

Report No:	REP12-04-03
File No:	BC111273, RM110889
Date:	16 April 2012
<b>Decision Required</b>	

## REPORT SUMMARY

**Report to:** Development Contributions Subcommittee  
**Meeting Date:** Monday, 30 April 2012  
**Report Author:** Dugald Ley, Development Engineer

**Subject:** COLORADO INVESTMENTS

### EXECUTIVE SUMMARY

This report reviews the Development Contribution in respect of the conversion of the property for a two-storey commercial complex at 203 Queen Street, Richmond - Value \$1.2 million

### RECOMMENDATION/S

That the report REP12-04-03 is received

### DRAFT RESOLUTIONS

1. **THAT the Development Contribution Hearings Committee receives report REP12-04-03 and;**
2. **THAT the Development Contribution Hearings Committee agrees to the revised Development Contribution charges outlined in Report REP12-04-03, Commercial Complex, 203 Queen Street.**

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**Subject:** **COLORADO INVESTMENTS**

## 1. PURPOSE

- 1.1 The purpose of this report is to review the Development Contribution attributed to the conversion of the above property for a two-storey commercial complex at 203 Queen Street, Richmond - Value \$1.2 million

## 2. Background

- 2.1 Both 201 and 203 Queen Street have been used for car sales purposes since about 1994. Prior to that, residential dwellings were located on the two properties. The present application is to redevelop 203 Queen Street into a two-storey office/retail building with two residential units located on the upper storey. The rear of the site will be redeveloped for a further commercial/retail use and Council has recently received a subdivision application.

- 2.2. Council has invoiced the applicant for the following Development Contributions:

Service	HUDs	Contribution
Roading	4	\$20,788
Wastewater	2	\$11,392
Stormwater	1	\$3,013
Water	1	\$7,145
<b>Total</b>		<b>\$42,338</b>

- 2.3 The applicant's adviser has objected to the Roothing, Wastewater and Water HUDs (see attached letter). Their revision of the HUD amount is calculated as follows:

Service	HUDs	Contribution
Roothing	?	?
Wastewater	Rounding policy for discussion	
Stormwater	0	0

### 3. DISCUSSION

#### 3.1 Rooding

Rooding has been assessed and based on Table 16.2c of the TRMP, i.e office space accrues one car park per 35 m<sup>2</sup> of gross floor area and two car parks per residential dwelling.

3.2 The new complex includes 564 m<sup>2</sup> on the ground floor for office purposes and equates to  $564 \div 35 = 16.1$  car parks = 16 car parks.

3.3 Two residential apartments equate to 2 x 2 car parks = 4 car parks.

3.4 Total car parks required = 20.

3.5 The previous car sales used the existing refurbished residential dwelling for commercial use, again using Table 16.2c of the TRMP that building of 240 m<sup>2</sup> required  $240 \div 35 = 6.8 = 7$  car parks to be provided.

3.6 The new complex (20 car parks) less the existing use (seven car parks) results in a 13 car park increase in use due to the site development.

3.7 As per the Development Contributions policy  $13 \text{ car parks} \div 3 = 4.33$  HUDs, rounded down to 4 HUDs for rooding.

3.8 It is understood that the ground floor of the complex will be occupied by a cycle retailer and a real estate agent along with the two residential apartments on the top floor.

3.9 Traffic movement will increase as a result of this development and it is therefore fair that the applicant pays their share of this growth increase.

3.10 It is noted that the applicant has chosen to form only 12 car parks (note they could form more but chose to redevelop the rear of the site with further commercial development) and therefore as per clause 16.2.3(d) of the TRMP they are required to pay via this cash in lieu policy at \$14,370 for each car park that will not be formed on site. The cash in lieu policy reflects that when required car parks cannot be provided on site then it is left to Council to provide them and those funds are put forward to future Council-owned car park development.

3.11 In summary I reconfirm the requirement to pay the 4 (rounding) HUDs as a result of the increased traffic which will be generated by this application.

#### 3.12 Wastewater

The objection to this Development Contribution relates to Council's "rounding" policy, i.e .5 of a HUD gets raised to the nearest whole number. A number of objections have been raised previously on this matter and have been sympathetically considered. The result has been a review of Council's rounding policy with an amended proposal in the Current Draft Long Term Plan.

- 3.13 The proposal now before Council via the Draft Long Term (Page 99, Volume 2) under 2.3 has a suggested clause “In calculating the equivalent HUD, the Council allows for fractions of HUDs, for example 7 carparks = 2.33 HUD x \$1138 = \$2651.54”. This will depend on the outcome of submissions but I am confident that this clause will not be challenged.
- 3.14 In terms of retaining fractions of credits for future developments and even transferring those credits to another site, this would be fraught with danger, the main issue is how to keep track of credits over lengthy timeframes and turnover of Council staff that are aware of the procedure. It is my recommendation that fractions of HUDs should be allowed as per the Draft Long Term Plan.
- 3.15 In this case the wastewater HUD would be  $1.5 \times \$5696 = \$8544$  which results in a reduction of \$2848.
- 3.16 Stormwater  
As mentioned, prior to 1994 the site included a residential dwelling which was internally converted for commercial-retail activity. The site (1100 m<sup>2</sup>) would have included a house and the balance of the property, ie 860 m<sup>2</sup> would have been in grass or permeable surface that would allow stormwater to discharge to ground rather than direct to Council’s infrastructure.
- 3.17 As the property was developed these grassed areas have been permanently sealed without any need for a building consent. Council is left with no control over the increased stormwater runoff from the site other than upgrading downstream systems at ratepayer’s cost.
- 3.18 Council has an item in the Draft Long Term Plan for Queen Street stormwater upgrade of \$2.86 million over the next ten years. It is appropriate therefore that as part of this building consent the applicant needs to contribute their share to upgrade the downstream systems.
- 3.19 Council’s stormwater HUDs policy is to calculate 1 HUD per 300 m<sup>2</sup> of impermeable surface. The total site of 1100 m<sup>2</sup> less 240 m<sup>2</sup> (house) leaves 860 m<sup>2</sup> of impermeable surface. This equates to 3 HUDs ( $860 \div 300 = 2.9$ ).
- 3.20 It is accepted that the area has been sealed for some time and this is reflected in a reduced HUD amount request of 1 HUD. It is my opinion that the application is required to contribute 1 HUD for stormwater to reflect the time that the area has been sealed and that the previous developer should have paid their share when the site was sealed.
- 3.21 This is the only opportunity Council has the power to collect a contribution and it is deemed fair and reasonable.
- 3.22 I recommend that 1 HUD for stormwater be reconfirmed.

**4. RECOMMENDATION**

4.1 That the report REP12-04-03 is received.

**5. DRAFT RESOLUTIONS**

1. **THAT the Development Contribution Hearings Committee receives report REP12-04-03 and;**
2. **THAT the Development Contribution Hearings Committee agrees to the revised Development Contribution charges outlined in Report REP12-04-03, Commercial Complex, 203 Queen Street.**



Dugald Ley  
**Development Engineer**