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**REPORT 2**  
(1215/52/05/IM)

## **DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR 392 BROADWAY, MIRAMAR**

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

The purpose of this report is to evaluate the development contribution fee remission application received from Jo Eiloart c/- Tuatara Services Ltd of Wellington for the proposed additions and alterations to the existing building at 392 Broadway, converting the existing residential building to a childcare centre activity.

### **2. Executive Summary**

The Development Contributions Policy (The Policy) allows for the Council to remit development contributions in exceptional circumstances upon receipt of a remission application. Jo Eiloart c/- Tuatara Services Ltd has made an application for remission in respect of the development contributions assessment of \$4,323.57 for the proposed development at 392 Broadway. Council officers consider that there are no grounds to consider the application under the remission provisions in the Policy. It is recommended that the full development contribution be levied, which includes the contributions for reserves, roading, stormwater, waste water and water supply.

### **3. Recommendations**

Officers recommend that the Subcommittee:

- 1. Receive the information*
- 2. Agree not to remit any of the development contribution on 392 Broadway and that the full development contribution levy of \$4,323.57 (excl GST) is payable.*
- 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 for any proposal associated with an application for building consent, resource consent or service connection lodged on or after 1 July 2005, the applicant 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

**District Plan Zoning:** Outer Residential.

**Applicant:** Jo Eiloart c/- Tuatara Services Ltd.

**Proposal:** Additions and alterations to the existing residential building at 392 Broadway, converting the residential activity to a childcare centre.

**Date application lodged:** A building consent application was lodged with the Council on 19 May 2008 for this work. The development contribution fees for this proposal were calculated under the 2007 Policy. Resource Consent was granted on 15 February 2008 for the proposal. Building renovation has commenced on the site.

## 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. A copy of the application is attached. The applicants' arguments are summarized and officer comments provided below:

### Reasons/Officer's Comments

Objection Reasons	Officers' Comments
<p>Storm water – The building coverage of the site will decrease slightly after renovations. The applicant does not believe that there will be any increase in stormwater discharged.</p>	<p>Although the building coverage of the site will be reduced by the proposal, the hard surfacing around the building will increase quite significantly. Most of the existing lawn / garden area will be converted into hard surfacing. Accordingly, the surface water from these areas will be increased with additional water discharged into the Council's system. It is recommended that there will be no remission for the stormwater component of the development contribution.</p>
<p>Water supply and waste water – The applicant believes that the water supply usage and the waste water discharged will equate to less usage than an average family. The reasons for this are that,</p> <ul style="list-style-type: none"> <li>• The centre will open from 7:45am to 5:45pm five days per week. The centre will be vacant at weekends.</li> <li>• Approximately 90% of the children will not be toilet trained, therefore their use of toilets will be minimal.</li> <li>• Five adults will be present for eight hours a day and although shower facilities are provided, these are unlikely to be used regularly.</li> <li>• Food preparation will be limited to morning and afternoon teas consisting mainly of fruits, crackers and sandwiches etc.; lunches will not be provided. The applicant prediction is that the dishwasher will be used twice a day and the washing machine once a day.</li> </ul>	<p>The Council agrees that waste water is related to water usage.</p> <p>Council's infrastructure officers have assessed this aspect of the proposal. From the information that was supplied, we believe that the use of the building as a childcare centre will incur greater water consumption compared to an average family home. With 18 children under 3 years old and 5 adults on the premises, we believe there will be quite a lot of washing / cleaning up to be done in this form of activity (building use). Without additional justification and data analysis from the applicant, we believe that the water supply and waste water levies incurred under the development contribution to be fair and reasonable.</p>

