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Thames Coromandel District Council
Judicial Committee
515 Mackay Street
Thames 3540

To the Judicial Committee,

Hot Water Beach Top 10 Holiday Park - Development Contributions Reduction

Opus International Consultants, on behalf of Grant and Sheree Webster owners of Hot Water Beach Holiday Park Limited trading as Hot Water Beach Top 10 Holiday Park seeks a reduction in the indicative development contributions that would be owed should their proposed expansion of 85 seasonal campground sites (available from 29th December – 30th January) and a multi-use building be approved by way of resource consent. It should be noted that three additional cabins are now proposed, which have not been assessed by Mr Michael Eastwood of the Thames Coromandel District Council and are therefore not reflected in the total contribution values discussed below.

The holiday park has been locally owned and operated by Grant and Sheree since its inception in 2008 and in that time has grown from a predominantly camping orientated facility, into a holiday park providing multiple forms of accommodation and modern facilities for its guests. Grant and Sheree have continued to expand on an annual basis with the appropriate resource and building consents being gained to support this growth. This has resulted in multiple development contributions being paid following special assessment.

The proposed expansion is relatively modest. While an additional 85 sites sounds a large number, these sites are located on the outer edges of the existing holiday park and will only be available for 1 month of the year from the end of December to the end of January, being Grant and Sheree's busiest period. The additional mixed use building will provide for a better visitor facing entrance for the holiday park and better cater to its guests, with the existing office/shop building already not fulfilling the needs of the facility.

Mr Eastwood in his indicative special assessment carried out in April of this year determined that a contribution of \$18,763.55 (not including the three additional cabins added recently), would be required to be paid. Of the total sum indicated, \$1,093 constitutes the mixed use building to serve as a shop, office, guest computer area and lounge, \$3,312 is for the 2 proposed bus driver/security units (included in the new mixed use building) and the remainder being \$14,385.73 is allocated to the proposed 85 proposed seasonal camping sites, in which I stress again are only being used for 1 month of the year.



Benefit of the Holiday Park

The holiday park is not a destination in itself, rather it supports the destination of Hot Water Beach. The area was without any facilities to accommodate tourists for many years after the previous camping ground was developed for residential purposes. The absence of facilities did not stop people visiting the area to experience the natural attractions. Therefore, the actual effect of the holiday park is minor, stemming from its employees rather than guests.

In terms of economic benefit Statistics New Zealand indicates that in 2015 Coromandel Holiday Parks had guest nights of 482,960 which resulted in a total spend of \$71,701,710. This represents a significant benefit to the economy of the Coromandel region. Figure 1 below shows a breakdown of the expenditure based on international and domestic visitors.

Figure 1: Holiday Park Visitor Expenditure

	International/Domestic	Guest Nights	Daily Spend	Annual Spend	
Coromandel Holiday Park Guest Nights YE Dec 2015	33%	158,403	\$184.96	\$29,298,289	International
484,414	67%	324,557	\$130.65	\$42,403,422	Domestic
				\$71,701,710	Total

DAILY EXPENDITURE PER PERSON Coromandel RTO YE Dec 2015	Domestic Visitors	International Visitors	Domestic Visitors	International Visitors	Total Expenditure
Accommodation	27.73%	17.72%	\$11,758,714	\$5,190,879	\$16,949,593
Snacks/groceries	19.06%	12.12%	\$8,081,479	\$3,549,820	\$11,631,298
Activity/admission fees	10.62%	26.58%	\$4,504,856	\$7,788,694	\$12,293,551
Transport	2.40%	15.89%	\$1,015,865	\$4,655,475	\$5,671,340
Cafes/restaurants	10.52%	8.70%	\$4,462,664	\$2,548,710	\$7,011,374
Petrol/fuel	16.88%	9.75%	\$7,159,736	\$2,857,597	\$10,017,333
Bars/nightclubs	1.75%	1.59%	\$739,991	\$467,290	\$1,207,281
Gambling	1.46%	0.09%	\$619,905	\$25,345	\$645,249
Internet	0.34%	0.86%	\$142,805	\$251,861	\$394,667
Other expenditure	9.24%	6.70%	\$3,917,408	\$1,962,618	\$5,880,025
Total	100.00%	100.00%	42,403,422	29,298,289	\$71,701,710

Source

Statistics New Zealand, Commercial Accommodation Survey, year ending September 2015

Angus & Associates, Holiday Park Visitor Expenditure 2014/15, April 2015

This economic benefit directly impacts the Thames Coromandel District by providing employment both directly and indirectly, with Grant and Sheree themselves having approximately 25 fulltime staff, which increases to 38 with seasonal staff November - March.

