

**EXTRAORDINARY MEETING**

**OF**

**REGULATORY PROCESSES COMMITTEE**

**AGENDA**

Time: 09:15 am  
Date: Thursday, 16 June 2016  
Venue: Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**MEMBERSHIP**

Mayor Wade-Brown  
Councillor Ahipene-Mercer (Chair)  
Councillor Foster  
Councillor Lee  
Councillor Pannett  
Councillor Sparrow

**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz) or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.*

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## **AREA OF FOCUS**

The Regulatory Processes Committee has responsibility for overseeing Council's regulatory functions.

**Quorum:** 3 members

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## 1 Meeting Conduct

### 1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

### 1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

### 1.3 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

### 1.4 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

***Matters Requiring Urgent Attention as Determined by Resolution of the Regulatory Processes Committee.***

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

***Minor Matters relating to the General Business of the Regulatory Processes Committee.***

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Regulatory Processes Committee for further discussion.



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## 2. General Business

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# DEVELOPMENT CONTRIBUTION REMISSION REPORT FOR SOFITEL HOTEL

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### Purpose

1. The purpose of this report is to evaluate the development contribution fee remission application received from the applicant, CP Group. The development contribution fee relates to the expansion and conversion of an office building into a Sofitel Hotel. Accor Group is the owner of the Sofitel Hotel.

### Summary

2. In accordance with the calculation methodology set out under the Development Contribution Policy (the Policy), it has been determined that the development will create an additional 63.64 household units and therefore a development contribution is applicable. Council has calculated that the development contribution is \$354,060.34(GST inclusive)
3. The applicant has made an application for a full remission in respect of the Council's development contributions assessment of \$354,060.34.
4. The applicant has assessed their remission application in two parts.
  - **Part 1** is based on the premise that the standard equivalent household unit (EHU) measures in the Policy should be departed from in the following ways:
    1. **waste water & water supply** should be based on an average occupancy rate and not the standard calculation of 2.6 people per 55m<sup>2</sup> or EHU;
    2. guests will not use **reserves** as they are likely to be in Wellington on business;
    3. guests will have no impact on **roading** as they are only likely to take 2 taxis trips (to and from the airport) per stay; and
    4. the new site would have no increase in **stormwater** runoff.
  - **Part 2** is based on the positive economic impact that the hotel will have on the Wellington Region:
    1. a full remission on all components of the development contribution should be granted due to the **positive economic impact** of the hotel on the Wellington Region.
5. Council Officers have assessed each aspect of the remission fee application as follows:
  - **Part 1**

1. Council officers reject the applicants premise, due to the fact that Council must provide **waste water & water supply** infrastructure based on the most intensive non-residential use i.e. when the hotel is at full occupancy;
2. Agree to grant a partial remission, for **Citywide reserve and community infrastructure** as these are used primarily by local residents rather than visitors to the city;
3. The users of this building will use all components of travel and as such Council officers do not believe that it is justified to give a remission on **roading**; and
4. Council agrees to grant a remission on stormwater as the new site would have no increase in **stormwater** runoff.

- **Part 2**

1. The Policy does not address economic benefits of non-residential developments, therefore officers cannot take this into consideration. It is however assumed that all non-residential developments will have a positive economic impact.
6. After extensive discussion with council officers the applicant has requested that the remission be referred directly to the Regulatory Process Committee for review and decision.

## Recommendations

That the Regulatory Processes Committee:

1. Receive the information.
2. Agree to grant a partial remission, for stormwater and citywide reserve and community infrastructure only, and invoice the applicant a revised and final fee of \$ 303,721.89 (GST inclusive).

## Background

### Proposal

7. The owner has converted an existing commercial office block into a hotel which has increased the gross floor area of the building by 3,500m<sup>2</sup>.

### The Policy

8. The building consent application was lodged with the Council on 27 November 2013. The remission application has, therefore, been assessed under the 2013/14 Development Contributions Policy – which was the policy in force at that time (subsequently superseded).
9. Under section 2.6 of the Policy, the Committee can only consider exercising its discretion upon consideration of remission application as described below:

#### *2.6 Remission and Postponement*

*2.6.1 The Council may remit or postpone payment of development contributions at its complete discretion. The Council will only consider exercising its discretion in exceptional circumstance. Applications made under this part will be considered on their*



*own merits and any previous decisions of the Council will not be regarded as creating precedent or expectations.*

