

**Willis Central's self-assessment****1) The basis for the applicant's self- assessment is outlined below:**

- a) The building has a green-star design. Water use and wastewater production will be substantially reduced, meaning that the 'standard minus credit' approach is inappropriate and should not be used as the basis for this assessment
- b) The citywide components of the development contributions fee are not applicable, or not applicable at the standard level
- c) 'Willis Central' will create less demand on infrastructure than is anticipated under the policy for the amount of gfa/EHUs that it will create
- d) Non-residential development may be particularly penalised by the policy as the policy makes no distinction between a non-residential development's lower demand on services such as water and wastewater compared with residential development
- e) A more valid approach would be to use the 'per measure' approach because:
  - a. The additional population of 'Willis Central' is known with reasonable certainty
  - b. The rates of use/output for water supply and wastewater are clearly established
  - c. The known rates of use/output are more applicable to 'Willis Central' than the standard rates of the policy
  - d. The approach can be linked to an inferred 'per measure' contribution rate in the policy and
  - e. The 'per measure' approach is more likely to reflect actual increased demand than using an EHU-based approach.
- f) Sustainable water management in 'Willis Central' has two components:
  - a. Supply management related to potable water; and
  - b. Independent supply, and supply management related to non-potable water.
- g) The use of efficient fittings and sensors will reduce the amount of water use
- h) Rainwater will be harvested from the roof and stored in a basement storage tank to serve uses such as toilet flushing and irrigation of the roof garden (up to 1,200,000 litres of water annually)
- i) City supplied water will be the source of 70% of wastewater
- j) The estimated wastewater flow from 'Willis Central' equates to 89 EHUs. However, disregarding an EHU approach and adopting a 'per litre' approach means the Zone K wastewater component should be \$105,403
- k) Increased demand on water use will equate to 31 EHUs. However, disregarding an EHU approach and adopting a 'per litre' approach means the citywide water supply component should be \$9,958
- l) There will be no difference between the pre-existing situation and 'Willis Central' in terms of hard-surfaced area, meaning that the stormwater component of the fee should be nil. Furthermore, as rainwater will be harvested and discharged as wastewater, the impact on the stormwater will actually be less than the pre-existing situation;
- m) Disregarding an EHU approach and adopting a 'per litre' approach means the citywide wastewater component should be \$23,924
- n) The transportation assessment submitted as part of the 'Willis Central' resource consent application concluded that the expected level of traffic movements would not be measurably different from the pre-existing development so the citywide traffic component of the contribution should be nil
- o) No citywide reserves development contribution should be payable
- p) The development is a rationalisation to place operations spread over Wellington into a central building, meaning that there will be no additional demands on city services, rather a change in their geographic location. However, the applicant recognises that it is possible that the intensification of development in a particular location will have

specific impacts on city infrastructure that should be compensated by way of a contribution. As there will be a population increase of around 1,760 people, there may be localised effects on infrastructure. Therefore, the applicant accepts that a nil argument (i.e. no development contribution) is untenable. However, the applicant stated that their recommended figures should be regarded as maximums, due to 'Willis Central' being largely a relocation of demand, rather than the creation of new demand.

### **Council's response to the Willis Central self-assessment**

#### **2) Council's response**

The council's response to the self-assessment is based on the development contributions policy. The self-assessment report provided by the applicant calculated an incorrect amount of EHUs. The method for calculating the correct amount of 305.6 EHUs is shown immediately below.

#### **EHU Figure**

The applicant had not provided to the council, prior to the meeting, a final gfa of the development. This information was provided at the meeting which allowed council officers to calculate at the meeting an EHU figure of 305.6 (including the existing credit for the Airways and McCarthy buildings). Based on the information presented to date, the following EHU figure has been calculated.

<b>Pre-existing development</b>	<b>Total m<sup>2</sup></b>	<b>Retained m<sup>2</sup></b>
Airways	5,193	4,788
McCarthy	979	598
Boulcott St Townhouses	1,266	
<i>Total existing floor area</i>	<i>7,438</i>	<i>5,386</i>
<i>Total existing demolished</i>	<i>2,052</i>	

At the meeting, the applicant was asked how many units the Boulcott St townhouses contained. The answer of 22 units was given.

#### **3) Note on how the EHU figure was calculated:**

A gfa of 27,466m<sup>2</sup> was provided in the applicant's self-assessment report. An existing credit of 6,172m<sup>2</sup> was subtracted from this to give a gfa of 21,294m<sup>2</sup>. The figure of 6,172m<sup>2</sup> was calculated from the total existing gfa (as above) minus the gfa of Airways (5,193m<sup>2</sup>) and minus the gfa of McCarthy (979m<sup>2</sup>) – Boulcott St Townhouses were not subtracted as these are residential units, as opposed to non-residential developments, as are Airways and McCarthy.

