
REPORT 4
(1215/52/05/IM)

DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR ST MARK'S CHURCH SCHOOL

1. Purpose of Report

The purpose of this report is to evaluate the development contribution fee remission application received from RMA Solutions for redevelopment of the St Mark's Church School.

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. St Mark's Church School has made an application for remission in respect of the development contributions assessment of \$160,602 for redevelopment of the school to accommodate an expansion of the school roll.

Council officers consider that there are 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 St Mark's Church School.*
- 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:	St Mark's School
Proposal:	Redevelopment of the school to accommodate an expansion of the school roll including: <ul style="list-style-type: none">▪ the demolition of the vicarage and the hall;▪ the construction of a gym and classroom building; the construction of a link building; and▪ the construction and use of a car parking building.
Date application lodged:	A building consent application has not yet been received for this project.

The development contribution fees for this proposal were calculated under the 2007/08 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>The proposed development is not a typical land development. Many of the planned additions to the school are for existing children, not anticipated growth.</p>	<p>This development does require expansion to infrastructure capacity. Council does not consider the provision of schools as an "exceptional circumstance".</p>
<p>The length of the school day and school terms means that proportionally, the site is less intensively used over a calendar year than what the underlying zoning permits. The school term operates 7 hours a day over 40 weeks of the year. This significantly reduces the demand for Council services such as water supply and waste water disposal when compared to other types of permitted developments.</p>	<p>Infrastructure is provided to accommodate peak flows and periods of fluctuation in use do not reduce the need for capacity development.</p>
<p>City wide water supply - St Mark's has calculated that their water usage is 20 litres per person per day. When compared with the amount given as a guide in the policy of 780 litres per day for every EHU (an EHU is equivalent to 2.6 people), being 300 litres per person per day. Based on the proposed increase to the gross floor area of the site, their estimated usage would be 10.66% of the amount in the policy. Therefore, the fee for city wide water supply should be reduced to 10.66%.</p>	
<p>City wide waste water – St Mark's advisors state that a school development would expect approximately 95% of water used on site to be returned as waste water. Based on the estimated increased water usage of 4,260 litres per day this would generate 4,047 litres of waste water per day. This figure is 20.24 % of the amount in the Policy. Therefore, the fee for city wide waste water should be reduced to 20.24%.</p>	

<p>City wide storm water – The proposed development site is predominately covered by existing buildings and non-permeable surfaces. The proposal will not result in any perceivable change in the amount of stormwater discharged from the site. Therefore the fee for city wide storm water should be remitted entirely.</p>	<p>Applicants can increase hard landscaping at any time without consent. Therefore we have no certainty about percentage site coverage in the future. This means that using site coverage to calculate the contribution for storm water is not appropriate.</p> <p>This would be a fundamental change to the policy which would reduce revenue unless a new unit of demand is determined and shift the funding burden to others.</p>
<p>City wide roading - The school has been advised that it is very likely that they will have to make traffic changes regardless of the current proposal. These traffic changes will cost at least \$50,000. Therefore, the fee for city wide roading should be remitted entirely.</p>	<p>Development contributions are for city wide infrastructure development beyond the immediate traffic requirements of the new development.</p>
<p>City wide reserves–The students and staff predominately remain on site during the school day with the exception of school outings. St Mark’s has noted that the students and teachers will not live on site. The Policy makes a distinction between residents and non-residents use of reserves. The school considered that the use of reserves by their staff and students would be similar to that of office workers. On this basis they are asking for a remission to only pay 12.5% (1/8th) of the reserves fee.</p>	<p>St Mark’s calculations for this are incorrect as the non-resident contribution per EHU for reserves is already reduced to be just 12.5% of the residents fee.</p> <p>Council officers recommend that St Mark’s pay the full reserves contribution.</p>
<p>Waste water – St Marks disputes the figures used for these calculations in the Policy and asks to pay the same percentage of the fee calculated for the city wide waste water component.</p>	<p>Infrastructure is provided to accommodate peak flows and periods of fluctuation in use do not reduce the need for capacity development.</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 2007/08 Policy	Original fee (GST excl.)	Adjustment (GST excl.)	Revised fee (GST excl.)
City wide reserves	22,863	0	22,863
City wide roading	36,806	0	36,806
City wide storm water	13,738	0	13,738
City wide waste water	10,099	0	10,099
City wide water supply	16,352	0	16,352
Waste water	60,745	0	60,745
Total	160,603	0	160,603

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.