or procedure.

(5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection (1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

82A Information requirements for consultation required under this Act

(1) This section applies if this Act requires a local authority to consult in accordance with, or using a process or a manner that gives effect to, the requirements of section 82.

(2) The local authority must, for the purposes of section 82(1)(a) and (c), make the following publicly available:

(a) the proposal and the reasons for the proposal; and

(b) an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and

(c) if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document; and

(d) if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.

(3) In the case of consultation on an annual plan under section 95(2), instead of complying with subsection (2), the local authority must prepare and adopt a consultation document that complies with section 95A.

(4) Nothing in this section applies where the special consultative procedure under section 83 is required to be used.

(5) Nothing in this section limits the application of section 82.

Significant Forecasting Assumptions and Risks

We have outlined the two key principles that underpin our 10-Year Plan, being affordability and sustainability. In everything we do as a Council we want to ensure we are operating in an affordable and sustainable manner.

We have acknowledged from the start that these issues are so significant and dynamic that we can only react to them as they arise. So we are focusing our efforts on the long-term sustainability of our services. We want to build future resilience from these issues where we can. There is a risk in this approach.

This approach highlights the need for close and effective consultation that the community actually understands. It also highlights the need for Council and community boards to assume a strong leadership role.

Fortunately we have the opportunity to update our 10-Year Plan each year during the annual plan process in the instance things do change dramatically.

In preparing forecasts, both financial and non-financial, there is a need to provide assumptions to address the uncertainties of the future. This is important for a number of reasons, including:

- allowing readers of the forecasts to understand the basis that financial information has been prepared on.
- providing a means of explaining differences that will inevitably occur between the actual result and that which was forecast.
- ensuring risks faced by the organisation in the future have been appropriately identified and evaluated.

Government Policy

This 10-Year Plan has assumed that there will be no changes in legislation under which Council operates that will impact financial estimates over the 10-Year Plan. Changes in Government policy may directly impact the financial estimates of Council. This risk of this assumption is medium.

Sources of Funds for Future Replacement of Significant Assets

Sources of funds for the future replacement of significant assets are in accordance with Council's Revenue and Financing Policy. Sources of funding include depreciation reserves, general reserves and borrowing. This risk of this assumption is low.

Staffing and Resources

The gap between national and Central Otago wages is a known issue for securing and retaining skilled staff. There is an ongoing risk to the sustainability of our services through skill shortages. But there are unique lifestyle trade-offs that this district can offer to staff and we will continue to focus on these. The risk of this assumption is medium.

Growth Projections

Population, dwelling and demographic projections are produced three-yearly to support long-term planning. They underpin all demand projections within activity management plans. They are also incorporated into development contributions and income projections. Our resident population is projected to be 22,230 by 2028 from approximately 20,500 today. Our visitor peak day numbers is projected to be 18,240 in 2028 from approximately 15,280 today. Our growth projections are derived from Statistics NZ with local growth factors included.

An over or under estimation of growth could lead to an over or underinvestment in infrastructure and services. We monitor asset capacity and development contributions income against projections annually and adjust assumptions accordingly. The risk of this assumption is medium.

Council is considering the role the district has in balancing the affordability of sustaining our smaller rural towns over the next period of time. The risk of this assumption is medium.

Population Changes

Central Otago has a significantly larger proportion of older residents in its population compared to the rest of New Zealand. The current proportion of people aged 65+ in our district is 21%. This proportion is expected to increase to 28% by 2030. Council has considered this shift and its effect in the planning for major capital projects. This risk of this assumption is medium.

Average Household Size

The average household size of a given area is the total resident population divided by the total number of households. A household can be one person who usually resides alone, or two or more people who usually reside together and share facilities in a dwelling. There may be more than one family in a household. The average household size for the district is currently 2.32 and is projected to be 2.26 in 2028. This risk of this assumption is low.

Third Party Funding Sources

A number of projects, including many community facility projects are reliant on funding from other sources. It is assumed that funding will continue at current levels to be available as planned, as a conservative approach has been taken. The risk of this funding not being available is low.

Vested Assets

From time to time Council will receive privately constructed infrastructure assets vested in Council for ongoing management. There is a great deal of uncertainty around the amount and makeup of vested assets and as such vested assets are not included in council's plans. The long-term financial impacts of vesting assets into Council is assessed before transfer. The risk of this assumption is low.

Natural Disasters and Business Continuity

We assume that in the event of a significant disaster, natural or man-made, Council can continue to provide sufficient services to the community. Council has a Disaster Relief Fund of just over \$2 million in case of a natural disaster. This would likely only fund the initial response effort. We have assumed we, if required, external borrowing would be utilised to fund the clean-up and ongoing capital work to rebuild damaged underground assets, for which we don't currently insure, should any major disaster occur. There is a risk, in that depending on the extent of the disaster the borrowing may be difficult to acquire. However due to the size and spread of our communities we consider it unlikely a disaster would affect the entire district at any one time, which should mitigate any borrowing difficulties. Alongside us, Central Government also has a role in disaster recovery and restoration works after natural disasters happen.

We are also undertaking lifelines planning for all core services to improve the resilience of infrastructure critical to the community's well-being. Assessments of all earthquake-prone buildings is also underway. Other than increased insurance costs, there is no other allowance in this plan for funding the repair of infrastructure and riverbanks damaged by any future natural disasters. Equally, the occurrence of drought has a major impact by reducing the incomes of primary sector businesses; this will influence decisions on the affordability of the 10-Year Plan. The risk of this occurring is medium.

Asset Sales

Selling some property assets has been proposed within this plan. Money collected from selling property assets will be used to fund proposed upgrades to social infrastructure, particularly the town centre upgrade project in Cromwell, or to reduce financial liabilities. There is a risk that the proceeds from asset sales is not as much as anticipated. The viability of such proposals will be reconsidered in this instance. The risk of this occurring is medium.

Asset Purchases for investment purposes

The plan assumes proceeds for asset sales will be invested in cash due to the uncertainty of the type and timing of reinvestments. Council will work over the following 18mths to develop an investment strategy that will provide more clarity in regard to reinvestments. The operating and capital expenditure is not dependent on either asset sales or asset reinvestment. The risk of this occurring is medium.

Climate Change

Climate change will increasingly affect the district in the future, however the effect over the next 10 years is not likely to be significant. Council will assess the effect of climate change through its 3 yearly reviews of the Asset Management Plans, Long Term Plan, Financial Strategy and Infrastructure Strategy. The risk of direct impact from climate change within the 10-Year Plan timeframe is low.

Financial Assumptions

Our Financial Strategy specifies how we will manage our finances into the future. We also have a Revenue and Financing Policy that defines how we decide to fund Council expenditure. Each contains specific financial assumptions. The following assumptions are further to these.

Interest Rates

We plan not to borrowing externally within this 10-Year Plan. We have assumed the following interest rates:

Interest on internal borrowings is 4.5% throughout the 10-Year Plan.

Interest on external investments is 3.5%.

There is a reasonable risk of interest rate movement, however we will consider hedging against this risk.

We have also assumed that facilities to borrow externally will be available when required, based on recent discussions with our bankers.

Cost Increases

Inflation reflects erosion in the buying power of money. Each dollar buys less and less goods and services over time. Depreciation staff, costs and some expenditure items have inflation applied from year 1 of the plan. The majority of the balance of the expenditure forecasts for each activity are input in the dollars of the relevant year for the first three years (e.g. water and wastewater renewals and other operational expenditure lines such as maintenance contracts). Where cost change has been applied for these years, Council has used the BERL indices shown below. For all years from 2022 to 2028 the BERL indices shown below have also been applied. The risk of this assumption is medium.

	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Year 10 2027/28
Inflation Adjustment Range	1.6% to 2.3%	1.6% to 2.5%	1.7% to 2.3%	1.8% to 2.4%	1.8% to 2.4%	1.9% to 2.5%	1.9% to 2.6%	2% to 2.6%	2% to 2.7%	2.1% to 2.8%

Project Estimates

Project estimates of cost and timing are based on the best available scope, asset and market information available at the time of planning. Our Procurement Strategy defines the delegations and tendering requirements of projects. Significant estimates are independently peer reviewed. The timing of projects are assumed to be as planned unless significant changes to a project occurs.

The wastewater scheme at Clyde is based on an initial study with the estimated costs being based on an accuracy of $\pm 30\%$. These costs will be refined during the design process

The risk of any significant changes is reasonably low.

