

# RMA/2014/116 – Special Assessment for Development Contributions – 174 Vista Paku, Pauanui

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TO Judicial Committee  
FROM Vanessa Cooling – Financial Policy Analyst  
DATE 15 September 2014  
SUBJECT **RMA/2014/116 – Special Assessment for Development  
Contributions – 174 Vista Paku, Pauanui**

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## 1 Purpose of Report

To determine the development contributions required on a commercial accommodation development at 174 Vista Paku, Pauanui using a special assessment.

## 2 Background

### The Proposal

Combined land use/subdivision consent RMA/2014/116 (**Attachment A**) has been granted to convert some existing travellers accommodation units at 174 Vista Paku to new configurations, to create 16 unit titles around the units and existing manager residence, and to add eight campervan sites. The lot currently contains:

- 1 x manager residence
- 3 x travellers accommodation units of two or more bedrooms
- 15 x one bedroom units
- Swimming pool
- Utility building
- Tennis court

The proposal is to combine some existing units to create fewer, larger units and to add some campervan sites. This would result in the following:

- 1 x manager residence )
- 5 x travellers accommodation units of ) each with its
- two or more bedrooms ) own unit title
- 10 x one bedroom units )
- and
- 8 x campervan sites )
- Swimming pool ) on auxiliary
- Upgraded ablution block (from the ) titles
- existing utility building )
- Tennis court )

### Assessment of development contributions

The Development Contributions Policy effective from 1 July 2012 requires contributions on campground developments to be determined using a special assessment. On 28 February 2013 the Judicial Committee approved a template for the assessment of campgrounds. This compares campground accommodation such as tent and campervan sites with private dwellings and includes adjustments relating to occupancy, guest numbers and

water/wastewater usage adjustments to recognise differences in demand on infrastructure generated by campground accommodation compared with private dwellings.

The proposed development includes some campervan sites, and these have been assessed using the template methodology. The remainder of the development has been assessed in accordance with standard Policy provisions. The assessment shows that contributions of \$151,719.40 plus reserves contributions plus GST are payable (**Attachment B**).

This can be summarised as follows:

Proposed activity

Activity	Units of demand	Contribution
16 unit titles	16	\$312,956.16
8 campervan sites	3.257	\$63,700.48
<b>Total (ex GST)</b>	<b>19.257</b>	<b>\$376,656.64</b>

LESS Existing activity

Activity	Units of demand	Contribution
1 x manager residence	1	\$19,559.76
3 x travellers accommodation units of two or more bedrooms	3	\$58,679.28
15 x one bedroom units	7.5	\$146,698.20
<b>Total (ex GST)</b>	<b>11.5</b>	<b>\$224,937.24</b>

Total development contributions to pay on this assessment are therefore equivalent to 19.257 units of demand less 11.5 units of demand – i.e. 7.757 units of demand plus reserves contributions plus GST.

Some clarification may be required as to why the calculation of the existing activity is based on residences and accommodation while the calculation for the proposed activity is based on unit titles plus campervan sites. This is basically because the Policy states that units of demand payable are the greater of the lot units of demand *or* the activity units of demand.

The existing situation comprises one lot equivalent to one unit of demand, on which are a number of residential buildings totalling 11.5 units of demand. Therefore the activity unit of demand is the greater of the two, so the existing activity provides a credit of 11.5 units of demand.

For the proposed activity, there is an equivalent of 16 new lots totalling 16 units of demand. Each of these will have a residence or accommodation unit associated with it of either half a unit of demand (one bedroom units) or a full unit of demand (2+ bedrooms and dwelling) – in total, 11 units of demand. So for each of these, there is one unit of demand from the lot, a total of 16. The campervan sites, being located on auxiliary units, are associated with the manager's dwelling and the units of demand for these are additional to the unit of demand from the dwelling. Therefore, the lot unit of demand for the manager's dwelling (one unit of demand) is exceeded by the activity unit of demand of 4.26.

