

RMA/2012/38 – Special Assessment for Development Contributions – Pauanui Campground

TO	Judicial Committee
FROM	Vanessa Cooling - Financial Policy Analyst
DATE	23 July 2014
SUBJECT	RMA/2012/38 – Special Assessment for development contributions – Pauanui Campground, 879 Hikuai Settlement Road, Pauanui

1 Purpose of Report

To determine the development contributions required in relation to a development at 879 Hikuai Settlement Road, Pauanui using a special assessment.

2 Background

The Development Contributions Policy allows the Council to carry out special assessments on developments that have special features that are not considered to be well represented through the assessment procedures set out in the policy. The policy further specifically *requires* contributions for campgrounds to be determined using a special assessment. On 28 February 2013 the Judicial Committee approved a template for the assessment of campgrounds, which has been used as the basis for this assessment.

The purpose of the special assessment template is both to ensure that the contributions charged reflect as accurately as possible the impact the development has on the Council's infrastructure and that campgrounds are treated consistently.

On 8 August 2012, consent was granted to Inspired Property Limited (RMA2012/38 – **Attachment A**) to establish a campground at 879 Hikuai Settlement Road, involving the creation of:

- 192 camping sites (excluding cabins)
- 13 cabin sites ranging from 40-56m² in floor area. Each cabin is self-contained and includes one bedroom separate to the main living area.
- Communal kitchen and ablution facilities
- Manager unit/camp shop

In addition, the site has one existing dwelling, the caretaker's residence, for which a development contributions credit applies.

The consent was subsequently appealed by the applicant and some conditions of the consent have since been amended but these do not affect the contributions assessed.

The site will be connected to the Council's water supply but the applicant retains the option to connect to the Council's wastewater network or to provide their own facility for reasons set out in the resource consent decision, recognising the costs involved to the developer.

A draft special assessment was completed in early 2013, however this was placed on hold as staff and applicant explored options for water and wastewater that might be less costly to the applicant. An option to install a greywater system was investigated, as this could reduce volumes to Council's wastewater system, however the applicant ultimately decided not to proceed with this option.

3 Issue

A paper has been prepared seeking the Council's approval of the campground template and its inclusion in the Development Contributions Policy. Until approval is obtained, or in cases where there are special circumstances, assessments will continue to be presented to the Committee for determination. In this case, some adjustments to the template are proposed relating to water and wastewater contributions on the basis of information supplied by the applicant.

4 Discussion

Development contributions are calculated in units of demand, one unit of demand being equivalent to a private dwelling. The template compares the impact on infrastructure of the residential components of campgrounds with those of private dwellings to determine contributions payable. A camp shop is assessed as a commercial activity based on the gross business area as per the Policy. There is no separate assessment for communal kitchen and ablution facilities; these are considered to be included in the contributions payable for each camp site.

Standard adjustments in the template

The following table summarises the adjustments incorporated into the template per unit of demand, which are explained below:

Table 1: Adjustments to unit of demand in draft campground special assessment template

	All services except water and wastewater	Water/wastewater
Self-contained cabin	39%	73%
Cabin with no water/wastewater	39%	47.45% (73% x 65%)
Tent/caravan site	17%	47.45% (73% x 65%)

For all services except water and wastewater, a general adjustment is provided to reflect the lower occupancy of campsites for most of the year compared with private dwellings (assumed to be occupied or potentially occupied all year). The occupancy adjustment for tent/caravan sites is 17% and for self-contained cabins 39%.

There is an adjustment on all sites for water and wastewater of 73%. This is based on the anticipated number of guests per campsite, which is estimated to be lower than private dwellings *over the peak period*. This is based on the following information:

1. A three year average of holiday park occupants numbers obtained from Statistics New Zealand (based on self-reports from holiday parks) for January (2.7 people).
2. The Campground Regulations which, for the purposes of calculating ablution facilities for guests, specify that "no site shall be deemed to accommodate less than 3.5 people".
3. A survey of 10-20 campgrounds in the District in summer 2009/10, which showed that on peak nights campsites were likely to accommodate between 3.5-6 people, while private dwellings were likely to accommodate about 5.5 people.

Cabins and tent sites that do not have a separate supply but rely on shared ablution facilities have an additional adjustment of 65% applied, recognising that guests are likely to use lower volumes in these cases. This is based on Standards NZ design guidelines which

recommend water engineers design for a volume of 130 litres per person per day (l/p/d) for campgrounds on reticulated water, and for a volume of 200 l/p/d for a household with standard fixtures.

