

Report No:	RCN12-06-04
File No:	R103
Date:	8 June 2012
Decision Required	

REPORT SUMMARY

Report to: Mayor and Councillors
Meeting Date: 21 June 2012
Report Author: Dennis Bush-King, Environment and Planning Manager
Subject: **Richmond West Rezoning – Rating Implications**

EXECUTIVE SUMMARY

The Council has requested advice on reintroducing deferred urban zonings in the Richmond West Development Area following representations from land owners who have experienced, in some cases, significant increases in land values and hence rating liability. Staff can see no resource management reason to reintroduce the deferrals and in any event, can not think of an efficient means of doing so, especially one that does not have consequences for those owners supportive of the zoning change.

RECOMMENDATION

That the Tasman District Council receives report RCN12-06-04 and agrees not to reintroduce deferred zonings in the Richmond West Development Area.

**R
E
P
O
R
T

S
U
M
M
A
R
Y**

Report No:	RCN12-06-04
File No:	R103
Report Date:	8 June 2012
Decision Required	

Report to: Mayor and Councillors
Meeting Date: 21 June 2012
Report Author: Dennis Bush-King, Environment and Planning Manager
Subject: **Richmond West Rezoning – Rating Implications**

1. Purpose

- 1.1 The Council has requested a report on reintroducing deferred zonings in Richmond West in light of increased land values affecting property owners who wish to remain on their land.

2. Background

- 2.1 At the 24 May meeting the Council received report RCN12-05-10 which recommended consideration of a Rates Postponement Policy to provide relief to owners whose land value increased as a result of zoning land from rural zones to Mixed Business zone. Upon receipt of submissions on the LTP Council has been made aware that several land owners in Richmond West at Lower Queen Street/Headingly Lane are concerned that land values, and hence rating liability, have increased since deferrals were uplifted in February 2011. Whereas the land was previously zoned Rural, deferred Mixed Business or deferred Light Industrial, the provision of services as the reason for deferred urban zoning, has meant the land is available, so the deferrals were uplifted.
- 2.2 Some of the landowners requested early removal of the deferrals (when settling appeals), while others claim it was always their understanding there would be no change in rates while they continued to use their land for residential or rural purposes.
- 2.3 The Council decided not advance the Rates Postponement proposal and instead asked for staff advice on reintroducing the deferrals (Resolution CN12-05-27 refers).

3. Present Situation/Matters to be Considered

- 3.1 The rezoning of land in Richmond West through Change 10 has been a major project in recent years and will provide business, industrial and residential development opportunities for at least the next 50 years in Richmond and the wider urban area. An infrastructure roll-out programme has been developed to allow for the orderly development of this area and until such time as services were provided, the land has carried a deferral with the effective zoning remaining Rural.

- 3.2 The approximately 51 hectares of land on the eastern or seaward side of Lower Queen Street and Headingly Lane was the first stage of land to be fully serviced and therefore the deferrals have been uplifted (see map 1). There are no resource management reasons to reintroduce the deferrals – the current zoning of light industrial and mixed business is consistent with Council’s planning vision for the area. While current market conditions have not seen an uptake in the mixed business zoned area and change has slowed down in the light industrial zoned area, the Council has signalled its direction to the market.
- 3.3 It is not clear whether the land owners are asking for a reversion back to the previous rural zoning – they are simply seeking rates relief. Even if there was an inclination to reintroduce deferrals so that it was lifted on either a time basis or on the basis of some other criterion such as land sales, it would reduce the critical mass required to incentivise market aggregation of land parcels for mixed business development. It would also likely lead to ‘pepper potting’ uplifting which would be inefficient.
- 3.4 Reintroducing any deferral would require Council to go through the First Schedule RMA plan change process. This would seem to be unnecessary and a less efficient way to address the heart of this issue; it could potentially upset other land owners in the area whose views are not known to Council. It would also set an administratively difficult precedent given the amount of rezoning Council has been, and is, involved in. The affected land is appropriate for urban development. There is no sound resource management reason to now re-impose a deferral over any of it. Indeed, the resource management rationale of a critical area of land being available for market uptake is the robust reason for the present availability of land.

4. Summary

- 4.1 Rezoning land to higher value end-uses inevitably confers windfall gains to those owners at the point they are able to sell or otherwise take advantage of the new development opportunities. In the meantime, land values may increase in expectation of the enhanced development opportunities. There will be a consequential impact on rates. If this is the issue then Council is best advised to address that matter directly rather than look to manipulating its zoning decisions which stand (or fall) on their planning terms.

5. Recommendation

- 5.1 That the Tasman District Council receives report RCN12-06-04 and agrees not to reintroduce deferred zonings in Richmond West Development Area.**