### 3 Issue

The applicant has requested that special consideration be given to a number of aspects in relation to this assessment. Their views are included in two emails sent to Council staff (**Attachment C**), and can be summarised as follows:

1. The applicant may proceed with the land use component of this consent quite quickly but the subdivision component (unit titling) is a long term project and may be some time off.
2. The applicant may be willing to include an added restriction on the certificates of title for the one bedroom units to prevent an increase in size of the accommodation unit, if contributions can be reduced to half a unit of demand.
3. Council publications make no mention of a development contribution being payable for a campervan park and the methodology is not explicit.
4. Other sites provide campervan parks for which development contributions have not been required. These include the Pauanui Club, Pauanui Waterways and the Campervan Cruz'n'Stop in Mary Street Thames.
5. Campervans are mobile and will use facilities in any of the towns or villages within the District and therefore a fixed district-wide contribution should be applied. This should take into account variation of charges in water and wastewater between settlements.
6. The assessment should take into account that most campervans have holding tanks for water and wastewater.

#### **4 Discussion**

The applicant seeks a reduction of the development contributions charged from that calculated in the draft assessment. The issues raised by the applicant are discussed below.

##### **1. Can land use and subdivision components of the consent be dealt with separately?**

The applicant suggests that the land use component should be assessed at this point, and the subdivision component dealt with later when they are ready to proceed. However, as the consent incorporates both subdivision and land use components, the entire activity must be assessed for development contributions. Council's authority under the Act is to require a development contribution when a consent is granted. If contributions are not assessed and required on the subdivision components of the consent, the Council may not have another opportunity to collect them.

However, it is possible that an agreement could be entered into whereby contributions could be deferred to the issue of each unit title or group of unit titles. The Council has previously entered into a similar agreement to defer contributions on a large subdivision to the sale of each lot for a maximum period of 5 years to provide flexibility to a developer. This would require a formal Council resolution.

##### **2. Possible restriction on the title preventing further development**

A consent notice is to be placed on the title which will prevent the accommodation units being resided in on a permanent basis. If a second restriction is added to the consent notice preventing any of the one bedroom accommodation units from being enlarged, there may be some justification for charging contributions on these unit titles at only half a unit of demand each.

Generally speaking, the Development Contributions Policy charges a full unit of demand for a new residential lot. This is required at the time of subdivision, whether or not a dwelling is present on the lot. If it is vacant and a dwelling is subsequently added there will be no additional contributions to pay on it at that stage. Similarly, the unit titles have all been assessed at one unit of demand and contributions will not be charged on development on these until they exceed one unit of demand.

However, if there is a restriction on the title that prevents the one-bedroom units from being increased in size, then the developer will be unable to generate more than half a unit of demand on each from the activity. Section 2.2.6(b) of the Development Contributions Policy states that "The Council will not require a development contribution for any lot that is unable to be developed or used for any activity that would cause the Council to incur expenditure on infrastructure, as a result of restrictions on the title of the lot."

While this clause specifically applies to a lot that cannot be developed, rather than a lot which can only be partially developed, staff consider that the intent of the Policy is to ensure that development cannot occur for which a contribution has not been received, and that it would be appropriate to apply the provision to the current situation. If the consent notice is amended to this effect, contributions would reduce significantly to \$53,920.60 plus reserves plus GST (see **Attachment D**). This calculation can be summarised as follows:

Proposed activity

Activity	Units of demand	Contribution
1 x manager residence	1	\$19,559.76
5 x travellers accommodation units of two or more bedrooms	5	\$97,798.80
10 x one bedroom units	5	\$97,798.80
8 campervan sites	3.257	\$63,700.48
<b>Total</b>	<b>14.257</b>	<b>\$278,857.84</b>

LESS Existing activity

Activity	Units of demand	Contribution
1 x manager residence	1	\$19,559.76
3 x travellers accommodation units of two or more bedrooms	3	\$58,679.28
15 x one bedroom units	7.5	\$146,698.20
<b>Total (ex GST)</b>	<b>11.5</b>	<b>\$224,937.24</b>

Therefore there would be a total of 2.757 units of demand to pay if a variation of consent is obtained to add this restriction.