*2.6.2 Remissions will only be granted by resolution of the Council (or a Committee or Subcommittee acting under delegated authority.)*

*2.6.3 An application for remission must be made in writing and set out the reasons for the request*

10. The Policy provides that any proposal associated with an application for building consent, resource consent or service connection lodged on or after 1 July 2005, will be required to pay a contribution under the Policy.
11. In terms of the Policy, non-residential development is assessed on the basis of the number of equivalent household units (EHUs) created by the development. EHUs are applied as follows:

Type of development EHU assessment based on	EHU assessment based on
Non residential development	1 EHU for every 55m <sup>2</sup> of gross floor area (gfa)

## Discussion

### Council Officers Initial Assessment

#### EHUs

12. The increase in the buildings gross floor area of 3,500m<sup>2</sup>, equates to 63.64 extra EHUs in accordance with the Policy. As calculated below:

	Floor Area - m <sup>2</sup>	EHU at 55m <sup>2</sup>	People
old building	2,928m <sup>2</sup>	53.24	138
new building	6,428m <sup>2</sup>	116.87	304
<b>Addition</b>	<b>3,500m<sup>2</sup></b>	<b>63.64</b>	<b>165</b>

13. The Development Contributions calculations based on the Policy, and the EHUs calculated above, results in:

	Cost per EHU	EHU's	Total Fee
Waste water & Water supply	\$3,248.75	63.64	\$206,750.45
Reserves	\$1,051.10	63.64	\$66,892.00
Roading	\$1,253.50	63.64	\$79,772.74
Stormwater	\$430.10	1.5	\$645.16
<b>Total Development Contributions</b>	<b>\$5,563.49</b>	<b>63.64</b>	<b>\$354,060.34</b>

### Applicant's Response

14. Upon receiving the DC summary the applicant indicated that they would like to apply for remission. After several meetings and extended dialogue with council officers the final remission application was received.

### The Remission Application

#### Waste water & Water supply

15. The applicant has requested a remission of \$119,915.26 for the water component of the Council assessed development contributions.
16. Their request is based on the premise that the hotel will rarely run at maximum capacity and that the hotel should only be charged on the average use of the hotel rooms. It is suggested that this average should then be extrapolated to the public use areas of the hotel including the staff rooms, conference centre and bar.
17. The applicant's calculation is as follows - 1.2 people per room multiplied by a 70% occupancy rate which equals 0.84 people per room. This is 42% of the maximum occupancy therefore they should only pay for 42% of the water component.

	Councils Initial DC assessment			Applicants remission assessment	
	Cost per EHU	EHU's	Total Fee	EHU's	Total Fee
Waste water & Water supply	\$3,248.75	63.64	\$206,750.45	26.73	\$86,835.19

Reserves

18. The applicant's has requested a full remission of \$66,892 on the reserves component of the Council assessed development contributions.
19. The reserves request is based on the premise that the majority of their guests will be visiting for business purposes and will not be using Wellington's parks and reserves.

	Councils Initial DC assessment			Applicants remission assessment	
	Cost per EHU	EHU's	Total Fee	EHU's	Total Fee
Reserves	\$1,051.10	63.64	\$66,892.00	0	\$0

Roading

20. The roading request is based on the premise that the only car usage will be two taxi trips to and from the hotel rather than the 10 vehicle trips per day estimated in The Policy. They also argue that there is a restriction on the number of taxis that can operate in the city therefore the hotel will not affect the number of taxis on the road.

	Councils Initial DC assessment			Applicants remission assessment	
	Cost per EHU	EHU's	Total Fee	EHU's	Total Fee
Roading	\$1,253.50	63.64	\$79,772.74	0	\$0

Stormwater

21. The applicant's has requested a full remission on the stormwater component of the Council assessed development contributions as the existing site is virtually impervious and there would be no increase in stormwater runoff.

	Councils Initial DC assessment			Applicants remission assessment	
	Cost per EHU	EHU's	Total Fee	EHU's	Total Fee
Stormwater	\$430.10	1.5	\$645.16	0	\$0

Economic impact

22. The second part of the applicant's request is for a full remission on all components of the development contribution due to the positive impact of the hotel on the Wellington Region's economy.

