

REPORT 2
(1215/52/05/IM)

DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR RYMAN HEALTHCARE LIMITED (118 BURMA ROAD)

1. Purpose of Report

The purpose of this report is to evaluate the development contribution fee remission application received from Ryman Healthcare Ltd for the expansion of a retirement village.

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. Ryman Healthcare Ltd has made an application for remission in respect of the development contributions assessment of \$128,925 for expansion to the Malvina Major Retirement Village at 118 Burma Road.

Council officers consider that there are no grounds to consider the application under the remission provisions in the Policy.

3. Recommendations

It is recommended that the Subcommittee:

- 1. Receive the information*
- 2. Agree not to grant the development contributions fee remission to Ryman Healthcare Ltd.*
- 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.

4.2 Proposal

Applicant:	Ryman Healthcare Limited
Proposal:	Construction of a six-level apartment block containing two and three bedroom apartments and a basement carpark.
Date application lodged:	22 November 2005

The development contribution fees for this proposal were calculated under the 2005/2006 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
<p>Reserves - The residents impact on the demand for city parks and reserves will be substantially lower than the average household for the following reasons:</p> <ul style="list-style-type: none"> ▪ the units are substantially smaller than the average household at 72 square metres; ▪ the average number of occupants per dwelling is 1.3 persons which is half that of a normal household (2.6 persons); ▪ the residents are significantly less active than the majority of the population; and ▪ the village caters for the needs of the residents by providing substantial amenities which are appropriate for their enjoyment. 	<p>The Policy is based on access to rather than use of reserves. In addition, passive enjoyment of reserves also needs to be taken into consideration (for example, this development looks out over a large area of reserves).</p>
<p>Traffic and Roading – According to the Policy's assessment guidelines, the usage measure per EHU for traffic and roading is 10 private vehicle trips per day. Ryman Healthcare's own traffic surveys at the Shona McFarlane retirement Village in Lower Hutt, which are supported by LTNZ research show traffic movements of 2.1 vehicle movements per day per EHU. The impact is therefore 21% of the typical household unit.</p>	<p>The development is likely to generate visitor and service provider traffic which will be higher than for a similar sized residential development.</p>
<p>Water / Wastewater – According to the Policy's assessment guidelines, the usage measure per EHU for water and wastewater is 780 litres and 390 litres respectively per EHU. Ryman Healthcare's actual water usage for a group of independent units is 90.8 litres per day per EHU (based on actual water usage for a group of independent units at Ngaio March Retirement Village in Christchurch and Shona McFarlane Retirement Village in Lower Hutt). This lower volume is consistent with there being half the occupants of a typical household and the occupants being less active. The impact is therefore estimated to be 11% for water and 23% for waste water.</p>	<p>Infrastructure is provided to accommodate peak flows, not average flows. Infrastructure also has to provide fire fighting and other high volume demands.</p>

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 in the following way:

Development Contributions based on 2005/06 Policy	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
City wide reserves	20,700.00	0	20,700.00
City wide roading	28,575.00	0	28,575.00
City wide storm water	7,020.00	0	7,020.00
City wide waste water	9,675.00	0	9,675.00
City wide water supply	9,630.00	0	9,630.00
Waste water	53,325.00	0	53,325.00
Total	*128,925.00	0	128,925.00

*Please note that the figure quoted in the letter of application from Ryman Healthcare Limited is \$145,041.30 which is the GST inclusive figure.

Contact Officer: *Catherine MacFarlane, Business Performance Manager, Planning and Urban Design*

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

Extracts from the resource consent application.

Appendix C

Copy of application for remission.