Asset Revaluations and Data Accuracy

Assets are revalued at least three-yearly to understand their worth and condition. We make assumptions on an asset's useful life and its replacement cost based on market information and professional knowledge. We mitigate the risk of these assumptions by revaluing some assets annually and undertaking regular site visits.

Asset renewal and maintenance forecasts are based on the condition and the remaining life of infrastructure assets. This data is captured within the field and stored in dedicated databases. The accuracy of asset data has a direct impact on the accuracy of renewals and maintenance forecasts. We measure the accuracy of this data and have targets to improve its accuracy. We also have acceptable levels of confidence around asset valuations and data, which are also targeted for continuous improvement. Revaluations in the 10 year plan are based on BERL indices for the appropriate asset class. The risk associated with the revaluations is considered low.

Depreciation

Depreciation of existing assets have used the current depreciation rates based on the remaining useful lives of the assets. New assets have been assigned estimated lives based on similar assets from the existing asset register. For larger assets the asset lives are based on the predominate asset. The risk of any significant changes is medium.

New Zealand Transport Agency funding

Each year New Zealand Transport Agency funds the majority of council's roading expenditure currently at a rate of 51%. The Roading programme presented in Councils 10 Year Plan also has planned funding from NZTA at a rate of 51% for all appropriate roading expenditure. The risk of any significant changes is reasonably low.

Clyde Wastewater

Within the options for Clyde Wastewater, presented in the Consultation Document, there are payment options for the connection fee. The payment option would give the Clyde residents a choice to make a one-off payment or to pay a set amount for 10 years, equivalent to the repayments required to repay the connection fee over 10 years at a 5% interest rate. The interest rate is set to recover any charges and costs incurred in administrating the 10-year repayments to make both alternatives cost neutral to Council. The 10-Year Plan assumes that 50% of Clyde residents in stage one pay the one-off connection fee of \$10,000, with the other 50% electing to pay \$1,277 per annum for 10 years from connection.

Appendix 2

Examples of general house and land size packages and price comparison

Assumptions:

- Land price @\$600 per square metre
- Smaller sections add 5% for intensity (land price increases by 5 % as property size gets smaller)
- Build price @\$3,000 per square metre
- Purely examples of potential

House and Land Package Price Examples			
Dwelling / Ha	Item A 600 m ²	Item B 400 m ²	Item C 300 m ²
Land Size	600	400	300
House size	200	150	100
Land price	\$ 360,000.00	\$ 252,000.00	\$ 198,450.00
House Price	\$ 600,000.00	\$ 450,000.00	\$ 300,000.00
House and Land package	\$ 960,000.00	\$ 702,000.00	\$ 498,450.00

Density comparisons from the Cromwell Master Plan:

Item A 600 m²

Item B 400 m²

Item C 300 m²

DENSITY 10 - 15 DW/HA

TYPICAL HOUSING TYPES	Detached House Semi Detached Houses
TYPICAL SECTION SIZES	500 - 700sq.m
TYPICAL BUILDING HEIGHTS	1 - 2 storeys
WHO DOES THIS HOUSING TYPE BEST SUIT?	Suited to: <ul style="list-style-type: none"> • Couples without dependents. • Group households / other families / share houses. • Families.
LOCAL CONSIDERATIONS	Close proximity and safe access to: <ul style="list-style-type: none"> • Employment areas/jobs. • Shops. • Medical facilities/community facilities. • Schools. • Walking trails and open spaces i.e. lifestyle. • Public transport.
LOCAL EXAMPLES	<ul style="list-style-type: none"> • Cromwell (smaller infill developments)



DENSITY 15 - 20 DW/HA

TYPICAL HOUSING TYPES	Detached House Semi Attached Terraces Houses Villa Units Duplexes
TYPICAL SECTION SIZES	300sq.m - 500sq.m
TYPICAL BUILDING HEIGHTS	3 storeys
WHO DOES THIS HOUSING TYPE BEST SUIT?	Suited to: <ul style="list-style-type: none"> • Couples without dependents. • Group households/other families/share houses. • Families.
LOCAL CONSIDERATIONS	Close proximity and safe access to: <ul style="list-style-type: none"> • Employment areas/jobs. • Shops. • Medical facilities/community facilities. • Schools. • Walking trails and open spaces i.e. lifestyle. • Public transport.
LOCAL EXAMPLES	<ul style="list-style-type: none"> • Pisa Moorings. • Golden View Lifestyle Village. • Cromwell (att (black units on Melmore Ice).



DENSITY 20 - 25 DW/HA

TYPICAL HOUSING TYPES	Semi Attached Terrace Houses Attached Terrace Houses Villa Units Duplexes
TYPICAL SECTION SIZES	less than 300sq.m
TYPICAL BUILDING HEIGHTS	1 - 3 storeys
WHO DOES THIS HOUSING TYPE BEST SUIT?	Suited to: <ul style="list-style-type: none"> • Lone person households (i.e. students, older people). • Couples without dependents. • Couples with dependents/families.
LOCAL CONSIDERATIONS	Close proximity and safe access to: <ul style="list-style-type: none"> • Employment areas/jobs. • Shops. • Medical facilities/community facilities. • Schools. • Walking trails and open spaces i.e. lifestyle. • Public transport.
LOCAL EXAMPLES	<ul style="list-style-type: none"> • Limited - Queenstown and Wanaka.



Appendix 3

See below for an example of more density. The red area could be subdivisions with land area of 250m² to 300m², to produce Medium-density housing. The yellow areas represent a more traditional subdivision size of up to 600m²



Urban design comment: Supplied from Elliot Sinclair Urban Design and Survey Professionals

- Focus of design to provide a high percentage (34%) of lots overlooking open space, allowing for passive surveillance of these areas, leading to safer outcomes and more useable/ accessible open space networks
- All higher density product (red areas) minimum of 300m² and minimum 12m wide lot frontage, which still allows for appropriately sized dwellings for this location, where there is currently little high-density product (would possibly recommend a mix of detached and duplex – common garage wall - at this size)
- The location of this higher density product allows for two storeys (if this product is desired) given that there would be little shading issues given the reserve to the south. We consider some two-storey product in the high-density areas that have southern vehicle access would be appropriate to allow these lots to still have optimal views over the reserve.
- Roads fronting reserve edges where possible opens these spaces for all user groups, as well as making the reserve feel larger as an open space. We would propose to design these roads with narrower carriageways where they run along reserves, possibly paved to a higher spec, to calm traffic and make them 'living parkside streets', i.e., and extension to the higher density product that provides a place where kids can use these to kick ball around etc. Cobbled or slightly raised thresholds at either end of these street portions signals both the drive and pedestrian about intent of this environment
- There is potential for some 400m² – 450m² sections along the eastern portion given these sections also overlook green space, depending on market and desire to provide this size product
- A playground of some kind would work well in attracting buyers to these sections but primarily to foster a community in this area, given this is a council led initiative, or alternatively a bike track or pump track through the reserve linkages to promote active play.
- Recommend design guide/ controls be placed not only on the road design to ensure appropriate spaces and speed environment, but also for boundaries to open space reserves. An appropriate mix of fence and landscape treatment will be important that allows for private outdoor living areas, with permeable sections to allow for surveillance, light, and interaction of these edges. This will make sure the open space network functions successfully.
- Use of ROW's for some rear sections, including between eastern high-density portion, to take garages off the 'higher speed' main roads, where possible.
- For the two roads that cross through the main link reserve, suggest providing road narrowing to 5.5m and including cobbled thresholds to indicate a slower speed environment for this development, and making the driver aware that this is a pedestrian linkage through these reserves



RESIDENTIAL DEVELOPMENT : GAIR AVENUE, CROMWELL

31 May 2021

Prepared For Central Otago District Council



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DOCUMENT QUALITY ASSURANCE

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Cover photograph: View over the Gair Avenue Subdivision Site © Boffa Miskell, 2021

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INTRODUCTION

PROJECT BRIEF RECAP

To develop a residential development layout for Gair Avenue in Cromwell (the final stage of the Gair Avenue subdivision). Key design elements for the final stage of Gair Avenue include:

- Opportunities that intensify some areas into medium density residential typologies, with larger sites to accommodate the diverse housing demands.
- Cost effective, liveable, innovative housing solutions.
- Deliver new forms of residential living in Cromwell.
- Integration of best practice CPTED (Crime Prevention Through Environmental Design) design to create a safe and attractive environment, which minimises risks.
- Create green network opportunities to reduce vehicle movements and provide access to open space and surrounding community facilities.
- Achieve high-quality urban design outcomes that creates a sense of community within the development and integrates the project into the wider neighbourhood.



