

**BEFORE THE COMMISSIONERS ON
BEHALF OF THE DUNEDIN CITY COUNCIL**

**IN THE MATTER of an Application for Resource
Consent under Section 88 of the Resource
Management Act 1991**

BY

**New Zealand Horizon Hospitality
Group Limited**

LUC 2017- 48 and Sub 2017-26

**SUBMISSION OF MICHAEL GERALD NIDD
IN SUPPORT OF APPLICATION**

Submission in support of the Application by New Zealand Horizon Hospitality Group Limited for the land use consent in respect of the proposed hotel situated at 193–143 Moray Place, Dunedin

INTRODUCTION

This submission is in support of the Application and is made on the basis that the proposed hotel is critically needed for the city for very vital economic reasons, as well as providing much needed further visitor accommodation and apartment accommodation. My submission is further that the proposed hotel is intended to be located in the most suitable place possible given the proximity to the central business district. It is further submitted that the proposed design is of a very appropriate height which is required for the economic viability of the venture. The various submissions in opposition have raised a number of concerns relating to design, height, shading and loss of views as well as a myriad of other issues, but it is submitted that all of these concerns are seriously outweighed by the critical need for this venture and the economic benefits it will bring.

It is clearly almost impossible to have a hotel of any realistic size on the proposed site which would comply as of right with height, townscape, earthworks, parking requirements, and verandahs. It is noted that the City Planner opposes the application essentially on the basis of the impact of shading on the lower part of the Octagon at certain times of the year. It is submitted that there is already significant impact from shading caused by existing structures and buildings which have been constructed around the Octagon for many years. Every city that intends to have any buildings of any size are clearly going to have an impact on shading and that is an inevitability and it could be argued that any structure at all will have some impact on shading on adjoining or neighbouring properties and that is a consequence in living and working in an urban environment. It is submitted that the consequences of such shading should not outweigh the significant positive aspects and benefits for the city that the proposed hotel will have especially considering the city's precarious economic concerns.

1. Economically critical for City

As outlined in the written submission provided, I believe this is a very important investment proposal for the City. The capital investment, the benefit of the jobs during construction and the ongoing permanent employment opportunities for the hotel are fundamentally critical economic factors for the City.

As you will be aware the Hearings Committee and the Environment Court are entitled to take into account economic factors in their consideration of any Application. It is a matter of law that "sustainable management" has been defined in section 5 of the RMA to mean managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural well being and for their health and safety while:-

- (a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
- (b) Safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- (c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.

The New Zealand Supreme Court has recently determined that the reference to "economic wellbeing" in that definition does not mean the narrow considerations of the Applicant's financial wellbeing but is intended to mean the economic effects as they affect the community at large and the positive contribution to the social and economic wellbeing of the community.

It is well known that at the current time the City has faced a number of significant closures of various businesses and institutions the most recent significant closure being Cadburys and the job opportunities that arise in respect of this proposal will be essential both for a work force in respect of the construction and the ongoing jobs for the hotel operation.

The people of this city have very vivid awareness of losing vital industries, factories and institutions with major consequences of job losses and loss of capital investment. Some recent closures aside from Cadburys include Hillside Workshop, Invermay, Fisher & Paykel. Further job losses have been signalled from the University and Delta as there are ongoing proposals for "restructuring" and "rationalisations". It is clear that undoubtedly the city has lost many thousands of jobs in recent years and whilst the city has survived many of the closures and downturns, a side effect of all of those job losses are the downstream economic consequences including the impact on many small businesses and ventures which consequently fail. The lack of significant growth in the city is manifestly obvious and the unemployment statistics indicate that Dunedin has higher than the national average unemployment rate as reported by the NZ Statistics Department. The proliferation of empty shops and commercial buildings is obvious to any observer.

This venture it is reported will create approximately 100 permanent full time or part time jobs across all spectrums of occupation from management, administration to housekeeping and cleaners etc. These figures do not take account of the jobs created during construction. It is submitted that whilst this will not solve all of our problems the city simply has to grab this opportunity and take advantage of those job creations and this business venture. People need to be employed in order to stay in the city and the attitude that the city should only have business ventures that fit preconceived notions of design and townscape and height issues for the building have to realistically take account of the bigger picture and the importance of the value of jobs and capital investment for the city.

In this case the economic benefits are obvious and it is submitted that the city can simply not afford to lose this opportunity as has happened in the past when similar proposals and Applications have been declined. It is submitted that the Applicant's concerns and stated position that unless the height and room numbers of the proposed hotel are approved then the Applicant cannot proceed with the proposal as it will not be

viable. These are appropriate commercial and economic considerations which should and must be taken into account in considering the Application.

2. Visitor Accommodation

This is a critically important opportunity for visitor accommodation. As is well known and acknowledged Dunedin faces a significant shortage of hotel visitor accommodation.

Whilst it is very difficult to quantify it is clear and unarguable that there is a vital need for further hotel accommodation in the city. The demand for further accommodation is reported regularly whenever there is an event, graduation, concert, or test match held in the city, but what is also evident is the inevitability that the proposed hotel will attract more visitors with increased guest nights and consequent spend in the city. In summary the additional visitor accommodation and other advantages to the city from the proposed hotel are immeasurable, having regard to the constantly reported visitor accommodation shortages whenever there is an event of significance held in the city .

The most graphic example of this was the headlines in the Otago Daily Times on the 10th May 2017 whereby it was reported that within a day of the news regarding the proposed Ed Sheeran concert to be held at the Dunedin Stadium, all available accommodation was instantly pre-sold. This is a continuing problem and causes significant embarrassment on those occasions and tarnishes our city's reputation and this can only be alleviated by further hotel accommodation. The number of occasions when there are concerts, rugby tests, graduations and other events in Dunedin of significance, the reality of the limited visitor accommodation and hotel accommodation and the critical shortage of same becomes very apparent. This hotel will clearly be of significant assistance in that regard.