**3. Campervan parks not included in Council publications**

The Council provides a copy of both its Development Contributions Policy and a brochure summarising the Policy on its website. Both of these are available in hard copy from the Council. Campervan parks are not specifically mentioned in either. These are a very specific type of activity which fall under the general classification of campground activity which the Policy states will be assessed by special assessment.

Since the Policy was adopted in 2012, a template has been developed to assess campgrounds consistently. This includes different adjustments for sites depending on whether they are to be used for self-contained cabins, cabins that are not self-contained or permanent caravans, and sites for tents/temporary caravans/campervans/motorhomes. This template has been used to assess the campervan sites on this application. The draft 2015 version of the Policy incorporates the template methodology

to provide greater transparency and certainty for developers.

**4. Other campervan parks do not pay development contributions**

The applicant has referred to examples of campervan parks for which it understands development contributions have not been paid– the Pauanui Club, Pauanui Waterways and the Cruz'n'Stop in Thames. In the case of the Pauanui Club and the Cruz'n'Stop, these sites are located in Town Centre zones and in these zones no consent is required for campervan parks. As there is no consent, Council has no opportunity to collect contributions – the Act only allows Council to assess contributions on applications for a consent or new connection. This does create some level of inconsistency and this issue has been highlighted with the Committee previously in relation to a proposed campground in Coromandel. However, campgrounds and campervan parks in other zones must apply for consent and would be assessed on the same methodology as the current proposal.

**5. Campervans should be charged a district wide contribution due to their mobility**

The applicant considers that contributions on campervans should be charged on a district-wide basis because they can move around, using services in different parts of the District. The Local Government Act 2002 empowers councils to collect development contributions on resource or building consents or new connections. These are all linked to properties, the Council has no ability to charge transient campervans, but must charge the consent applicants who are operating various activities at their sites. Thus, another site that accommodates the same campervans elsewhere will pay contributions for the demand they create at *that* site. Water and wastewater are charged on the basis of the scheme the site connects to, as this is the infrastructure on which the additional demand is placed.

**6. Adjustment for self-contained campervans**

The applicant has requested that the assessment takes into account that most campervans have holding tanks for water and wastewater. This question has been considered previously in relation to a campervan park at Whangamata Marina. In this case, however, an ablution facility is to be provided for the campervans, which will include toilets and showers and it is likely that most campervans will use it. However, it is also possible that some campervans may use their own facilities to some degree and a reduction on water and wastewater could be granted on this basis. No information is available to quantify the reduction in demand, and the Committee would need to decide what adjustment, if any, it considers appropriate. An alternative would be to reassess water and wastewater contributions based on actual data by metering the ablutions block once it is complete and the campervan parks are established for a set period, say for the month of January. A refund would be paid, or a further invoice issued for the difference. This would require a written agreement with the Council.

**5 Suggested Resolution(s)**

That the Judicial Committee:

1. Receives the report.
2. Determines that development contributions of \$151,719.40 plus reserves plus GST are payable on this consent based on the special assessment provided with this report except that this amount will be reduced to \$53,920.60 plus reserves plus GST if a restriction is placed on the unit titles preventing any one bedroom units from increasing in size.
3. Recommend that the applicant seek an agreement with Council for a reassessment of water and wastewater based on actual water meter data for the ablutions block.

**Attachments**

***Attachment A***  
***Attachment B***  
***Attachment C***  
***Attachment D***

Combined land use/subdivision consent RMA/2014/116  
Special assessment of development contributions on RMA/2014/116  
Matters for consideration in special assessment - RMA/2014/116  
Special assessment of development contributions on RMA/2014/116  
subject to restriction on unit titles

[Attachment A - RMA20140116 - consent decision - 174 Vista Paku, Pauanu...](#)

[Attachment B - RMA20140116 Special Assessment of development contribut...](#)

[Attachment C - RMA20140116 Matters for consideration in special assess...](#)

[Assessment D - RMA20140116 Special Assessment with title restriction](#)