
REPORT 3
(1215/52/05/IM)

DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR WELLINGTON INTERNATIONAL AIRPORT

1. Purpose of Report

The purpose of this report is to evaluate the development contribution fee remission application received from Wellington International Airport Limited for the expansion of the terminal area.

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. Wellington International Airport Limited (WIAL) has made an application for remission in respect of the development contributions assessment of \$46,031.29 for Stage 1 and \$78,132.20 for Stage 2 of the redevelopment of the airport.

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 remission fee to Wellington International Airport Limited.*
- 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: Wellington International Airport Limited

Proposal: Stage 1: Redevelopment of airport terminal area including upgrades to passenger processing facilities, travel retail facilities, the fuel hydrant system, aircraft movement and apron parking areas and the addition of aero bridges.

Stage 2: Additional building works to passenger lounge and seating areas.

Date application lodged: Stage 1: 17 January 2006

Stage 2: Not yet received

The development contribution fees for this proposal have been calculated under the 2005/06 and 2007/08 Policies.

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>WIAL provides a net benefit to the city as they are increasing visitor and city infrastructure.</p>	<p>Council agrees that increasing airport facilities gives visitors a better first impression of the city but does not agree that WIAL are increasing city infrastructure covered by the Development Contributions Policy.</p>
<p>WIAL provide and use their own infrastructure. For example, they build, own and maintain all their own roads, services and associated infrastructures.</p>	<p>Council agrees that WIAL build, own and maintain infrastructures within the confines of the airport. However, this does not contribute to city wide infrastructure as covered by the Policy.</p>
<p>The main users of the WIAL facilities are visitors to the city. WIAL does not cause a great marginal effect on the network infrastructure over and above existing usage, or if they do cause a minimal increase this is offset by the revenues brought to the city.</p>	<p>Users of the international terminal usually stay in the city for a period of time, using the city infrastructure.</p>
<p>Council has a legal right via easements and the LGA to use and occupy portions of WIAL land holdings through which it runs the city's services (for example, the main sewer from Moa Point). It would be unfair that they pay for this twice.</p>	<p>Council acknowledges that some of Council's infrastructure occupies and runs through WIAL land.</p>

Council considers that benefit to the city does not constitute exceptional circumstances under the Development Contributions Policy.

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:

STAGE 1 based on 2005/06 Policy	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
City wide reserves	7,390.71	0	7,390.71
City wide roading	10,202.40	0	10,202.40
City wide storm water	2,506.42	0	2,506.42
City wide waste water	3,454.36	0	3,454.36
City wide water supply	3,438.29	0	3,438.29
Waste water	19,039.12	0	19,039.12
Total	46,031.29	0	46,031.29

STAGE 2 based on 2007/08 Policy	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
City wide reserves	11,122.55	0	11,122.55
City wide roading	17,905.82	0	17,905.82
City wide storm water	4,912.88	0	4,912.88
City wide waste water	6,683.51	0	6,683.51
City wide water supply	7,955.37	0	7,955.37
Waste water	29,552.08	0	29,552.08
Total	78,132.20	0	78,132.20

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 consent application.

Appendix C

Copy of application for remission.