	<p>The Council infrastructure is provided to accommodate peak flows and periods of fluctuation in use do not reduce the need for capacity planning and development.</p> <p>For the above reasons, it is recommended that the water supply and the waste water components of the development be levied in full.</p>
<p><b>Traffic and Roothing –</b> The applicant stated that the site was chosen due to its locality being central, convenient and ‘on route’ for the majority of families within the area. Broadway is a main road and major route to the city. The majority of the current staff live locally and off street parking will be provided for all full time members of staff. The applicant does not believe the proposal will increase the use of the surrounding roading network.</p>	<p>It is recognised that Broadway is a Principal Road under the District Plan. The demand on the traffic and roading network from the proposed non-residential activity will not be the same as that of a residential property. There is no guarantee that the users and workers for the activity will be from around the immediate neighbourhood. It is assessed that the premises used as a child care centre will therefore generate more traffic.</p> <p>In addition, there is always the possibility that the childcare activity could be converted to some other form of non-residential activity. The Council has to levy its development contribution based not only on what is presently being proposed but also possible future uses. For example, any future changes to its use where residential units are not created and the gross floor areas are maintained. There is no avenue for Council to levy future development contributions.</p> <p>For the above reasons, it is recommended that the traffic and roading components of the development be levied in full.</p>

<p>Reserves – The applicant has stated that to become a licenced centre, the site has to provide on-site play areas as specified by the Ministry of Education. Children enrolled will be aged under three and there will be very few excursions from the centre. The establishment of this centre will result in no additional residents in the area and therefore poses no increase to the use of the City reserves.</p>	<p>For the same reasons as above, that is, the need to recognise other possible future non-residential activities, it is recommended that the development contribution for the reserve be levied in full as well.</p> <p>The play areas provided on site will not contribute to the publicly accessible reserve network.</p>
<p>Development Growth – The applicant stated that, in her opinion “the facility and its use do not fall within the purpose of the Development Contributions Policy as stated in 1.1.2. This facility will not introduce an increase in residential numbers and the existing council infrastructure will not be burdened by it.”</p>	<p>Officers consider the development clearly falls within the purpose of the Development Contributions Policy.</p> <p>Section 1.1.2 states that “development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets of increased capacity and as a consequence the Council incurs capital expenditure to provide appropriately for network infrastructure, community infrastructure and reserves.”</p> <p>The applicant’s submission implies that liability to pay a development contribution is premised on an increase in residential numbers and/or an additional burden on the existing council infrastructure.</p> <p>By their nature, non-residential developments do not directly impact residential numbers. Nevertheless, the policy provides specifically for development contributions to be paid to reflect non-residential developments’ net impact on the Council’s network infrastructure, community infrastructure and reserves. This is achieved by offsetting total infrastructure impacts against credits for any existing developments.</p>

	Based on the above assessments of the development's impact on storm-water, water supply, wastewater traffic and roading and reserves officers consider there is no case to remit any of the development contribution.
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## 6. Conclusion

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

If the sub-committee reaches a view that the circumstances are exceptional, it may agree to remit the application in full or in part.

It is recommended that the development contributions payable be as set out below:

<b>Development Contributions based on 2007/2009 policy</b>	<b>Original Fee (GST excl.)</b>	<b>Adjustment (GST excl.)</b>	<b>Revised Fee (GST excl.)</b>
Zone reserves	0	0	0
Zone roading	0	0	0
Zone stormwater	0	0	0
Zone waste water	1,635.31	0	1,635.31
Zone water supply	0	0	0
Citywide reserves	615.48	0	615.48
Citywide roading	990.84	0	990.84
Citywide storm water	271.87	0	271.87
Citywide waste water	369.84	0	369.84
Citywide water supply	440.23	0	440.23
Community infrastructure	0	0	0
<b>TOTAL</b>	<b>4,323.57</b>	<b>0</b>	<b>4,323.57</b>

Contact Officer: *Jeffrey Loo - Planning Manager: Customer Service Urban Development and Transport*

Attachments enclosed: - Consent Holder remission application and correspondence and plans.

## **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 implications for the Treaty of Waitangi.*

### **4) Decision-Making**

*This is not a significant decision.*

### **5) Consultation**

#### **a) General Consultation**

*This was undertaken 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**

*There are no legal implications for this report.*

### **7) Consistency with existing policy**

*These are no inconsistencies with other existing Council policies. The advice given in this report is consistent with Council's Development Contribution Policy 2007.*