The gfa of 21,294m<sup>2</sup> was then divided by 65 (65m<sup>2</sup> being the gfa for an EHU). This totals 327.6 EHUs. The 22 EHUs for Boulcott St townhouses were then subtracted from this to give a figure of 305.6 EHUs.

Using the non-residential development contribution fee for Zone K (Inner City) of \$3,416 per EHU in the 2007 Policy, a figure of \$1,043,929.60 can be calculated. This figure excludes GST (inclusive of GST, the approximate development contribution fee would be \$1,174,420.80).

#### **4) Increased intensity of usage at Willis Central**

It is important for the applicant to note paragraph 8.2.4 of the DC policy. 8.2.4 states that "for a non-residential development, the Council has assumed that an employee requires approximately 25m<sup>2</sup> of gfa and that 2.6 employees, being the equivalent average household Service Request No. 182680 44-52 Willis Street 2

occupancy, would require 65m<sup>2</sup>. The applicant informed council officers that the employee capacity of the building would be 2,300. Council officers calculated at the time using the gfa provided that each employee would have approximately 12m<sup>2</sup>, which is more than twice that anticipated by the policy. It is asserted that the density of use of the development would certainly have an effect on the use on and demand for the council's infrastructure.

#### 5) Water Supply

Council officers decided that no reduction should be offered to the applicant in this component of the development contributions fee. The council must design and construct infrastructure as provided for in the Code of Practice for Land Development and in the District Plan. Infrastructure should be able to cater for peak demands including fire fighting water and it should also have storage facilities to store water up to 24 hours use. The policy does not grant remissions currently for buildings classified as "green" and that developments must design for use of infrastructure under its standardised approach. It should be noted that there is potential for increased demand to be much greater than the policy anticipates because of the intensive use of the building – one employee per 12m<sup>2</sup> of gfa when the policy is based on 25m<sup>2</sup> of gfa per employee.

#### 6) Stormwater

Council officers decided that a full reduction should be offered to the applicant in this component of the development contribution fee. The development is situated only in areas that are already hard-surfaced so no additional stormwater will be generated.

#### 7) Traffic and Rooding

Council officers decided that no reduction should be offered to the applicant in this component of the development contribution fee. The development will result in the creation of new non-residential floor area, so there will be an increase in traffic and roading demand on the wider traffic network rather just a movement of existing demand. The council must cater for peak traffic demands.

#### 8) Wastewater

Council officers decided that no reduction should be offered to the applicant in this component of the development contribution fee. Council officers assert that there will be actual increased demand on wastewater services resulting from the development. Furthermore, there is the potential for the increased demand to be much greater than the policy anticipates because of the intensive use of the building – one employee per 12m<sup>2</sup> of gfa whereas the policy is based on 25m<sup>2</sup> of gfa per employee. The council must design infrastructure to cater for the disposal of waste-water at peak demand.

#### 9) Reserves

Council officers decided that no reduction should be offered to the applicant in this component of the development contribution fee. Council officers maintain that there will be actual increased demand on reserves resulting from the development. There is also the potential for the increased demand to be much greater than the policy anticipates because of the intensive use of the building. Furthermore, the policy is based on access to rather than use of reserves.

10) Fee calculation

**Calculation of Development Contribution fees due**

	Equivalent EHUs	Zone K Non-residential contribution per EHU (\$)	DC fee due based on standard calculation (\$)	Plus GST (\$)	Total Fee (\$)
EHUs After the development	422.6	3,416.00	1,443,601.60	180,450.20	1,624,051.80
Credits from existing building	117	3,416.00	399,672.00	49,959.00	449,631.00
Additional EHUs due DC fees	305.6	3,416.00	1,043,929.60	130,491.20	1,174,420.80

**Breakdown of the DC Fee applicable to this development**

DC Zone K components	Wastewater	\$362,136.00
	Reserves	\$86,484.80
	*Citywide	\$535,105.60
	<b>Total</b>	<b>\$983,726.40 (GST excl)</b>
		<b>\$1,106,692.20 (GST incl)</b>
*Citywide components	Water supply	\$97,486.40
	Stormwater	\$nil
	Wastewater	\$81,900.80
	Traffic and Roding	\$219,420.80
	Reserves	\$136,297.60
	<b>Total</b>	<b>\$535,105.60</b>

10) Council decision categorised by relevant groupings

We **agree** with a remission to the Stormwater component of the fee.

We **disagree** with a remission to the Water Supply component of the fee.

We **disagree** with a remission to the Traffic and Roding component of the fee.

We **disagree** with a remission to the Wastewater component of the fee.

We **disagree** with a remission to the Reserves component of the fee.

**Decision**

The decision is that the stormwater component of the development contributions fee for the proposal is remitted. This is the only remission offered to the applicant. The development contribution fee due is **\$1,106,692.20 (GST incl)**.

**Reporting Officer:** Tim Wild  
**Peer Reviewer:** Tim Fletcher  
**Date:**

Service Request No. 182680 44-52 Willis Street