

10 June 2022

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Dear [REDACTED]

Official Information Request – 8-10 Wilson Road – Rebate on Financial Contributions

I refer to your official information request received by Western Bay of Plenty District Council (Council) on 15 May 2022, where you requested information on financial contribution (FINCO) rebates as it related to the above development.

The following documents were attached to the request:

- a) Letter from Shaun Marlo on behalf of SOHO 13 Limited to reduce the FINCO's.
- b) Special assessment on the FINCO's from SOHO 13 Limited.
- c) Final decision regarding the FINCO's by Council's Environmental Consents Manager, dated 10 March 2022.

1. What evidence does Mr Cloete have that these are the sort of people who will buy these apartments?

Mr Cloete's assessment for reduction in financial contributions was not based on the purchaser's proposal for reduction.

It appears from your request that this question is based on the special assessment for financial contributions document which was prepared by SOHO 13 Ltd and not by Mr Cloete. A developer can propose their own special assessment on the potential effect a development will have on bulk services and the fincos that they have to pay.

Mr Cloete's assessment for reduction in financial contributions is attached for your information and is based on the District Plan's Section 11 – Financial Contributions.

2. Does Mr Cloete really believe that these \$2.5 million three-bedroom, two-bathroom apartments are just going to be holiday homes for empty nesters, retirees and single professional bach owners?

Please see response to questions 1, above. Mr Cloete's assessment for reduction in financial contributions was not based on the purchaser's proposal for reduction.

Mr Cloete's assessment for reduction in financial contributions is attached for your information and is based on the District Plan's Section 11 – Financial Contributions.

3. Why does Mr Cloete think Soho 13 should pay cheaper financial contributions than other developers?

Mr. Cloete's response on the fincos focuses on the Operative rules in the District Plan and can be summarised as follow:

Stormwater

Stormwater fincos are based on developable land that will likely generate stormwater. These rules were applied to this development. As mentioned by Mr. Cloete, the proposed stormwater FINCO is fair and reasonable. As a result, stormwater FINCO's have not been reduced.

Water and wastewater

The proposed residential units range between one- and three-bedroom units. Under the Operative rules, one household equivalent is based on 2.7 people per dwelling.

The Operative rules allow for a reduction of the household equivalent down to 0.8 (therefore 2.16 people per dwelling). This reduction is provided to any residential development with a density of 15 dwellings per hectare or more and recognises that occupancy decreases with the decrease in dwelling size.

The maximum reduction is set at 0.8. Because of the sizes of the proposed dwellings, it was considered fair and reasonable to apply the same residential rules to this development.

Recreation and leisure

Most of the proposed dwellings have an office component (which is permitted in the Commercial Zone). FINCO's on recreation and leisure are not charged on offices in the Commercial Zone. It is therefore necessary to exclude the office component per dwelling from the FINCO calculation.

On that basis, the FINCO's were reduced to 50% of a household equivalent.

4. We are repeatedly assured by Council managers that Council's planners are vastly experienced, so why do they accept this sort of misleading information?

Mr Cloete undertook an independent assessment of FINCO's. Council officers are required to "receive" all information submitted in a consent application; officers do not have to accept that information as correct. All information submitted is subject to officer scrutiny.

5. What authority has Mr Cloete to recommend a \$60,000 rebate to this developer when the "special assessment is irrelevant to the rules by which the contributions are calculated?"

Mr Cloete does not have a specific delegation or "authority" nor is he required to have a specific authority to make a recommendation on FINCO's. Mr Cloete has significant experience in making assessments on FINCO's in his role with Council. Mr Cloete makes his assessment in accordance with the District Plan. Any reductions to FINCO's are in accordance with the provisions in the Plan.

Mr Cloete's assessment was based on the potential effects that the proposed development will have on Council's bulk infrastructure. The reduced FINCO's were based on this assessment and the certainty of the potential effects the proposed development will have on Council's bulk infrastructure.

6. What authority does Russell De Luca, a consultant to WBOPDC, have that allows him to recommend these reductions?

Mr De Luca was the processing planner for the application, and there is no specific Council delegation or "authority" that is required for a Council planner, or consultant planner, to make recommendations on an application.

7. Please provide Chris Watt's delegated authority to approve this rebate.

Mr Watt is a delegated officer of Council and has authority as the Environmental Consents Manager to approve Resource Management Act consenting decisions, which includes consent conditions as they apply to FINCO's. Mr Watt's delegations as the appointed Environmental Consents Manager were confirmed by Council on 12 August 2021.

Attached is the link to Council meeting agenda papers and minutes.

https://westernbayofplenty.infocouncil.biz/RedirectToDoc.aspx?URL=Open/2021/08/C_20210812_AGN_2421_AT_WEB.htm

https://westernbayofplenty.infocouncil.biz/RedirectToDoc.aspx?URL=Open/2021/08/C_20210812_MIN_2421_WEB.htm

Yours faithfully



Alison Curtis
General Manager Regulatory Services

Financial contribution (FINCO) calculations for the subdivision of 8 & 10 Wilson Rd, Waihi Beach

My comments on the special assessment provided by the applicant are as follow:

Stormwater:

Within the Commercial Zone, stormwater FINCOs are based on the area covered by hardstand which will result in stormwater run-off that has to be managed by council. It is not based on the size of a dwelling.

The creek is part of council's stormwater network. That is why we are in the process to get a contract started to improve the embankments along the creek. This contract is partially finco funded as more stormwater enters the creek as a result of new development in town.

Permeable surfaces are great and it certainly help to manage stormwater during a "soft" rain event. However, they are not of much help during a bigger event that generates more run-off, which has to be managed by Council.

The stormwater fincos are therefore fair and reasonable.

Infrastructure:

Power supply is not part of Council's infrastructure network and therefore not fincos are charged on power. The costs to upgrade the power has to be negotiated with POWERCO.

Water:

Some of the dwellings will have 3 bedrooms and some of them will have a home office with one or two bedrooms. It is therefore recommended that the financial contributions for water be based on 0.8 of a household equivalent (HHE) due to the size of these dwellings. Therefore:

$$0.8 \times \$4,929 = \$3,943.20/\text{HHE}$$

$$\$3,943.20 \times 6\text{HHEs} = \$23,659.20 \text{ in total}$$

Wastewater:

As per Rule 11.6.3 (ii), wastewater for dwellings are normally based on the floor area of the dwelling. However, some of these dwellings might have a home office component.

Because it will not be an intensive water of wastewater activity, I am of the opinion that the most fair and reasonable approach will be to retain a direct relationship between water and wastewater. Therefore 0.8 household equivalents per dwelling.

$$0.8 \times \$17,222 = \$13,777.60$$

$$\$13,777.60 \times 6 = \$82,665.60 \text{ in total}$$

Recreation and leisure:

These dwellings do not have limited private outdoor space. As a result, it can be expected that they will use the beach, council reserves and walkways, the library, and other reserve facilities. As mentioned, some of the dwelling units will have an office component. Fincos for reserves are not charged on offices and other commercial activities. I am therefore of the opinion that the fincos can be reduced to 50%. Therefore:

$$0.5 \times \$11,141 = \$5,570.50$$

$$\$5,570.50 \times 6 = \$33,423 \text{ in total}$$

Regards

Andries Cloete

Senior Policy Analyst Built Environment and Urban Design

Kaitātari Kaupapa Matua

18-02-2022