INTRODUCTION

PROJECT TIMELINE

CONCEPT MASTERPLAN

COMPLETED DEC 2020 / JAN 2021

- Review Cromwell Masterplan and CODC District Plan
- Site visit and investigation
- Investigate housing typologies
- Draft sketch design development
- Present sketch options to CODC
- Presentation to Cromwell Community Board (Jan 2021)
- Receive Feedback
- Next steps presentation to the Cromwell Community Board (Mar 221)

PROOF OF CONCEPT

COMPLETE JUNE 2021

- Testing the viability and commercial feasibility of the existing concept design
- Pre app meeting with CODC regarding resource consent application (Apr 2021)
- Proof of concept presented to Cromwell Community Board (June 2021)

PRELIMINARY DESIGN

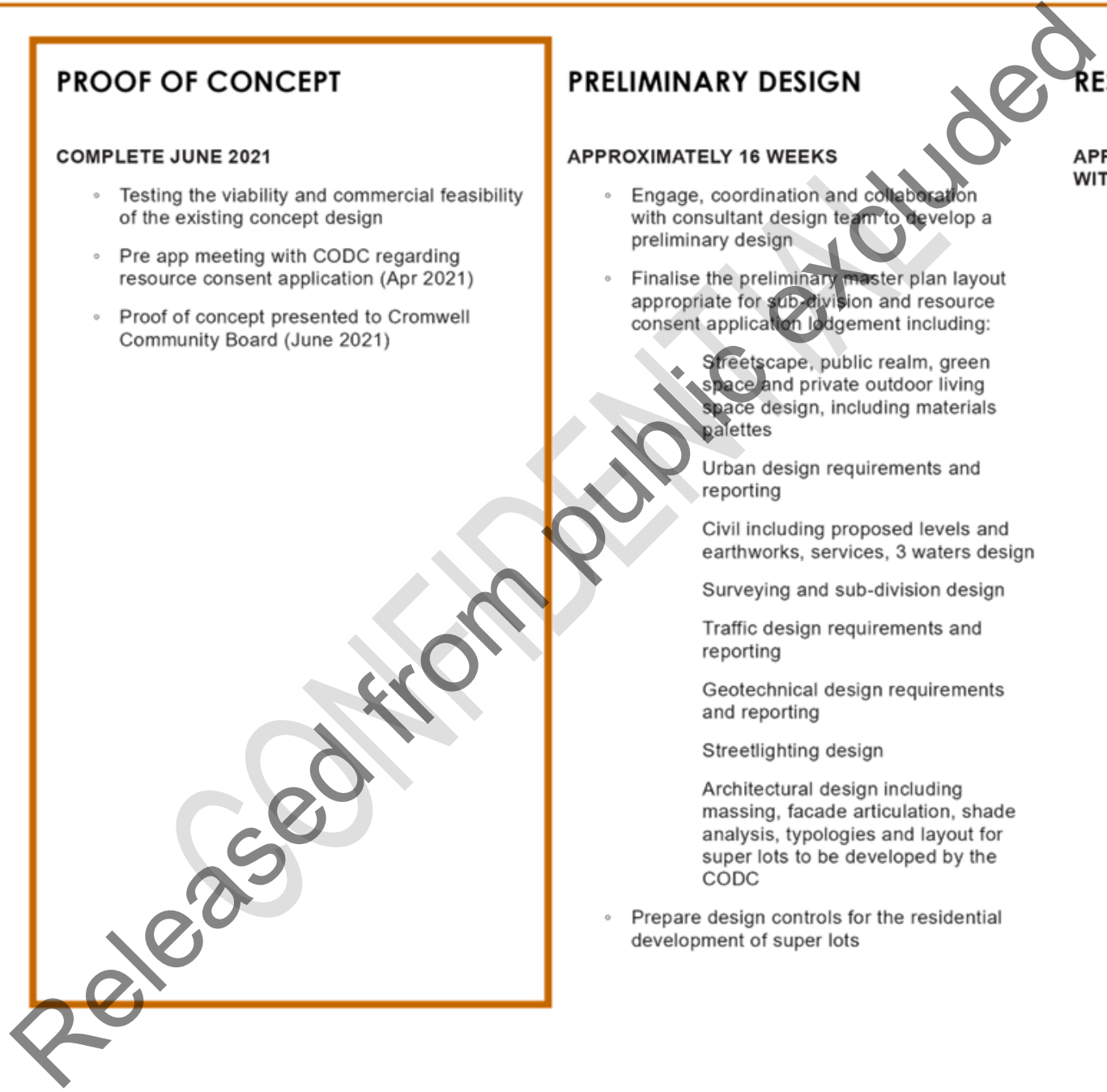
APPROXIMATELY 16 WEEKS

- Engage, coordination and collaboration with consultant design team to develop a preliminary design
- Finalise the preliminary master plan layout appropriate for sub-division and resource consent application lodgement including:
 - Streetscape, public realm, green space and private outdoor living space design, including materials palettes
 - Urban design requirements and reporting
 - Civil including proposed levels and earthworks, services, 3 waters design
 - Surveying and sub-division design
 - Traffic design requirements and reporting
 - Geotechnical design requirements and reporting
 - Streetlighting design
 - Architectural design including massing, facade articulation, shade analysis, typologies and layout for super lots to be developed by the CODC
- Prepare design controls for the residential development of super lots

RESOURCE CONSENT

APPROXIMATELY 12 WEEKS (IN CONJUNCTION WITH PRELIM DESIGN)

- Lodge consent applications
- Preparation of land use (resource) and subdivision consent applications to enable free holding and intensification of residential development on the subject site as defined by the project master plan
- Lodge consent applications



INTRODUCTION

WHAT IS THE PROOF OF CONCEPT PHASE?

The proof of concept document summarises work completed to test the viability and commercial feasibility of the existing concept design. The scope of works includes to:

- Understand the client requirements and update the concept design plan and report with feedback and comments from the Cromwell Community Board Presentation (January 2020) and Pre App meeting (April 2021)
- Confirm layout efficiency and adaptability of super lots to be developed with a range of densities.
- Services, earthworks, survey and geotechnical review of the existing concept design to contribute to confirming design and project feasibility, including:
 - > Undertake topographical and cadastral survey for boundary definition;
 - > Ensure that the design is feasible from an engineering, bulk earthworks, site levels / overland flow path and services / 3 waters perspective, while meeting quality / exemplar layout and functionality requirements;
 - > Include consideration for flexibility in services design to allow for individual lot sale or sell down of super-lots;
 - > Review the geotechnical information currently held on the Geosolve database, development plans and any other relevant information pertaining to the site and surrounding area;
 - > Site inspection and mapping by an engineering geologist;
 - > Undertake 20-25 machine excavated test pits to 3m depth to confirm sub-soil ground conditions and foundation options for dwellings;
 - > Review of soil suitability for engineered fills and in-situ soil as engineered fill subgrade;
 - > Earthworks recommendations and methodology to confirm feasibility.
- Refinement of concept design, including architectural input to test configuration of super lots and feasibility of each density typology, unit size, outdoor living space and car park requirements, based on engineering and geo-technical review if required
- High level traffic analysis to determine potential network / intersection upgrades
- Planning review of concept



FEEDBACK

CROMWELL COMMUNITY BOARD

The concept design was presented to the Cromwell Community Board on the 18th January 2020, and the following feedback was received:

- Functionality of the Laneways:
 - > Servicing of laneways (i.e. rubbish bins etc)
 - > Car parking within the lane
 - > Look and feel of the lane
- How do the outdoor areas for south facing lots work?
- How do we keep the lots affordable ?
- Storage for boats, campervans and large recreational equipment. A discussion followed that to maintain affordability of these dwellings people may need to reduce lot sizes and garaging but other storage options (i.e. off-site) could be investigated.
- Car parking – average is 2.3 cars per person can we provide for that?. A discussion followed that we will need to work with a traffic engineer to investigate this and refine the car parking design (e.g. common car parking areas)
- Need design controls to ensure that the development doesn't look tatty and sets a good benchmark for future medium density developments
- Green vistas – what are you looking out onto?

