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STAFF REPORT

TO: Development Contribution Levies Delegated Committee

FROM: Dugald Ley, Development Engineer

REFERENCE: RM050427

SUBJECT: **DEVELOPMENT CONTRIBUTION HUD CALCULATION (ROADING) MOTUEKA NEW WORLD, HIGH STREET, MOTUEKA – EP05/12/02 –** Report Prepared for the Meeting of 1 December 2005

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1. PURPOSE

To review the process on the calculation of the Household Unit of Demand (HUD) from the above development.

2. BACKGROUND

This development is for the extension of the existing supermarket of 2396 m^2 to 3261 m^2, i.e 965 m^2 or a 36% increase on the existing gross floor area of the building. The actual additional floor area for retail display is approximately 309 m^2.

Council advised the applicant, that a development contribution of three roading HUDs would be required for the supermarket extension, i.e $7,620 and the applicant has subsequently objected to the full amount above and it is assumed that they wish to not pay any amount as none has been offered.

3. DISCUSSION

The above site and total building area required a total of 158 car parks to be formed, however the applicants could only provide 149 car parks which was approved by the Consent Planner under delegated authority. There has been no payment requested by Council for not providing these car parks as could have been under Section 16.2.3(c) of the TRMP.

Prior to Council's assessment of the HUD amount, officers requested background information from the applicant on increased customers versus increased floor area. Foodstuffs letter of 1 July 2005 acknowledged that of ten existing supermarkets in the Christchurch area, the customer visits per week amounted to an average of 6.45 customers per square metre of floor space.

Foodstuffs also advised that in their table 2 (now represented as a graph below) that for increased floor area there was an increase in customers. Their figures can be placed on a graph.
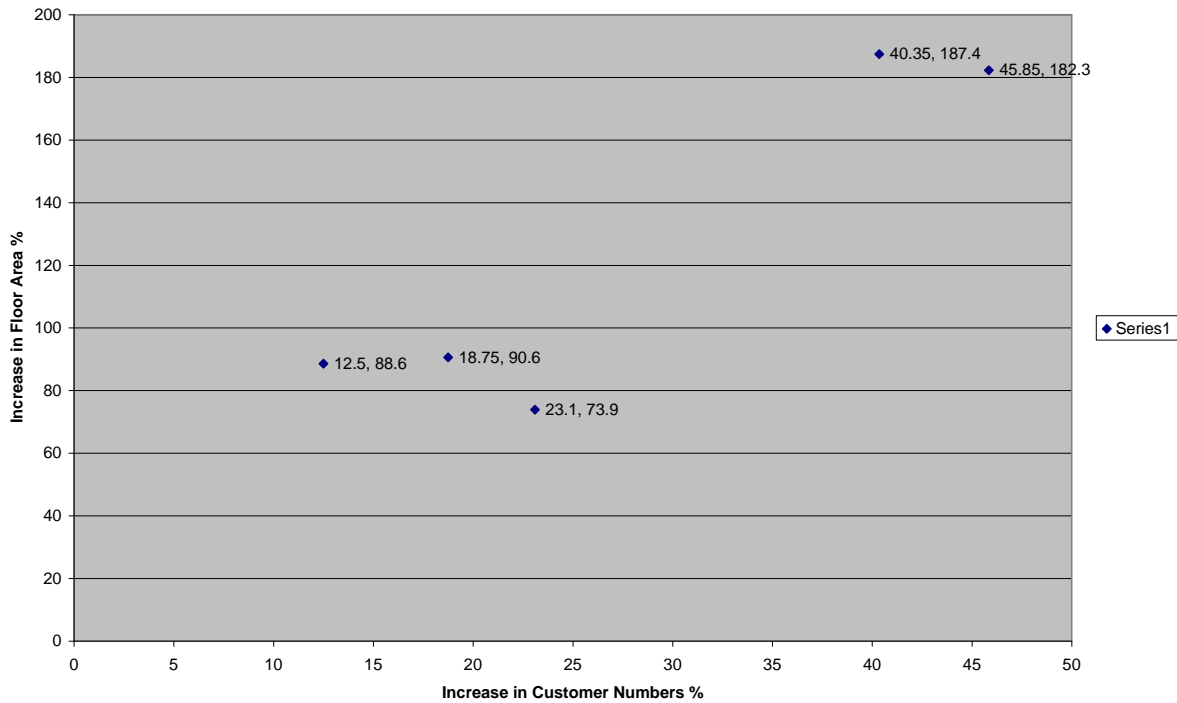
The line of best fit can be drawn as shown, and from this graph the applicants increase in floor area can be plotted, i.e 36% increase in floor space approximates to a 10% increase in customer numbers.

Assuming a seven day a week operation and equating the traffic movements back to a typical residential dwelling of ten vehicles per day, we have the following calculations:

6.45	x 865 m^2	÷7	÷ 10	x 10%	= 8 HUD amounts
Customers/m^2/wk)	building extn	days/wk	equivalent to 1 HUD	Increase in customers	

Officers view of this amount was that it may not be accepted by the applicant (even though the applicant had not provided the full compliment of on site car parks) and the site had recently provided an additional access point out to Woodlands Avenue, plus the additional walkway links adjacent to the supermarket, to be formed up. In this respect a final option was to only use the area for retail/display space in working out the HUD calculation, ie

6.45 x 309 ÷ 7 ÷ 10 x 10% = 2.85 HUDs therefore 3 HUDs (for roading requested).

4.   SUMMARY

It is the view of officers that the increase in floor area of the supermarket will result in an increase in traffic movements and customers (which was agreed by the applicants) and this is the result of growth in the region.

It is my opinion that the requested development contribution of three roading HUDs is fair and reasonable and should be reconfirmed by the delegated committee.

Dugald Ley
Development Engineer