	Councils Initial DC assessment			Applicants remission assessment	
	Cost per EHU	EHU's	Total Fee	EHU's	Total Fee
Total DC's	\$5,563.49	63.64	\$354,060.34	0	\$0

**Officers Assessment**

Waste water & Water supply

23. Council officers disagree with the applicant's assessment because;
- Council needs to build its infrastructure to cope with the most intensive/peak demand the hotel will place on its water network, not its average use.
  - The applicant's assessment does not address the fact that the hotel bar and conference centre will be used by the general public as well as hotel guests.
  - The remission does not factor in the hotel staff.
24. The DC policy states that the onus is on the applicant to prove that the actual increased demand created by the development is different from that assessed by applying the non-residential unit of demand. Actual increased demand means the demand created by the most intensive non-residential use(s) likely to become established in the development within 10 years from the date of application.
25. Logistically, the Council simply cannot build infrastructure to cater for average use and must build infrastructure to cater for the most intensive/peak demand the hotel can place on the infrastructure at any one point in time. As such Council needs to provide adequate infrastructure to ensure that when the hotel is fully booked (running at its maximum capacity) the hotel can still service all of its guests adequately.
26. As such, Council Officers believe that the Policy assessment based on 2.6 people per EHU is an appropriate measure in this instance. However should the assessment be based on the number of people per room, it should be based on the maximum occupancy not on the average occupancy and this figure should not be extrapolated to the public use areas.
27. So if we were to take the applicants calculation further we would have to use an example where the hotel was fully booked i.e. an All Blacks match or World of Wearable Arts, as it is likely that the hotel will sell out. In this example we have assumed that this will take place on the weekend and the conference centre will not be in use. Using these figures we have extrapolated what the likely number people would be;

Hotel	Rooms	Maximum number of people	Total people
Guest Rooms	129	2 per room	258
Bar and Lobby based on a maximum number of 64 people of which 60% are internal guests and 40% general public	1	26 general public	26

Staff	1	60	60
<b>Total</b>			<b>344</b>

Item 2.1

28. When calculating based on maximum occupancy (344 people) the outcome is actually higher than the council officer's original assessment of 116.87 EHUs or 304 people for the new building.
29. Council officers have also considered actual water consumption based on the hotels water connection and water fixtures and equated it to EHU consumption.
30. The hotel has requested and been provided with a 100mm domestic water connection. A 100mm connection can supply 15.7l/sec or 56,520l/hr of water at a velocity of 2m/sec. This consumption may go up slightly for short periods during high demand. Council's network has been designed and continually invested to ensure it can deliver water at this rate for any given time for developments of this type.
31. Officers have accessed the water consumption when the hotel is fully occupied. It will use at the rate of 11l/sec or 39.600l/hr during peak times and 3.4l/sec or 12,240l/hr during off peak times. (see Appendix 3)
32. During any day assuming peak use covers 4hrs and off peak covers 6hrs the total consumption will be 231,840 litres (39,600X4 + 12,240X6 =231,840). This is equivalent to 296.59 EHUs (231,340/780=296.59).
33. Water consumption calculated by water use fixtures equates to 296.59 EHUs. This is very much higher than the EHUs charged (63.64) by floor area (55m<sup>2</sup>) as per the policy. Therefore Council officers recommend that the committee decline the application for a remission of water levy.

Reserves

34. Reserves – inner city. These contributions support the redevelopment of existing reserves to accommodate additional usage and the purchase of additional inner city land to create new reserves. Many hotel guests visiting the city for either business or other reasons use the inner city park network during their stay. Officers do not recommend remission of \$17,198.71 including GST.
35. Citywide reserve and community infrastructure – These comprise amenities used by people across the city such as sports fields, botanic gardens, cemeteries, and swimming pools. They are destinations that provide active recreational facilities to the city community. Officers accept that many of these facilities are located in suburban areas and are used primarily by local residents rather than visitors to the city. Council officers are in agreement with the applicant and recommend that the committee remit this component of development contributions totalling \$49,693.29 including GST.

Roading

36. The policy is based on 10 vehicle trips per day per EHU, which equates to 3.85 trips per person per day.
37. This guideline is used to measure of the level of demand placed on roading and traffic infrastructure by 'greenfield' household units.
38. Central city office and commercial developments however have a more complex modal split and a multi model approach must be taken, therefore commercial buildings cannot be measured only in private vehicle movements.
39. The applicant, in this case, is only being charged the city wide roading fee. This city wide fee is used to cover upgrades to roads, public transport facilities, cycle ways,

pedestrian walkways and associated infrastructure. Therefore we need to measure the impact of the hotel on all of these modes of transport.