It should be remembered that there is a nationwide shortage of hotel accommodation. It is reported by NZ Trade And Enterprises that New Zealand needs a further twenty six hotels over the next 10 years which is driven by the international appeal of New Zealand and the proliferation of airline services. It is recognised that Dunedin is not

enjoying the benefits of the increased tourism because of the shortage of good quality hotel accommodation. NZ Trade And Enterprise has a programme in place known as "Project Palace " to try to lure overseas and domestic investment in hotels throughout the country and whilst the major tourist centres are the main targets it is clear that Dunedin has been identified as an appropriate place for the location of the proposed hotel and has attracted the investor accordingly in this instance . The Applicant has however made it abundantly clear that there is a critical mass required in terms of size and room numbers and with respect this is an issue which needs to be seriously considered. In summary in this regard Dunedin is indeed very fortunate to have this proposed hotel as a Dunedin project, but the city cannot afford the luxury of setting standards of size and design, which would simply prevent the proposal from proceeding.

3. Apartment Accommodation

It is submitted that proposed 68 self contained apartments and 4 self contained penthouse suites will be critically important to assist in the acknowledged shortage of residential accommodation in Dunedin.

It is becoming very apparent that pursuant to the DCC Spatial Plan and 2GP it is clear that there is to be no further greenfield subdivision developments in Dunedin and it is proposed that infill development of residential apartment dwelling is to be encouraged.

There is unlikely to be another opportunity where 64 self contained apartments will ever be constructed on one building. This is a fundamental and critical need as outlined and certain politicians you will appreciate have acknowledged that Dunedin is effectively facing a housing crisis. There is an acknowledged shortage of rental accommodation and this is largely due to the likes of the Airbnb phenomenon which has meant that a number of property owners are no longer using their property for long term residential tenancies and are obtaining better returns through the Airbnb or short term visitor accommodation. Again this is a clear contribution to assist in that shortage.

Real Estate Agents will readily acknowledge that there is such a shortage of apartments for sale in the city, that new projects are in such demand that apartments are selling off the plans, well before consents or titles are forthcoming. Whilst this is anecdotal evidence, it is very easily corroborated with confirmation of unprecedented demand for both investment and residential apartments. One of the recognised reasons for this demand is the shortage of rental accommodation because of the prevalence of the Airbnb phenomenon. Whilst that has absorbed some of the visitor accommodation shortage it has resulted in a real shortage of long term rental accommodation.

The evidence of the First Retail Group Consultant in support of the Application is clear that the proposed apartments would become Dunedin's first premium new build inner city living apartments, and would be a catalyst for wider apartment projects. He also points out that there would be obvious benefits to nearby cafes and restaurants. I can only endorse that evidence.

4. DESIGN

It is submitted that the design and the aesthetics of the building proposed are excellent.

The fact that there is a significant amount of glass is of value because this will clearly reflect the surrounding buildings and in this instance it will reflect the town hall and surrounding buildings. Whilst it is acknowledged that a number of submitters and residents will have opposing views as to the merits of the design it is submitted that design is clearly a subjective consideration and each submitter will have their own views as to the merits of the design or otherwise. It is quite unfair for submitters to oppose the proposal on the basis of design for their own vanities and beliefs as to the merits of the design at the significant cost to the community and city which will otherwise benefit from the capital investment and the job opportunities provided by the proposal.

What must be remembered is that the merits of the design of a building are not something that consent authorities or the Environment Court will determine unless there is a "tangible adverse effect". Councils are not intended to be the arbiters of the choice

of design, nor are the courts on review and case law is clear that they will only interfere if the consent authority is quite unreasonable in its decision and this is exercisable only in exceptional circumstances. In summary it can be said that subjective views about design are not matters to be determined by consent authority unless the design impacts adversely and tangibly. In this case therefore the adverse effect of shading in parts of the Octagon resulting from the proposed height of the structure are such that they have to be determined to be significant and tangible.

5. LOCATION

The location of the proposal is excellent especially for the purposes of the conference centre and meeting facilities. There will be on site amenities, parking and servicing meaning that there will be low demands by people that use the hotel for conferences as there will be no transport or other service requirements if the hotel is used for conferences and accommodation for parties attending same. This is another significant advantage and requirement for the Dunedin City. The other obvious advantage of the proposed location is the proximity to the existing facilities such as the Dunedin Centre, The Town Hall, The Glenroy Auditorium, as well as private facilities in the CBD. This proximity has been described by the architect in support of the Application as a "perfect synergy". My submission is that this is manifestly obvious. It should be noted that the Council has been trying to get a hotel development on this site for more than twenty years to my knowledge. The City Planner in his report confirms that there are no adverse effects on the Townscape Precinct of Moray Place and will in fact maintain and enhance the streetscape with the introduction of "active frontage to Moray Place and Filleul Street".

SUMMARY

In the balancing exercise that the panel will have to determine in making the decision regarding this Application it will ultimately be necessary to consider the whether the impact of the shading issues referred to as against all of the positive and critically

important economic benefits that the proposals will bring to the city. The evidence of Chris Williamson in support of the Application makes the point that when considering the shading impact it is necessary to remember that the shading occurs when the businesses that are affected will be at their quietest. He correctly points out that at that time of the year there will be infrequent use of outdoor furniture or seating. My submission is that the balancing exercise is clearly in favour of the Applicant. This proposal is so fundamentally important to the city for this proposal to go ahead. The city simply cannot afford to lose this opportunity for the reasons referred to, we will not get this opportunity again.

DATED this

20th day of

July

2017

Signed:


