
REPORT 1
(1215/52/05/IM)

DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR 39 TARANAKI STREET

1. Purpose of Report

The purpose of this report is to evaluate the development contribution fee remission application received from Washington Limited for a residential and retail development at 39 Taranaki Street.

2. Executive Summary

The Development Contributions Policy (The Policy) allows for Council to remit development contributions in exceptional circumstances upon receipt of a remission application. Washington Limited has made an application for remission in respect of the development contributions assessment of \$50,472.31 for a residential and retail development at 39 Taranaki Street.

Council officers consider that there are grounds to consider the application under the remission provisions in the Policy. It is recommended that the remission is granted.

3. Recommendations

It is recommended that the Subcommittee:

- 1. Receive the information*
- 2. Agree to remit the development contribution to Washington Limited to \$29,960.31.*
- 3. Note that the Policy's remission provision provides that any decision of the Council will not create a precedent or expectations.*

4. Background

4.1 The Policy

The Council adopted the Development Contributions Policy on 28 June 2005. The Policy provided that any proposal associated with an application for building consent, resource consent or service connection lodged on or after 1 July 2005, will be required to pay a contribution under the Policy (see clause 1.4.2 of the Policy).

In terms of the Policy non-residential development is assessed on the basis of new gross floor area created by any development. Residential development is assessed on the basis of the number of equivalent household units created by any development.

The Policy as adopted included a transitional provision, to deal with the case where a consent was sought after 1 July 2005 to give effect to a proposal for which a resource consent had been sought prior to the policy coming into effect (see clause 4.2.1 of the Policy).

4.2 Proposal

Applicant: Washington Limited

Proposal: Residential and retail development at 39 Taranaki Street.

Date application lodged: Original resource consent: 4 May 2004
Replacement resource consent: 15 March 2006

The original consent application for this proposal was received in May 2004 and assessed under the Development Impact Fee (DIF) regime. During work on the project important Maori artefacts were uncovered. This discovery halted progress onsite while agreement was reached between the developer, the Historic Places Trust, the Tenth's Trust and the Council. A Memorandum of Understanding was signed imposing conditions on the developer relating to the protection and preservation of the artefacts and allowing the developer a greater height allowance for the development. This resulted in an increase in apartments from 48 to 56. (This increase is reflected in the recalculation of the DIF fee as shown in section 6)

As a result, of these agreed changes to the proposal the developer was required to submit a new application which was received in March 2006. The changes to the proposal were then assessed under the 2005/06 DC Policy.

5. Discussion

5.1 Provisions of the Policy

The relevant provisions of the Policy relating to remissions are as follows:

2.6 *Remission and postponement*

2.6.1 *The Council may remit or postpone payment of a development contribution at its complete discretion. The Council will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of the Council will not be regarded as creating precedent or expectations.*

- 2.6.2 *Remissions will only be granted by resolution of the Council (or a Committee or Subcommittee acting under delegated authority).*
- 2.6.3 *An application for remission must be applied for before a development contribution payment is made to the Council. The Council will not allow remissions retrospectively.*
- 2.6.4 *An application must be made in writing, and set out the reasons for the request.*

5.2 Reasons for remission application

The applicant is seeking a remission from the requirement to pay all the development contribution fees due. The reasons are attached and summarised below:

Reasons	Officer's Comments
During development Maori artefacts were discovered. After a significant period of negotiations the resource consent was surrendered and a new consent was issued. During this period, the Policy came in effect so changes between the two consents were assessed under the Policy rather than the DIF regime.	The Council's process for collecting development fees changed during the negotiation process. This was through no fault of the applicant.
An MOU has been signed between WCC and Washington Limited which encouraged the company to apply for a remission of the increased fees.	

6. Conclusion

The Policy requires that remissions are only granted in exceptional circumstances. There is no definition of what might comprise such circumstances.

If the sub-committee was to reach a view that the circumstances are exceptional, it is open to the sub-committee to remit the application in full or in part.

It is recommended that the development contributions payable are remitted to the amount that would have been payable under the Development Impact Fee regime:

Development Impact Fee	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
Traffic (non residential)	590.22	0	590.22
Traffic (residential)	7,911.11	2,154.67	10,065.78
City wide reserves	8,448.00	1,408.00	9,856.00
Total Development Impact Fee	16,949.33	3,562.67	20,512.00
Development Contributions based on 2005/06 Policy	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
City wide reserves	15,389.17	-15,389.17	0.00
City wide roading	4,787.93	-4,787.93	0.00
City wide storm water	1,176.24	-1,176.24	0.00
City wide waste water	1,621.13	-1,621.13	0.00
City wide water supply	1,613.56	-1,613.56	0.00
Waste water	8,934.93	-8,934.93	0.00
Total Development Contributions	33,522.97	-33,522.97	0.00
TOTAL	50,472.30	-29,960.30	20,512.00

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Supporting Information

1) Strategic Fit / Strategic Outcome

The Development Contributions Policy supports Council's infrastructure-related activities, by ensuring those responsible for increased demand through growth contribute to the cost of services.

2) LTCCP/Annual Plan reference and long term financial impact

The sub-committee decision has implications for the LTCCP and financial impacts where the cost of the growth related portion of infrastructure development is paid for by those generating the additional demand.

3) Treaty of Waitangi considerations

This report has no direct impact on iwi.

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

As part of the remission process developed for Development Contributions the applicant has been provided with a copy of this report for their information.

b) Consultation with Maori

This report has no direct impact on iwi so consultation was not conducted.

6) Legal Implications

Council's lawyers have not been consulted during the development of this report.

7) Consistency with existing policy

These are no inconsistencies with other existing WCC policies.

Appendix A

Map showing location of development.

Appendix B

Letters from WCC to applicant and extract from the Notice of Decision.

Appendix C

Copy of application for remission.