A follow up workshop was held with the Cromwell Community Board in March 2021 to provide a recap and present the next steps.

PRE APP MEETING CODC

A pre application meeting with Central Otago District Council (CODC) was held on the 8th April 2021 to discuss the Gair Ave concept design. The following feedback was received:

General Comments

- CODC noted that the site is currently identified in the Cromwell Masterplan for lower density residential (~60 unit yield) and is just beyond the 800m comfortable walking distance from Cromwell Town Centre.
- Request for careful consideration of the configuration of property numbering and how that would work especially for coordinating emergency call outs.
- Noted that covered car parking spaces were preferable in Cromwell's winter environment.
- Suggest looking at option of combining the comprehensive development and terrace lots in the north west corner of the pocket park into one apartment block with possible internal courtyard.

Engineering and Infrastructure

- Flag that some of the long-term management practicalities that need to be considered, including waste management for 8+ multi-unit developments (refer to recent bylaw for multi-unit developments).
- Recommend exploring stormwater attenuation / treatment / harvesting where appropriate to site conditions.
- Consider the specification of surface treatments and maintenance of streets and laneways is important for the council to adopt them. Suggest looking at surface treatments like exposed aggregate instead of unit paving.
- Proactive mitigation measures will need to be implemented to manage dust and vibrations (e.g. boundary trenching) during construction.

Suggest contacting Gordon Bailey (Parks and Reserve) to discuss proposed green spaces and pocket space as well as utilisation of other nearby and/or adjoining reserves.

Consenting

- Preference for a consenting pathway providing more certain result for community and the ability of Community Board or potential owners to build to proposed/approved plan
- The consent application will likely need to be notified
- An independent commissioner will be required, given it is a council-led development
- Building design included in the application or building envelopes with associated urban design measures in place to provide certainty regarding consenting of built form quality, including landscape outcomes.
- Other mechanisms may be required such as consent notice/ covenants to achieve outcomes more restrictive than the plan provides for (e.g. fencing along public spaces)
- Urban design review will assist council/ commissioner to understand rationale for over-all plan and design options.
- Limited earthworks controls but proactive approach needed to manage dust and vibrations during construction and to control adverse effects
- Plan Changes to address proposed residential growth requirements, including provisions for more intensive residential typologies identified in the Cromwell Masterplan, is expected to be notified by the end of 2021. The timing of this process is unlikely to coordinate with the resource consent application programme for this development and could help inform the plan change process.

PROJECT TEAM SUMMARY



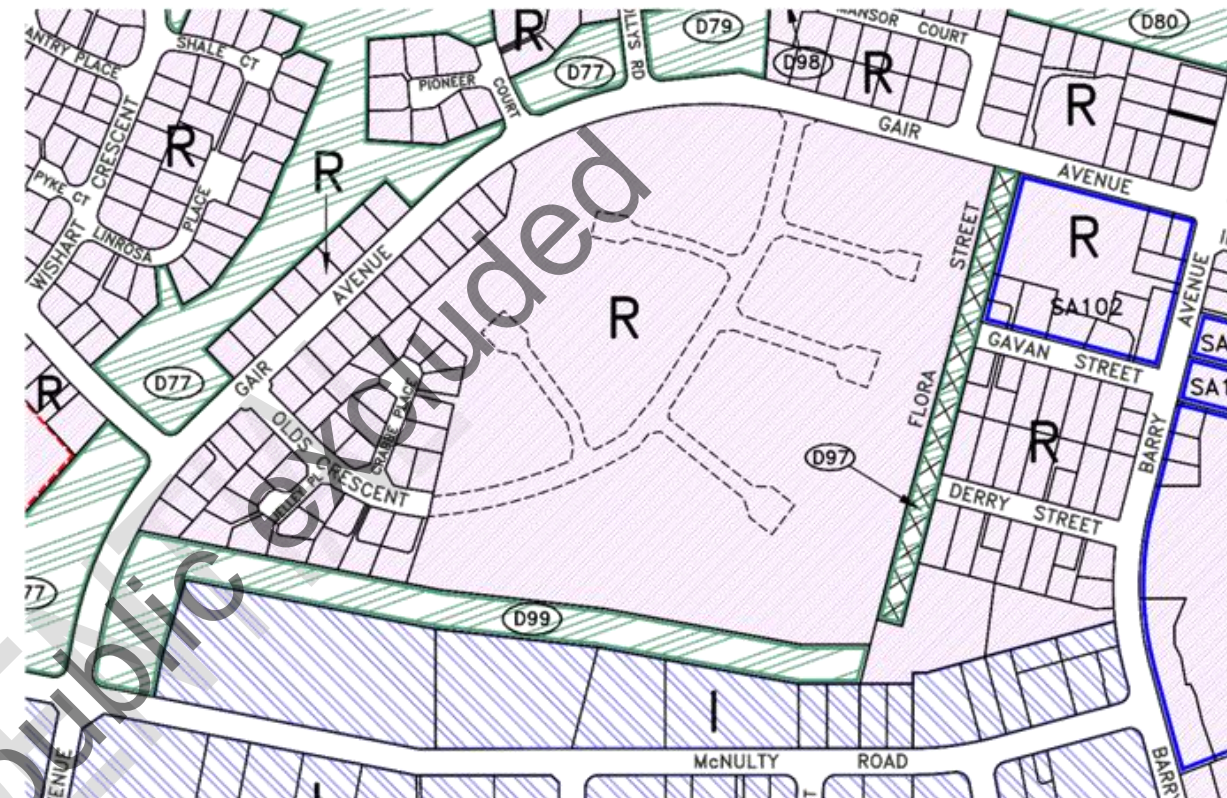
BOFFA MISKELL : URBAN DESIGN / LANDSCAPE

The Gair Avenue Masterplan aims to provide a range of housing typologies and densities for the Cromwell community with a desired outcome to retain / provide affordable housing options. The layout of the masterplan provides homes with access to public green amenity space in addition to private open spaces within the allocated lots.

The proof of concept phase has included testing and investigation of the original masterplan to ascertain where there are areas that require more resolution and refinement during preliminary design. The general arrangement of the masterplan has no fatal flaws and achieves the original intention of increasing housing density in the area, while still providing future residents with green amenity space, a clear and logical layout, and a sense of place. It also addresses practical considerations such as sufficient car parking where provision for public transport is difficult.

In collaboration with the consultant project team, the masterplan has been tested to a level that provides confidence the proposal is sound. Minor amendments have been made to the highest density housing typology which has resulted in further resolution of the layout and an improved central green space. Further work has also been completed relating to traffic and street design to identify adequate car park locations, both on and off street.

Further work in the next phase of design (Preliminary Design) will include more detail, illustrating that the layout achieves an optimal outcome. The Preliminary Design documentation will form part of and support the Resource Consent application, which will be prepared in conjunction with the Preliminary Design phase.



BOFFA MISKELL : PLANNING

The Gair Avenue masterplanning project is the result of a strategic direction by the Central Otago District Council to identify practical solutions to the problems of housing affordability in the Central Otago District. The masterplan identifies one option enabling increased affordability by proposing a greater density of housing development compared to what has typically been occurring in Cromwell to date. The proposed development includes a range of different housing typologies to achieve the desired outcome.