Therefore the total adjustment on water and wastewater for these sites comes to 47.45%.

No adjustment was made to water and wastewater based on usage for self-contained cabins as these are considered to be similar to motel units which use very similar volumes per person to private dwellings. No adjustment for any service is provided for staff residences either; these are assessed as for any other dwelling.

Proposed amendments to water and wastewater adjustments

The purpose of the template is to provide a standard approach to assessing campgrounds and, once finalised, is not intended to require additional tailoring to suit individual situations except in unusual circumstances. This reflects the general averaging approach of the policy, which is to assess all commercial activities (excluding residential components) by gross floor area, regardless of the type of business involved, and to assess all private dwellings as one unit of demand, regardless of the number of occupants, or the portion of the year a given dwelling is occupied.

In the case of the proposed campground at 879 Hikuai Settlement Road, however, the applicant has submitted a report produced by Ormiston Associates Ltd relating to water and wastewater that may warrant further amendments to contributions charged on these services.

The report provides actual water usage data from two campgrounds – Orere Point (collected summer 2008/09) and Goat Island (collected summer 2004/05). The Orere Point data, on which the report's recommendations were based, were derived from metered water consumption between 18 December 2008 and 12 January 2009 (copy attached – **Attachment B**). The Orere Point campground contained six cabins and around 90 campsites. In summary, the relevant findings of this report are:

- Water use volumes ranged from 44 l/p/d to 204 l/p/d at Orere Point over the period.
- Average water consumption was 94 l/p/d at Orere Point.
- Water volumes per person for both campgrounds tended to reduce at peak times when the campground was full and increase when there were fewer campers in occupation. The effect of this is that, while water usage is highest for the entire campground on the peak day, it is not as high as it would have been if water usage per person remained constant.
- Ormiston Associates recommend that water and wastewater systems allow for a volume of 90 l/p/d for tent/caravan sites and 130 l/p/d for cabins. This is based on the data above and the installation of water-saving devices.
- There is no information to show what portion of the decrease in volumes at Orere Point was attributable to water-saving devices and what portion represents changes in guests' behaviour at very busy times.

The 65% adjustment in the template for water and wastewater (tent/caravan sites and cabins without services) is based on Standards NZ design guidelines, which suggest volumes of 130 l/p/d for campgrounds and 200 l/p/d for households with standard fixtures. If Ormiston Associates' recommendations are applied, these adjustments would be 45% on a tent/caravan site and 65% on a self-contained cabin, as shown below.

Table 2: Adjustments to unit of demand for water/wastewater based on data provided by Ormiston Associates

	Volume per person - campground	Volume per person - private dwelling	Adjustment
Self-contained cabins	130 l/p/d	200 l/p/d	65%
Tent/caravan sites and cabins with no water/wastewater	90 l/p/d	200 l/p/d	45%

If the template adjustments are replaced with these, the total adjustments for Pauanui campground would be as follows:

	All services except water and wastewater	Water/wastewater
Self-contained cabin	39%	47.45% (73% x 65%)
Cabin with no water/wastewater	39%	32.85% (73% x 45%)
Tent/caravan site	17%	32.85% (73% x 45%)

Ormiston Associates have advised staff in correspondence that the Orere Point campground had water-saving devices in place. The conditions of consent for Pauanui Campground require water-saving devices also, including:

- Water tank storage for all buildings (to be either via a communal storage or individual storage systems);
- Dual low flush toilets;
- Coin operated showers and washing machines (except for manager's dwelling);
- No baths for use of campers;
- Low flow faucets and/or push button faucets (except for manager's dwelling);
- No garbage grinders in camp buildings (excluding manager's dwelling);
- Motion sensor operated urinal flush systems;
- Boat wash recycling system.

Staff accept that the Pauanui campground will use lower volumes because of the use of water saving devices, although to date no reduction of development contributions has been provided for private dwellings, as dwellings are charged one unit of demand uniformly based on the Council's averaging approach.

Staff also accept that the campground occupants are likely to use reduced volumes at peak times. Again, this may also occur in private dwellings, particularly on the Eastern Seaboard where the population can increase substantially at peak times. Water meter data is only available in six month periods, and therefore cannot be used to confirm this. However, water *supply* data over a six year period shows an approximate increase in water supply over the peak week of 168% compared with an increase in population District-wide of 237%.

