

Report No:	REP12-04-04
File No:	BC110850, RM100635
Date:	16 April 2012
Decision Required	

REPORT SUMMARY

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

Subject: **FRIENDS OF MOTUEKA HOSPITAL**

EXECUTIVE SUMMARY

This report reviews the process for the calculation of Household Units of Demand (HUDs) in terms of Development Contributions for the proposed extension of Motueka Hospital Trust, 15 Courtney Street, Motueka - Stage 2 - 28-Bed Facility - Value \$1.3 Million.

RECOMMENDATION

That Report REP12-04-04 is received.

DRAFT RESOLUTIONS

- 1. THAT the Development Contribution Hearings Committee receives Report REP12-04-04, Motueka Hospital Trust - Stage 2 and;**
- 2. THAT the Development Contribution Hearings Committee agrees to the revised Development Contribution charges outlined in Report REP12-04-04, Motueka Hospital Trust - Stage 2 to a total of \$94,997.**

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Subject: **FRIENDS OF MOTUEKA HOSPITAL**

1. PURPOSE

- 1.1 The purpose of this report is to review the process for the calculation of the Household Units of Demand (HUDs) in terms of the Development Contributions associated with the Motueka Hospital Trust, Stage 2.
- 1.2 The Development Contribution charges are summarised below:

Service	HUDs	Contribution
Stormwater	4	\$12,052
Water	5	\$35,725
Wastewater	15	\$85,440
Roading	5	\$25,985
Total		159,202

2. BACKGROUND

- 2.1 On 15 September 2011 resource consent was granted for a 28-room hospital extension being Stage 2 of the complex. Advice Note 4 of that consent mentions that Development Contributions will be payable prior to the issue of a Code Compliance certificate for the complex.
- 2.2 On review of the Stage 1 application (BC080258) it is apparent that at that time an objection was submitted to Council and Council's letter of 26 June 2008 (attached) sets out that a special assessment under Clause 5.3 of the Development Contributions policy is appropriate.
- 2.3 In summary the total Development Contributions for Stage 1 were reduced by \$73,051.
- 2.4 The total Development Contributions for Stage 1 were subsequently paid on 17 June 2009, i.e \$124,957.

3. STAGE 2 - REVIEW

- 3.1 To be consistent with Stage 1, I have reviewed the previous recommendation.
- 3.2 A fax addressed to Jack Inglis (appendix 1) from John McDougall (the applicant's professional adviser) was copied to Tasman District Council and sets out their assessment of Development Contributions. In summary this is:

Service	HUDs	Contribution
Stormwater	1	\$3,013
Water	5	\$35,725
Wastewater	4.6	\$26,201
Roading	4.6	\$23,906
Total		\$88,845

- 3.3 On receipt of the above information, Council staff assessed the application and revised the HUD amounts as per the table on the previous page. An invoice was posted on 18 October 2011.
- 3.4 Jack Inglis as Chairman of the "Friends of Motueka Hospital Trust" objected to the HUD assessment as noted in his letter of 21 November 2011 (appendix 2).
- 3.5 It is noted that the objection relates to the stormwater, water and wastewater charges only.

4. ASSESSMENT

- 4.1 This report discusses each of the services and reflects the decision made by Council and outlined to the Executive Officer of the Friends of Motueka Hospital Trust on 26 June 2008.
- 4.2 Water Supply
The hospital is presently connected to Council's infrastructure in Courtney Street via a 100 mm diameter pipe and this pipe was in place prior to the development of Stage 1 and that stage did not incur a Development Contribution for water.
- 4.3 A misinterpretation by the developer's adviser has been compounded by Council staff who assessed that the application required a water development contribution.
- 4.4 It is clear to me that as per the Stage 1 consent NO alteration has been made or requested to upgrade the water service from Council's supply then NO contribution can be requested for Stage 2.
- 4.5 It is recommended that the water HUD of five units (\$35,725) be waived as there has been no change to the water supply pipe size that is connected to Council's supply.

5. WASTEWATER

- 5.1 The number of new pans for the 28-bed facility has been assessed at 30 pans and as per the Development Contributions policy, $30/2 = 15$ HUDs. As per the Stage 1 assessment and Council's special assessment, it is recommended that the Wastewater HUD could be revised to $30/3 = 10$ to be consistent with the Stage 1 assessment.
- 5.2 To reflect that there are additional pans "for dignity and privacy" for the aged and which are more that would be provided under the Building Act, then a reduction to 10 HUDs is recommended.

6. STORMWATER

- 6.1 Council was not persuaded to reduce the Stormwater HUD in Stage 1 and it is recommended that the amount set out in the invoice for stage 2 should stand.
- 6.2 In terms of stormwater disposal in Motueka, the township sits above Motueka river gravels that have high ground water levels in rainfall events and the terrain is flat and is historically sub-standard in terms of drainage flows.
- 6.3 The applicant proposes the use of soak pits to discharge stormwater from their roof and paved areas (previously grass areas). The soak pits function well in short storm events, however in heavier and long term storm events, Council stormwater systems or overland flow paths have been known to fail. Council's Draft Long Term Plan shows a number of proposed stormwater improvements in Motueka. These include reticulation upgrades and tidal gates to cope with increased flows in heavier and long storm events.
- 6.4 As noted above, and to be consistent with Stage 1 it is recommended that the proposed HUD amount is confirmed.

7. ROADING

- 7.1 The applicant has not objected to the Roding HUDs. The charges reflect the extra traffic generated by this Stage 2 development. For Stage 1 the Council confirmed the Roding HUD amount.
- 7.2 It is noted that the applicant's adviser assessed the Roding HUD at 4.6 and as per the current policy this would equate to five HUDs which was the amount invoiced to the applicant.

8. SUMMARY

- 8.1 The efforts of the Friends of Motueka Hospital Trust to provide this community hospital are acknowledged. However, Council needs to recognise the demands that this development places on Council's infrastructure.
- 8.2 It is recommended that the Committee reassess the following HUD amounts for Stage 2 of this project:

Stormwater - 4 HUDs reconfirmed as per the invoice	\$12,052
Water - 5 HUDs waived as no increase in pipe size	\$0
<u>Credit \$35,725</u>	
Wastewater - 15 HUDs reduced to 10 HUDs to be consistent with Stage 1 - <u>Credit \$28,480</u>	\$56,960
Roading - Reconfirmed	<u>\$25,985</u>
Total to pay	<u>\$94,997</u>
Total reduction in Development Contributions for all services	\$64,205

RECOMMENDATION

That the report REP12-04-04 is received.

DRAFT RESOLUTIONS

1. **THAT the Development Contribution Hearings Committee receives Report REP12-04-04, Motueka Hospital Trust - Stage 2 and;**
2. **THAT the Development Contribution Hearings Committee agrees to the revised Development Contribution charges outlined in Report REP12-04-04, Motueka Hospital Trust - Stage 2 to a total of \$94,997.**



Dugald Ley
Development Engineer

Appendices:

Appendix 1: McDougall Architecture Ltd - Development Contribution Calculation

Appendix 2 Objection to Development Contribution

MCDUGALL ARCHITECTURE LTD

John McDougall — Registered Architect — B.Arch. — N.Z.I.A.

3 October 2011

Jack Inglis Friendship Hospital. — New Wing. — BC110850

Development Contribution Calculation.

Assessment by Household Unit of Demand

This project requires a 'translation' into the terms of the HUD and the following comments are made in that regard in relationship to each of the elements assessed. i.e. water, wastewater, stormwater and roading.

Water. The existing supply to the site is of adequate size for the additional rooms proposed (reference Cameron Gibson Wells services report for the Resource Consent.)
The domestic supply to this wing is proposed as a 50m Φ (41 to 50mm Φ = 5 HUD)

Wastewater. A standard household unit, a three bedroom house (2 pans = 1 HUD) is designed around a family unit of 2 adults and 4 children (probable maximum) or a three generational grouping of 3 adults and 3 children. Various combinations are applicable but with 1 HUD 6 persons maximum seems appropriate.
The new wing houses 28 people as client residents and 6 staff. The staff facilities already exist in the adjacent connected building and the so called public WC1 and WC2 are for the 'convenience' use of visitors, staff and elderly residents 'caught short' at a distance from their own facilities. This does not create additional demand on the system. The provision of individual facilities for each bedroom is to provide a sense of independence and dignity for each client and it does not generate a greater volume of usage than 6 people in a single family HUD.
This facility is seen primarily as one for use by members of the existing community i.e. aging family members who require a greater level of care or individuals who can no longer cope on their own. In relationship to the existing community infrastructure system much of the usage is transferred rather than new. Therefore $28 + 6 = 4.6$ HUD.