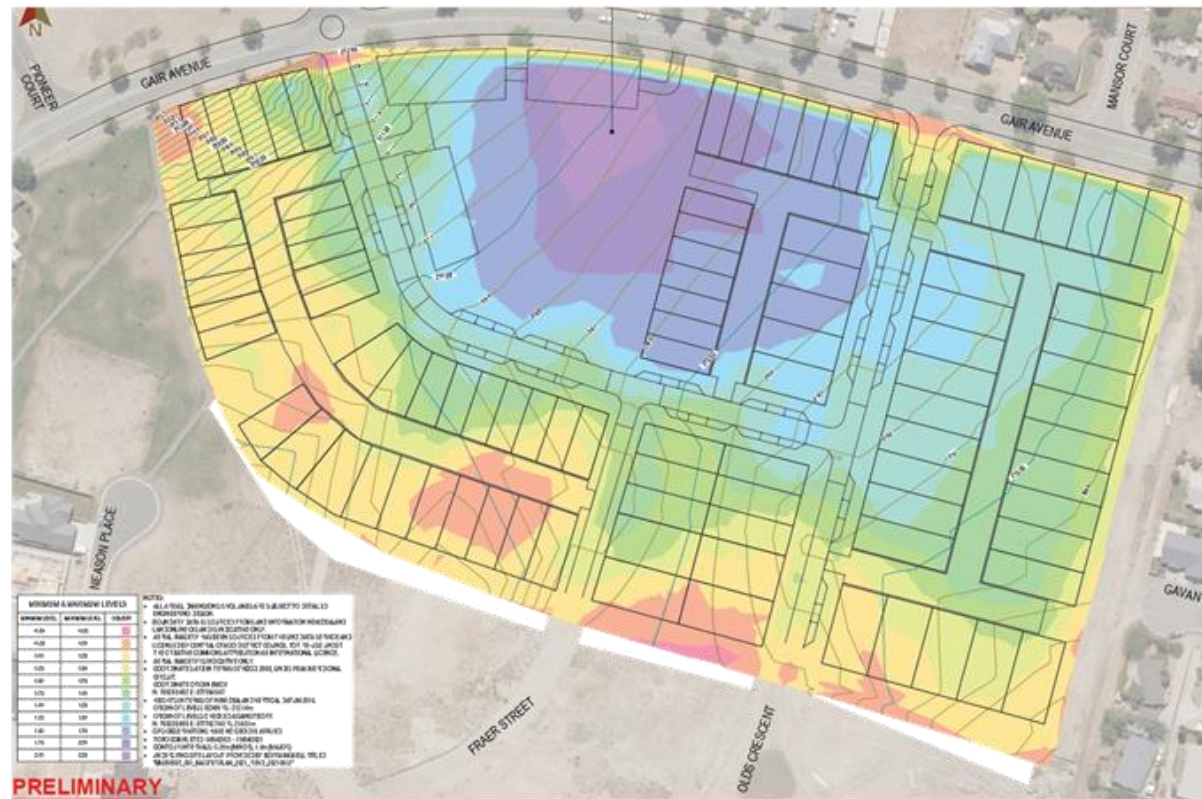
The project consultant team have identified and reviewed the elements that will be considered in the assessment of environmental effects required for subdivision and land use consents required to enable the development of the Gair Avenue site.

From a planning perspective this process has been forward looking, and as a consequence the nature of the proposal does not reflect the more traditional requirements of the Central Otago District Plan for development within the Residential Resource Area. Resource consents will be prepared to subdivide the existing property into 'super lots' to enable free holding and subsequent development by different parties. Land use consent will also be sought for the housing typologies identified in each super lot to enable the intensification of residential development beyond what is currently anticipated by the plan.

Consents will establish a baseline for development within each super lot site reflecting the proposed masterplan. The consents will include mechanisms to pass on key outcomes sought in the masterplan to future super lot owners, such as consent conditions and covenants. Future super lot owners may seek to vary these mechanisms however the masterplan will provide a point of reference to the anticipated outcomes.

It is considered likely that consent will also be required from the Otago Regional Council due to Council's recent adoption of rules for large scale earthworks associated with residential development.

PROJECT TEAM SUMMARY



BONISCH : CIVILS

Preliminary Shaping Design and Filling Extent: The shaping design has been completed to tie into the existing footpaths surrounding the site on the north, west and south. As the existing land is lower than the surrounding tie in level this results in the site needing to be filled. This is to provide secondary flow for stormwater and avoid a basin effect within the development. The approximate volume from a comparison between the existing surface and proposed preliminary design surface is 55,000m³ including contingency. Note that this filling would be required within the site whether this was a typical residential sub-division or the higher density housing currently proposed.

While the difference in surfaces is 55,000m³ the actual allocation to bulk filling would likely be less as there would be offsets against other items within the schedule of rates, or against other development costs that would normally be incurred. For example, there would be less cutting and excavation to waste if the majority of the site is built up, and elements of fill for building foundations or roading networks would be required anyway.

Overland Flow: In completing the preliminary assessment, we did not have available wider contour information. Based on the extents of our survey it appears the surrounding land and recent subdivisions slope towards the site. It is likely that in any secondary event the site accepts runoff from the surrounding area and then this soaks to ground. This arrangement would not be acceptable should the land be developed, and the proposed shaping of the site would prevent this from continuing to happen. This results in a low point within the eastern paper road / reserve area that may not have a overland flow path available to it.

3 Waters: The site is situated within an urban zone which is surrounded by reticulated services. We have not carried out a capacity assessment of the wider network and would normally but done as part of preliminary design. If there is a capacity issue in most cases it relates to the conveyance of stormwater. If this does prove to be the case then we have many options to reduce downstream impact on the network as the underlying ground conditions of the site are conducive for soakage of stormwater to ground.



GEOSOLVE : GEOTECH

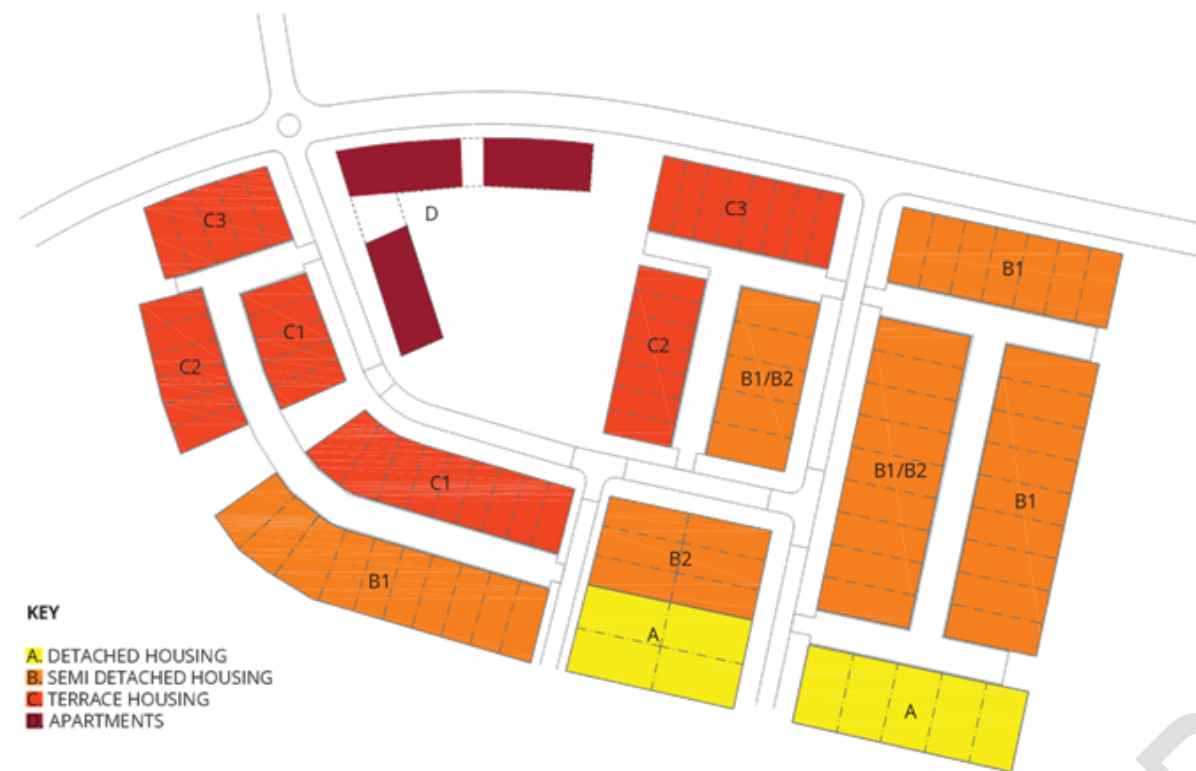
The proof of concept phase presents the results of a geotechnical to determine subsoil conditions and stormwater soakage capability for the Gair Avenue Development, Cromwell. Geotechnical soil parameters, foundation bearing parameters, infiltration rates and earthworks recommendations are provided to assist detailed engineering design of the proposed subdivision and future residential buildings.

The site is underlain by surficial topsoil, loess, uncontrolled and engineered fill overlying outwash sand which overlies outwash gravel with occasional interbedded sand layers. The outwash sand and gravel were observed in test pits to extend to at least 4.5m beneath the surface of the proposed development. Regional groundwater table was not encountered in any of the test pit excavations and is expected to lie at around 25m beneath the subdivision area.

