

STAFF REPORT

TO: Mayor and Councillors
FROM: David Ward
DATE: 22 January 2007
SUBJECT: **Motueka Business Rate**

Introduction

This report is prepared to advise Council of the background to proposed changes to Motueka Business Rate that will be included in Council's draft 2007/2008 Annual Plan.

Background

At a Special meeting of Our Town Motueka Inc held on Thursday 25 January 2007, members resolved:

- 1 That the rating area for both the commercial (Area "A") and industrial (Area "B") be expanded to include a number of new businesses that have developed since the boundaries of these areas were reviewed several years ago.
- 2 That a rating differential be introduced to Area "B" (industrial) whereby property owners within that area will pay to a level of two-thirds of the rate applicable to Area "A". This is on the basis that the benefit received from proposed expenditure by Our Town Motueka for property owners in Area "B" is not as great as that of Area "A".
- 3 That the budget for Our Town Motueka be increased to \$45,000 plus GST. The current budget is \$35,000 plus GST. This amount will be levied from properties within Areas "A" and "B", with property values amended to acknowledge proposed rebates for the residential portion of commercial premises.

Rating Impact

For the 2006/2007 year, property owners in both Areas "A" and "B" pay a rate of 0.0528 cents in the dollar.

In acknowledging the three motions passed at the meeting of Our Town Motueka, the result of increased budget applied at a differential over an increased area will see the following Motueka business rates included in Council's draft 2007/2008 Annual Plan.

Area "A" – 0.0537 cents in the dollar
Area "B" – 0.0360 cents in the dollar

Consultation

It is the statutory role of Council to include all proposed rates for a financial year in its draft Funding Impact Statement for consultation with its community. It has been Council's policy in previous years that any consultation directly associated with business rates (Richmond and Motueka) will be the assumed responsibility of the two promotional organisations.

On Council's behalf I have conveyed to Our Town Motueka that we will again expect them to consult directly with their members on the three proposed changes that result in the two rates being included in Council's draft Funding Impact Statement.

Recommendation

That Council incorporates into its draft 2007/2008 Annual Plan, the following rates:

Motueka Business Rate

Council sets a targeted rate for the purpose of promotion of the Motueka business area. This rate is based on the capital value of each rating unit and will be set in relation to where the land is situated being the Motueka Business Rating Areas "A" and "B". The rate (in cents per dollar of capital value) for 2007/2008 is:

Area "A" – 0.0537 (2006/2007 0.0528)

Area "B" – 0.0360 (2006/2007 0.0528)

David Ward
Corporate Services Manager