Stormwater. The existing roadway and car parks are at present served by a channel and sump SW system. This area is not increased. The area of the proposed new wing is approximately $1227M^2 + 300 = 4.09$ HUD. However the proposed SW disposal is by way of soakage pits with only overflow links to the existing SW system. Any load on the present system is minimal.
The soakage pits are to TDC requirements and ground percolation has been assessed by Cameron Gibson and Wells services report for the Resource Consent. Therefore assessed as 1 HUD (not 4)

Roading Parks required 14. Parks provided 20. However the additional 6 are replacements for car parks deleted for construction purposes in the region of the junction to the existing building. $14 + 3 = 4.6$ HUD.

Korepe Rd ~ Ruby Bay ~ RD1 ~ Upper Moutere ~ Tasman District ~ New Zealand.
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Cost Calculation.		\$
Water	HUD 5 x \$7145	35,725.00
Wastewater	HUD 4.6 x \$5696	26,201.60
Stormwater	HUD 1 x \$3013.	3,013.00
Roading	HUD 4.6 x \$5197	23,906.20
	TOTAL	\$88,845.80

Friends of Motueka Hospital Trust

C/- J. L. Inglis
 Riwaka R,D,3
 Motueka
 Ph/fax: 03 5288949
 Email: jack.inglis@xtra.co.nz

November 21, 2011

Mr Dennis Bush-King
 Acting Chief Executive Officer
 Tasman District Council
 Richmond

Dear Dennis:

Re: Development Contributions – Non-Residential Building Activity

We have recently received consent to build the extension to the Motueka Hospital. Attached to this consent is a development contribution levy totalling \$163,997. We believe that this levy is both exorbitant and leaves the Motueka Hospital in a potentially difficult position financially and therefore makes for a very undesirable stance in terms of public relations.

Background: With the growing and aging population of the greater Motueka District there is a real need for a facility that can better service the community's medical needs. Our goal is to make the hospital the hub of health for the Motueka district. To ensure the new hospital is a sustainable viable operation we want to extend the facility to include additional beds. We currently have a waiting list and this is likely to grow.

Of real concern is the size of this levy and the impact on the Motueka region. More specifically if this levy is inflicted upon the Friends of Motueka Hospital Trust **those who can least afford health care in their last years will be most affected.**

The makeup of the levy and Motueka Hospital Commentary:

- ❖ Stormwater \$12,052: The Hospital has soak pits in place making this unnecessary
- ❖ Water \$35,725: The Hospital has two bores with four pumps in place making this unnecessary, although currently we are using TDC supplied water this is likely to be temporary.
- ❖ Sewerage \$85,440: Legally the hospital only has to provide for three toilets plus a urinal in the extension and in the whole hospital we only need nine toilets. We believe that at the end of people's lives everyone is equal, money or not, they should have their own dignity and privacy.
- ❖ The balance is made up of a discount (\$7960.10), Miscellaneous Charges (\$506), processing fee (\$255) and GST (\$21286.58)

We believe that this levy is exorbitant due to the value of the hospital to the wider community; we have already spent \$125,000 on development levies when we built

the original hospital. If this had been the central government building a hospital, it is highly likely that the development contribution levy would be waved. However in this case where a group of concerned citizens, unpaid, get off their collective back-sides to develop a facility for the community good they get hit with a levy. The double standards are remarkable.

As a Chief Executive Officer you will need no reminding of the requirements of the 2002 Local Government Act where there is a social component to the act.

If we are forced to pay these charges our only solution will be to add additional fees onto the patients and their families. Any such additional fees are philosophically abhorrent and will require a full public relations campaign explaining why we have had to add charges to the room rates.

The rationale for the public relations campaign should be obvious as we are already asking an area struggling financially to contribute to extensions to the hospital. The extension is to alleviate the waiting lists and ensure financial viability, whilst the regional government appears focussed creating a wider gap between those who can and cannot afford healthcare in their golden years.

It is suggested that this issue be taken to a full council meeting where a policy for community facilities is developed as the next facility to face this issue is likely to be the Golden Bay Community Hospital.

We are actively seeking a solution that will benefit all stakeholders concerned: The greater Motueka region, the environment, the Friends of Motueka Hospital Trust, and the TDC through positive community relations.

We hope that you look upon this request favourably and I look forward to a positive outcome. If you have any further questions please do not hesitate to contact me.

Sincerely,

Jack L. Inglis
Chairman