Outwash sand and engineered fill will govern the shallow bearing capacity. Good ground conditions in accordance with NZS 3604:2011 can be achieved if foundation loads are transferred directly to engineered fill provided there is a minimum of 400 mm of engineered fill beneath footings overlying outwash sand. Outwash sand will provide a reduced bearing capacity with respect to 'good ground' (60 kPa allowable), for 400 mm wide by 400 mm deep shallow footings.

Alternatively, if thick sequences of outwash sand soils are encountered and 'good ground' bearing is required these soils can be partially undercut from footing alignments by a minimum of 400 mm and replaced with granular engineered fill. In this instance a minimum of 400 mm of engineered fill overlying outwash sand will provide good ground conditions in accordance with NZS3604:2011.

PROJECT TEAM SUMMARY

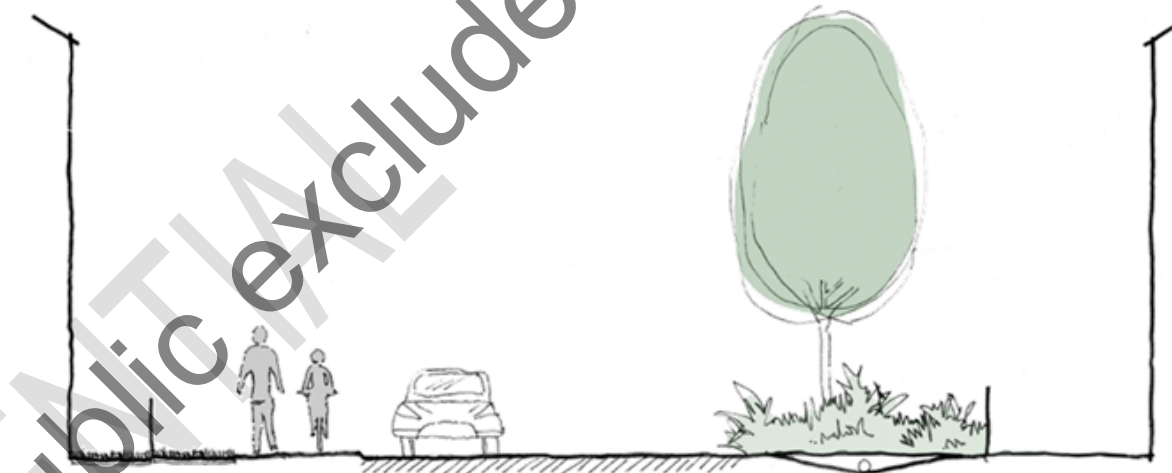


IGNITE : ARCHITECTURE

With consideration of the concept site plan, the proposed super lots / land parcels were identified for appropriate specific architectural typologies. These typologies were developed to optimise the best locations for private outdoor space, how residents might access their house from the street, laneway and/or greenway and where the built form is best placed on an individual lot. For example, the semi-detached housing has two typology options; one with a back yard and the garage attached to the house, and one with a courtyard between the house and garage. The factors that determined the location of the outdoor space were orientation of the sun, street and public green spaces, and privacy. Basic site plans and sections were sketched for each typology to test the general layout and functionality as well as suitability for varying lot locations.

Key considerations to investigate further of the overall concept are the proposed lots with dual access, street facing private open space and the width to depth ratio of the proposed lots for the semi-detached and terrace housing typologies. An option to improve privacy issues is to position a courtyard between the garage and house.

All the housing typologies and apartments were laid out in a figure ground study to determine where the density is on the site and now been overlaid onto the masterplan.



BARTLETT CONSULTING: TRAFFIC

The proposed access and internal street network has been reviewed against regional and national guidelines, the following will be considered in more detail during the Preliminary Design phase:

Gair Avenue/Jollys Rd Intersection: A roundabout intersection will be an effective method to manage traffic at the new access and cross intersection. A roundabout is also an effective speed management device for Gair Avenue. Overall the roundabout size should be between 30m (minimum) to 34m (desirable) diameter based on Austroads guidance.

Primary Internal Accesses: Primary streets will serve more than 20 dwellings, the designs should follow the NZ Standards (NZS4404:2010). These streets should generally be designed as a local streets, Figure E12, which is a 15m minimum road reserve width which contains a carriageway (movement Lane) parallel parking/trees on either side and footpaths both sides.

Laneways: It is possible that some of these will serve more than 20 dwellings whilst others may serve less. In addition some of these laneways will act as side or rear service lanes to properties also served by the primary roads. Therefore the laneways should be further considered in terms of width in relation to relevant standards depending on the number of properties served. For 2 way traffic flows the road reserve could be between 9m or 12m depending on the number of properties served. The vision for the laneways is to create a shared street concept that provides access for both vehicles and pedestrians whilst considering ways to incorporate parking and green-scape where possible.

Parking: The NZTA Research Report (RR453) suggests that the parking demand for a residential dwelling is approx. 1.8 carpark for a outer suburban dwelling. The CODC District Plan requires 1 on-site space per dwelling. This suggests that there should be an allowance for 1 carpark per dwelling and 0.8 per dwelling provided on the road network. We are however able to provide 2 carparks per dwelling as well as on street parks along the two main roads. Furthermore it may be possible to rely on existing parking on Gair Avenue to provide some of these on-street car park spaces.

CONCEPT MASTERPLAN

TESTING THE CONCEPT DESIGN

Through the Proof of Concept phase the project consultant team tested the original concept design, including layout, densities, streets and open spaces. The work undertaken provides confidence the original concept proposal is sound and provides an optimal outcome (with minor adjustments) based on the following:

- The original layout was compared to an alternative layout (**Figure 1 and Figure 2**). Although a significantly larger green space could be gained, equivalent to a football field, there were minimal efficiency gains for housing yield and infrastructure / streets.
- It is preferable to have a consistent masterplan approach to reduce confusion between lane and conventional street configurations. The green corridor along the southern boundary is a good opportunity to make this break from the previous subdivision patterns and establish a legible and identifiable character.
- Lane-based, medium density masterplans are considered a better approach in towns where car use dominates and dependency is high, and where public transport options do not exist. Cromwell is a service town with a high reliance on additional company / trade vehicles to travel to wider regional locations. Lanes help manage the space requirements and visual clutter of multiple vehicles per household behind street frontages.
- Shifting the Jollys Rd one lot southwards (**Figure 2**) creates a conventional, garage dominated street and does not necessarily resolve the issue of northern private yard spaces interfacing with the public street and/ or park. The aim of the masterplan is to spread the amenity across the site and, by reducing the blocks to one site deep, there is potentially value lost through creating dual aspects and having to compromise one aspect for more service orientated functions.
- The direct connection to Jollys Rd to form a four-way intersection (**Figure 1**) is more advantageous for continuity of pedestrian / cycle access and help minimise car dependency. It is also intended to add friction to reduce traffic speeds along Gair Avenue. The offset intersection (**Figure 2**) is less legible and more inconvenient for pedestrians / cyclists.
- There are many lots within the masterplan with north facing private open spaces that will need to interface with public streets and parks. While not ideal, there are various ways of addressing public / private conflicts like this (i.e. visually permeable taller fencing, buffer planting etc.) that achieve a good balance in the context of a medium density development.
- The alternative layout (**Figure 2**) resulted in an internalised park space that could feel exclusive to surrounding residential lots. Removing a block of terraced housing to reconnect it to a street, either Jollys Road or Gair Avenue, created a larger park space that is not necessary / more expensive to manage and reduced yield.



Figure 1: Original concept masterplan presented to the Cromwell Community Board in Jan 2021



Figure 2: Testing the layout of the concept masterplan

CONCEPT MASTERPLAN

REFINED DENSITY CONCEPT MASTERPLAN



CONCEPT MASTERPLAN

REFINED DENSITY CONCEPT MASTERPLAN



BOFFA MISKELL | RESIDENTIAL DEVELOPMENT : GAIR AVE. CROMWELL | CONCEPT MASTERPLAN
10

CONCEPT MASTERPLAN

SUPER LOT CONCEPT PLAN



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DESIGN ELEMENTS

ARCHITECTURE

Design and layout of the four different typologies has been based on the following common qualities :

- Address the street frontage / public green spaces. This provides activation and CPTED opportunities.
- Every typology includes some form of private outdoor area within the lot boundary. This ranges in size depending on lot size from a backyard to a courtyard. The lots with smaller private outdoor areas have been located adjacent to large public green spaces that provide an extension to the private outdoor space.
- Inclusion of a garage or carport for storage and car parking
- Optimises aspect

Typology A:

Large outdoor living to rear of site, setback garage with main frontage to street and sufficient circulation space around the exterior of the house.

