

**REPORT 6**  
*(1215/52/05/IM)*

---

## **DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR 78 – 84 FAIRLIE TERRACE**

---

### **1. Purpose of Report**

The purpose of this report is to evaluate the development contribution fee remission application received from Victoria University of Wellington for a student accommodation building.

### **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. Victoria University of Wellington (VUW) has made an application for remission in respect of the development contributions assessment of \$557,738 for a student accommodation building at 78-84 Fairlie Terrace.

Council officers consider that there are grounds to consider the application under the remission provisions in the Policy. It is recommended that part of the roading fees are remitted.

### **3. Recommendations**

It is recommended that the Subcommittee:

- 1. Receive the information*
- 2. Agree to remit the development contribution on 78-84 Fairlie Terrace to \$526,372.45.*
- 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**

<b>Applicant:</b>	Victoria University of Wellington
<b>Proposal:</b>	Construction of a student accommodation facility comprising of single bed dormitory rooms, studio apartments and two bedroom apartments to house 389 students.
<b>Date application lodged:</b>	A building consent application has not yet been received for this work.

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>Growth at VUW is of significant benefit to the city in terms of economic growth, thought leadership, general “buzz” and cultural diversity.</p>	<p>These are positive points but are not “exceptional circumstances” under the Policy. Most developments in the city have a positive impact.</p>
<p>VUW is endeavouring to take a responsible and sustainable approach to development, incorporating seismic enhancements and environmental initiatives where feasible.</p>	
<p>VUW’s direction, particularly in the scientific, creative, public policy and technology fields are consistent with Council’s aspirations for the city.</p>	
<p>Storm water – the site already accommodates a number of existing buildings and it is envisioned that the storm water collection area in the new development would be similar to that which exists today.</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>Water supply and waste water – students, particularly first year students, spend very little time at the facility during the day. These students typically spend their day at lectures and then in the library and city, returning to the facility for their evening meal and to sleep. Occupancy tends to be low outside of the main university term (which is approximately 38 weeks) and even during this period students often spend weekends and other holidays away from the hostel. The effective occupation is expected to be approximately 24 weeks per year.</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>Traffic and roading - These students typically do no travel by car and therefore they have limited impact on</p>	<p>The extreme limits placed on access to cars are</p>

local roading networks. Cars will not be permitted at the facility nor will they be granted residents parking permits by Council.	“exceptional” and a remission on these grounds is supported.
Reserves - The students place very little demand on city reserves as VUW has a number of special green spaces for students to enjoy.	The Policy is based on access to rather than use of reserves.

## 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:

<b>Development Contributions based on 2007/08 Policy</b>	<b>Original fee (GST excl.)</b>	<b>Adjustment (GST excl.)</b>	<b>Revised fee (GST excl.)</b>
City wide reserves	74,241.85	0	64,944.46
City wide roading	119,519.38	(31,365.55)	73,186.29
City wide storm water	32,792.92		32,792.92
City wide waste water	44,611.69	0	39,024.92
City wide water supply	53,101.23	0	46,451.31
Waste water	197,256.92	0	172,554.23
Community infrastructure	36,214.00	0	36,214.00
<b>Total</b>	<b>557,738.00</b>	<b>(31,365.55)</b>	<b>526,372.45</b>

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.