Grant and Sheree also operate an informal I-Site, with the closest official I-Site being located in Whitianga. With no official visitor numbers, it has been estimated that up to 700,000 people visit Hot Water Beach every year, with the holiday park being convenient location for people pre booking accommodation in other locations, booking tours and generally collecting information on other attractions throughout the Coromandel. While we not are arguing the fact that this additional service benefits the Grant and Sheree it also provides significant benefit to the Coromandel by providing that information and service in a convenient location and one visited by a large proportion of visitors to the Coromandel.

With regards to transport related contributions, Grant and Sheree upgraded the access to their facilities to a sealed local road standard with two way traffic. The intersection has also been designed to a high standard, further reducing the impact of traffic turning into the site. The intersection has also increased the sight lines for users of Hot Water Beach Road crossing the single lane bridge from the north. This intersection has resulted in significant safety benefits to users of Hot Water Beach Road and the Thames Coromandel District Council. In discussions with Mr Len Whittaker with regard the site, he has confirmed the benefit to the existing local road.

Development Contribution Activity Types

When undertaking a special assessment for holiday parks a number of activity types have been included within the total contribution, some of which do not sit well with Grant and Sheree following many discussions with their guests over the last 8 years of operation. These include:

- Strategic Land and Buildings
- Community Transportation
- Community Area Parks
- Community Centres and Halls
- Community Area Harbours

These activities provide for 54% of the total indicative contributions (\$10,77.84) and are either not available in Hot Water Beach, not available for use by visitors or not used in any great numbers that should result in Grant and Sheree having to pay a contribution for these activities. We believe that the contributions should only be levied against those activities that are actually used or where it would be reasonable to expect these activities to be used. In this case that would be Transportation and Public Conveniences.

Outcome Sought

Grant and Sheree appreciate that the development contributions have been set by Council through the Long Term Plan and its Development Contributions Policy, but it is hoped that the Judicial Committee may be able to appreciate the significant community benefit being provided by the operation of the holiday park by Grant and Sheree and be of a mind to grant a reduction of the total contribution.

I also believe it is worthwhile stressing again that the 85 sites proposed are to be available for 1 month per year over January and make up 76% or \$14,358.73 of the indicative contribution provided by Mr Eastwood. It is also worth noting that these sites are not expected to be at capacity over that one month period, with the holiday park being at maximum capacity for only approximately 2-3 days over the New Year period, actual park occupancy trends down from the New Years period as follows:

- 29th Dec – 1 Jan - 100%
- 1 Jan – 7th Jan - 75%
- 8th – 18th Jan - 50%
- 18th-30 Jan - 30%

To that end Mr Eastwood has provided an occupancy rate for those seasonal sites of only 5.1% over the whole year.

In my opinion a 50% reduction would be reasonable on the basis of the community benefit and that a large proportion of the activity types included within the special assessment do not seem relevant to visitors to the Coromandel.

Were the Committee of a mind to grant a reduction, Grant and Sheree would also seek a payment plan of these contributions and propose a period of 5 years in which to pay off the levied contributions from the point in time when the specific activities (being the new seasonal sites, mixed use building and new cabins) granted consent are given effect to.

If the Committee were not of the mind to grant a reduction, Grant and Sheree would still seek payment plan terms and would hope that these could be negotiated with Council or its officers depending on the final contributions levied following the issue of resource consent.

Thank you for taking the time to consider Grant and Sheree's request and we look forward to hearing from you in due course following your meeting in June. If you would like to seek any clarification on the points raised above, please don't hesitate to contact me using the details below.

Yours sincerely,



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