Typology B1:

Unobstructed frontage to street with detached garage accessed off rear laneway, outdoor space between dwelling and garage with north aspect, circulation to the north, shared wall to the south.

Typology B2:

Unobstructed street frontage, with circulation to western boundary and shared wall to eastern boundary, internally accessed garaging with vehicular access from rear laneway.

Typology C1:

Unobstructed frontage to street with detached garage accessed via rear laneway, internal courtyard between dwelling and garage with north aspect. Shared walls to north and south, dual access to dwelling.

Typology C2:


Unobstructed street frontage with outdoor living space facing street with north aspect, internally accessed garaging via rear laneway with dual access to dwelling.

Typology C3:

Unobstructed street frontage with detached garage accessed via rear laneway, outdoor living space between dwelling and garage with east aspect. Shared walls with dual access to dwelling.

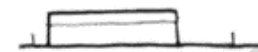
Typology D:

Comprehensive apartment block. No corridors, all walkup in clusters around shared stairwell. Approx 20 apartments.

 Indicative private open space location

TYPOLGY A DETACHED HOUSING

A
SITE: 382m²
BUILDING: 176m²

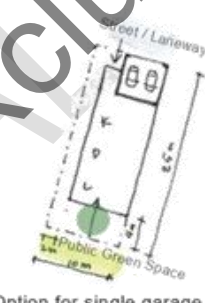


TYPOLOGIES B1 & B2 SEMI-DETACHED HOUSING

B1
SITE: 340m²
BUILDING: 161m²



B2
SITE: 250m²
BUILDING: 157m²

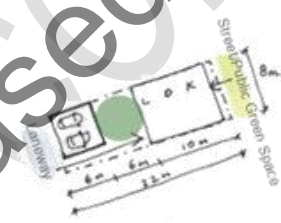


- * Option for single garage / carport
- * Option to push garage back for standing space for an extra vehicle

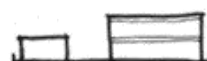
- * Option for single garage / carport
- * Option to push garage back for standing space for an extra vehicle

TYPOLOGIES C1, C2 & C3 TERRACE HOUSING

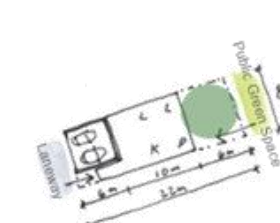
C1
SITE: 182m²
BUILDING: 110m²



- * Option for single garage / carport



C2
SITE: 182m²
BUILDING: 113m²



- * Option for single garage / carport



C3
SITE: 182m²
BUILDING: 113m²



- * Option for single garage / carport



TYPOLGY D APARTMENTS



KEY
A DETACHED HOUSING
B1 SEMI DETACHED HOUSING
B2 SEMI DETACHED HOUSING
C1 TERRACE HOUSING
C2 TERRACE HOUSING
C3 TERRACE HOUSING
D APARTMENTS

DESIGN ELEMENTS

MEDIUM DENSITY HOUSING TYPOLOGIES

Semi- Detached Housing

- 250m2 - 330m2 lot size
- Single or double storey
- Dwellings or garages paired along party walls/ zero lot lines for with three aspects
- Narrower front setbacks, a side yard and moderately sized private open spaces
- Street or rear lane access to recessed single or double garages with car parking space(s) in front (opportunity for independent studio above)

Terrace Housing

- 180m2 lot size (non complying with CODC district plan)
- Two - three storeys
- Dwellings share party walls/ zero lot lines on both sides with two aspects
- Narrower front setbacks and smaller sized private open spaces with views over and convenient access to larger public open spaces
- Street or rear lane access to recessed single garages with car parking space in front (some below street level with opportunity for independent studio alongside)

Low Rise Apartments

- 60m2-90m2 lot size (non complying with CODC district plan)
- Two + storeys (each dwellings on one level)
- Dwellings stacked and share party walls/ zero lot lines on both sides with one or two aspects
- Potential for a range of unit sizes to suit lock 'n' leave lifestyle, household size and / or affordability
- Small courtyards or upper level balconies on sunny aspect with views over and convenient access to larger public open spaces
- Common undercroft car parking spaces and storage (internal to block and / or below street level)



DESIGN ELEMENTS

STREET NETWORK

There are many options and configurations to be considered with the design of streets in residential areas. Engineering standards provide an overall guide in direction. However, the final design comes down to the intended use of the street and road corridor by the users; the people who will inhabit the space.

Although streets serve a purpose in moving traffic from one place to another, they also serve as an extension of open space if designed well. The streets and laneways proposed in this development will need to have high amenity and good design to ensure they add positively to the area - providing a pleasant space for people to move through and inhabit. Slow moving traffic, car parking, streetscape amenity and street trees are all elements that can be incorporated in the developed design to achieve these outcomes.

Feedback on the initial concept led the design team to test the potential number of car park spaces in the current street layout. Car park spaces can be provided along the extended Olds Crescent and Jolly's Road, with potential limited visitor parking spaces in laneways. The number of carparks available in the street will be confirmed in Preliminary Design. Car park layout within the street will be designed to ensure a high level of amenity, comply with traffic standards and allow adequate space for services and service laterals.

Visitor parking for the development will be consolidated within Olds Crescent and Jolly Road extension, one travelling in a general east-west direction and the other north-south. Both meet Gair Ave to the north. On these streets, there are no vehicle crossings which potentially allows the street to contain more planting, trees and car park spaces for visitors. As identified in the parking diagram below, there is also opportunity for visitor parking on Gair Ave due to its greater width. Gair Ave is a relatively busy through route, so parking could be limited to the south side of the street, adjacent to the new development. Refer to the Figure 4 below.

Indicatively, 60 car park spaces are possible within the development on the streets alone. This is an addition to car spaces in each lot or laneway.

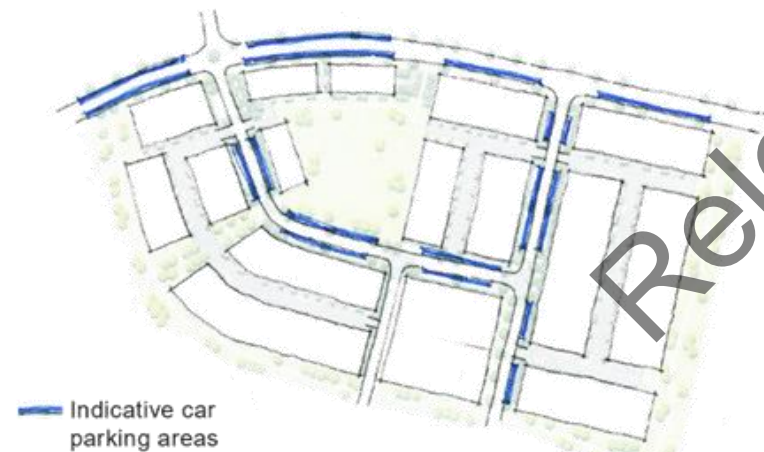
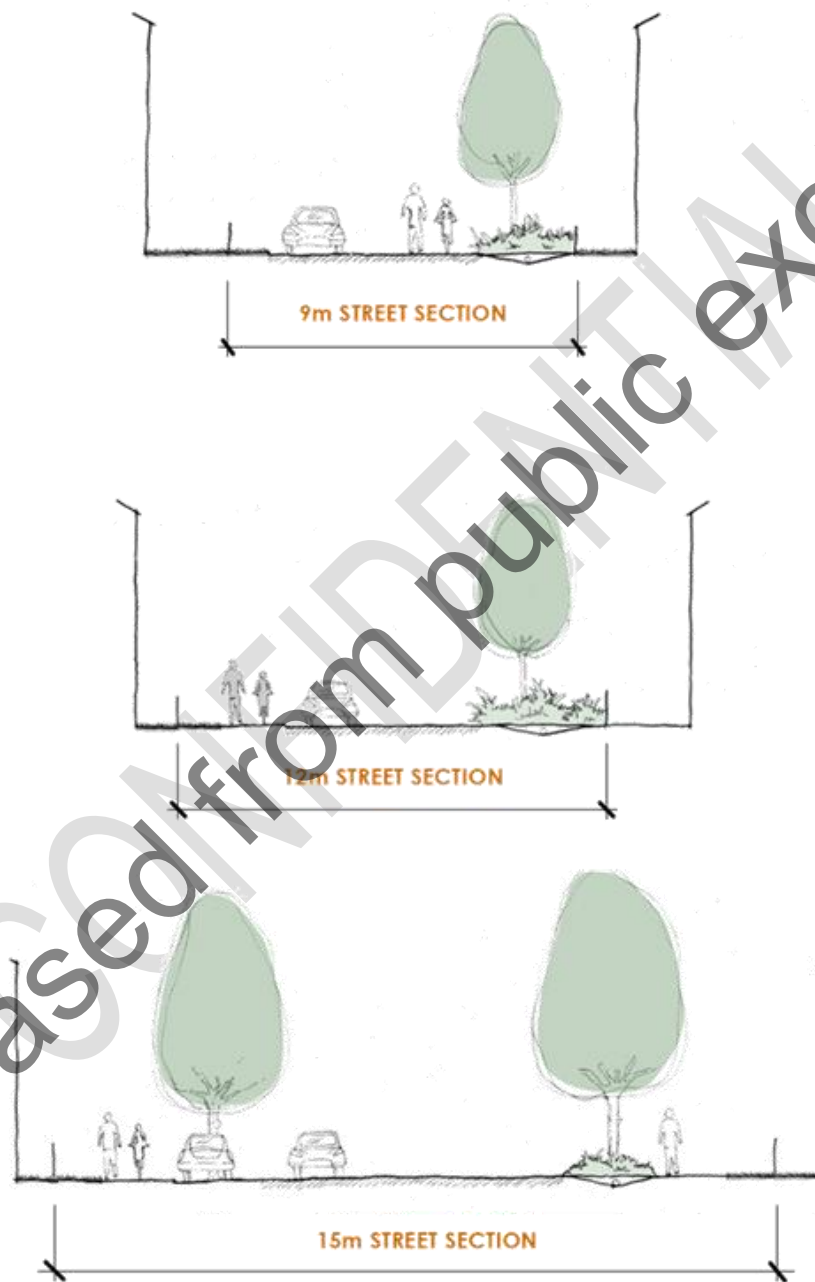