These figures are based on water supplied from seven plants to each of their catchments on a daily basis over the period 1 January 2007 to 28 February 2013. Average volume of water supplied per property was 694 litres per day, while the average volume in the week 1-7 January was 1,165 litres per property per day, an increase of 168%. However, these figures include commercial properties as well as water lost through leakage, which can be quite significant, and therefore these data are only indicative of water supplied to dwellings.

The information obtained in the Council's 2009-10 Peak Population study indicates that average household size in the District increases from around 2.3 people to around 5.45 at peak time – an increase of 237%.

This suggests that there may be a similar effect in private dwellings as in campgrounds, that occupants use lower volumes of water each as density in dwellings increases. If these figures were used to estimate water usage in private dwellings, it would mean that at peak times each occupant is using only 75% of the water they would normally use.

However, the District water supply figures above are indicative only – as mentioned, the volumes include all property types, not just residential, as well as water lost in leakage. Higher quantities may be lost through leaks in summer as dry conditions cause increased damage to pipes and joints because of soil contraction. Further, some sections of the commercial sector may be quieter over peak period and this may reflect in water supply figures.

In the absence of definitive data, staff propose the following options for consideration (minus wastewater charges in each case if the applicant decides not to proceed with connection to this service):

1. Approve development contributions of \$1,183,321.83 plus contributions for the campshop based on its gross business area as per the policy, plus GST as per the draft assessment based on the applicant's data (**Attachment C**). Please note the contributions for the campshop are estimated at this stage as the area of the building is not yet available. Contributions will be assessed when the building plans are provided to the Council, as previously agreed with the applicant.

To provide a clearer sense of how this sum compares with dwellings, the contributions assessed on the cabins and tent sites can be converted to units of demand by dividing the total amount for each by \$18,456 (the contribution payable for one unit of demand in Pauanui in 2012/13. This is summarised as follows, including a breakdown of the water/wastewater components and all other services:

Table 3: Equivalent units of demand for residential components

Accommodation type	Contributions payable	Equivalent units of demand following adjustments
13 self-contained cabins		
Water, wastewater	\$91,731.76	6.17 units of demand
All other services	\$18,176.24	5.07 units of demand
Total cabins	\$109,908.00	5.95 units of demand
192 tent/caravan sites		
Water, wastewater	\$937,943.72	63.07 units of demand
All other services	\$117,014.39	32.64 units of demand
Total tent/caravan	\$1,054,958.11	57.16 units of demand
Total cabins and tent sites	\$1,164,866.11	63.11 units of demand

2. Approve development contributions of \$1,649,579.72 plus contributions for the campshop plus GST as per the standard template with no additional adjustments for water or wastewater (**Attachment D**). Under this assessment, the contributions for 13 cabins totalling \$159,302 equate to 8.63 units of demand, and the 192 tent/caravan sites totalling \$1,471,821.98 to 79.75 units of demand. The combined total equates to 88.38 units of demand.
3. Approve the development contributions as per Option 1, but advise the applicant that the Council may consider entering into an agreement with the Council to reassess these based on actual water use data over the peak period once the campground is fully operational (based on the contribution charges applicable at the date of granting of consent). Once actual data is obtained, the charges will be adjusted upwards or downwards as appropriate. Such an agreement could also include a payment plan arrangement to assist the applicant.

5 Suggested Resolution(s)

That the Judicial Committee:

1. Receives the report.
2. Determines that development contributions payable on RMA/2012/38 are \$1,183,321.82 plus contributions on the campshop based on gross floor area once confirmed, plus GST, and recommends that the applicant seek to enter into an agreement with the Council to reassess water and wastewater charges based on actual water use data over peak period once the campground is fully operational, and for a payment plan to facilitate payment options.

Attachments

Attachment A Consent RMA/2012/38

Attachment B Orere Point Campground data and recommended water/wastewater volumes from Ormiston Associates report

Attachment C Spreadsheet of development contributions assessment for Pauanui Campground based on applicant data

Attachment D Spreadsheet of development contributions assessment for Pauanui Campground based on standard template

Attachment A
Attachment A - RMA 2012 0038 Decision

Attachment B

[Attachment B - Excerpt from wastewater engineers report for Pauanui Ca...](#)

[Attachment D - Draft Special assessment for Pauanui Campground based o...](#)