Figure 4: Indicative locations of on-street car parking



DESIGN ELEMENTS

GREEN SPACES

A large green open space in the centre of the development is supplemented by a range of smaller green spaces and green link / connections. Providing green space and amenity is a key component for successful medium density housing subdivisions as the space is used often by residents as a substitute for larger private open spaces.

Small connections to existing greenways from the central open space will allow people to move from their homes into Cromwell's wider open space network. With adjacent housing overlooking these green spaces this provides dual benefits of greater amenity for the adjacent residents and a level of passive surveillance to improve the safety of the space.

There is also an opportunity to include the following within the green open spaces:

- Water Sensitive Design (WSD) elements. These elements provide filtering and soaking of storm water, which attenuates and treats stormwater entering the wider piped system. This also provides an opportunity for increased amenity and raising awareness for where are water goes.
- Public playground based on a natural play design
- Space for ball games, other activities requiring a large flat area.



Released from public view

NEXT STEPS

CONCEPT DESIGN TO PRELIMINARY DESIGN

The Proof of Concept phase has tested the original concept layout in more detail than was possible in the initial masterplan phase which had a restricted timeframe. While the Proof of Concept phase confirms the concept layout will provide an optimal outcome, the review process has also highlighted aspects of the design that could be improved, but will require further design development as part of the Preliminary Design phase.

The key elements of the masterplan to be considered further is:

Civils

- It is recommended a wider catchment assessment is completed to define the sub catchment extents contributing to this site, and to investigate the potential impacts on existing buildings surrounding the site should it be developed, as well as investigating potential solutions to this issue.
- This work will provide a number of additional benefits for the planning of this development to allow the layout to be fully considered from a stormwater perspective.

Streets and Laneways

- Functionality of the laneways
- Design development required to confirm what the preferable laneway widths are for the various parts of the development. The cross sectional width of the lanes could be as small as 9 metres or as large as 12 metres
- Whether or not the laneways are two way or one way for vehicular traffic including single or dual entry off the main streets
- Configuration of the main east-west road requires further design development to ensure it provides high quality amenity and an acceptable level of privacy in outdoor spaces adjacent to the street.
- Car parking integration (including provision for common car parking)
- Legible access and movement routes (incl. identifiable addresses)
- Street, lane, greenway relationships

Lot Configuration

- The resolution of laneway width has impacts on other aspects of the development, such as lot sizes and building setbacks. By reducing the laneways to 9m we gain additional area within lots.

Housing Typologies

- Refinement of the concept layouts for each of the typologies to ensure functionality and design principals are being met.

- Distribution of the housing typologies
- Resolution of the layout and design of the low rise apartments ensuring they address Gair Ave and the pocket park
- Corner lot size and treatments
- Optimising aspect and privacy
- Clear hierarchy of dual access through dwellings/lots
- Visual permeability of street facing private open space
- Width to depth ratio of the proposed lots for semi-detached and terrace housing typologies
- Off-site opportunities

Urban Design

- Housing diversity and flexibility.
- CPTED review
- Urban Design guidance / provisions

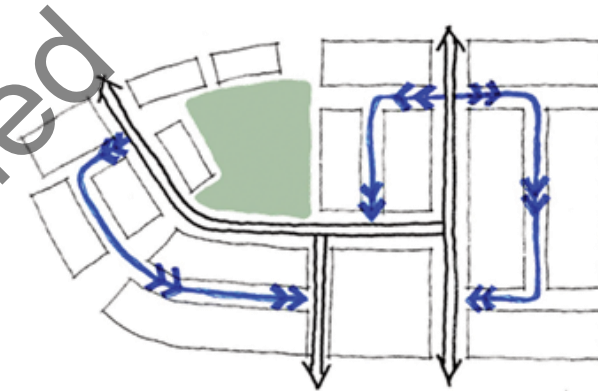


Figure 5: Laneway circulation direction, one direction, single entry or two-way dual entrance?

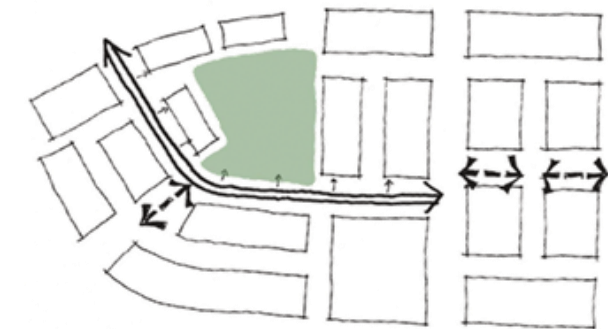


Figure 6: Street configuration, centred or offset to provide amenity for lots on the south side of the street. Possible further connections to break large lots and reduce laneway widths / servicing requirements?

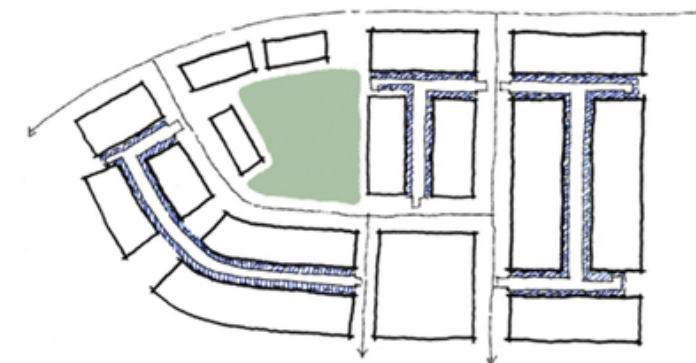


Figure 7: Laneway widths, 12m or 9m cross section



APPENDICES

Bonisch Consulting

Geosolve

Ignite Architecture

Released from public excluded

About Boffa Miskell

Boffa Miskell is a leading New Zealand professional services consultancy with offices in Auckland, Hamilton, Tauranga, Wellington, Christchurch, Dunedin and Queenstown. We work with a wide range of local and international private and public sector clients in the areas of planning, urban design, landscape architecture, landscape planning, ecology, biosecurity, cultural heritage, graphics and mapping. Over the past four decades we have built a reputation for professionalism, innovation and excellence. During this time we have been associated with a significant number of projects that have shaped New Zealand's environment.

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SUPER LOT CONCEPT PLAN - 31 MAY 2021