40. The applicant states that the building has a lower occupancy rate than other commercial buildings and these occupants will only take two taxi trips per stay. However the applicant does not take into account the rest of the guests movements while in Wellington, being it walking to meetings or restaurants or taking public transport to tourist attractions. The applicant also does not mention the staffs travel to and from work or the hotel deliveries and servicing.
41. The other assertion by the applicant, that the number of taxis is capped at 1600, is incorrect as since deregulation of the Taxi industry 1989 there has been no restriction on the number of taxis operating in the City. In fact the number of taxis operating has continued to grow.
42. The users of this building will use all components of travel and as such Council officers do not believe that it is justified to give a remission.

#### Stormwater

43. Council officers are in agreement with the applicant and recommend that the committee remit the stormwater component of development contributions totalling \$645.16 including GST.

#### Economic impact

44. The purpose of the DC Policy is to provide Council with a means of recovering the costs of some specific growth infrastructure required for new development, where development results in an increase in demand on the city's infrastructure. Although the development will have a positive economic impact on the city, there is still a requirement for Council to provide adequate infrastructure to ensure the additional demand from the facility are met. Providing a remission will shift the cost of providing this infrastructure back onto existing households and businesses through increased rates, and this does not align with the principles of the policy to promote equity between existing residents and newcomers.
45. The DC Policy provides the Council with a means of recovering the costs of some specific growth infrastructure required for new development, where development results in an increase in demand on the city's infrastructure.
46. The policy is set on a principles and precedence based approach. The rationale for charging new development for the additional infrastructure is to ensure a fair contribution to community outcomes. It is appropriate that development contributions fund additional capacity in water supply, wastewater, stormwater, roading and parks and reserves. The benefits of this additional capacity mainly accrue to new households (EHUs) and businesses generating the demand for that capacity. Development contributions paid by developers are likely to be passed on through section and building prices to the residents of new households and businesses. Existing residents and businesses, however, gain a much reduced benefit from the infrastructure and resulting growth in the city, and therefore they should not be required to fund the majority of the costs (where the benefit accrues to new developments) through rates.
47. It is recognised that the development of a hotel will have a positive economic impact on the city, but this argument could be applied to all other non-residential developments. Providing a remission will shift the cost of providing this infrastructure back onto existing households and businesses through increased rates, as development contributions are used to pay for the borrowings associated with building new growth infrastructure.

48. Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the purpose of local government. Therefore, funding the cost of providing increased capacity in the city's infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and newcomers.

### Options

49. The Policy enables remissions of development contributions to be granted in exceptional circumstances at the Council's discretion and states that these decisions will not be regarded as creating precedent or expectations.

### Next Actions

50. Following the Committee decision, the owner will be invoiced accordingly.

### Attachments

Attachment 1.	Appendix 1 - Development Contribution Summary	Page 16
Attachment 2.	Appendix 2 - Applicants Remission Request	Page 18
Attachment 3.	Appendix 3 - Development Contributions Water Assessment	Page 21

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Authoriser	David Chick, Chief City Planner

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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

Not applicable

### **Treaty of Waitangi considerations**

Not applicable

### **Financial implications**

Not applicable

### **Policy and legislative implications**

This report is consistent with the Development Contributions Policy and with all other existing policies of the Council.

### **Risks / legal**

The Council's lawyers have not been consulted during the development of this report

### **Climate Change impact and considerations**

This report has no direct impact on climate change.

### **Communications Plan**

There is no communication plan.



## Development Contribution Summary

### Property

WUFI: 1025829  
Address: 11 Bolton Street  
Legal Description: LOT 1 DP 55157

Property Type: Survey  
Status: Current

### Service Requests with Development Contribution Items

SR Code: 296892 SR Type: aBLDG CONSENT Regular Over  
SR Item Description: 3.3 - Commercial - Stage 6 - Sofitel Hotel - Interiors consent for hotel rooms/ internal layout/ stairs to building. AKA 11-17 Bolton Street.

DC Attribute Type	Actual Value	Calculation Value	Calculation Value Change Reason
Year	2013-2014	2013-2014	
Base SR Number	296892	296892	
Base Assessment	Yes	Yes	
No. of Existing Dwellings	0	0	
Final No. of Dwellings	0	0	
No. of Existing Lots	0	0	
Final No. of Lots	0	0	
No. of Existing Units	0	0	
Final No. of Units	0	0	
Existing Square Metres	3262	2928	
Final Total Square metres	7136	6428	
Max EHU per Level	3.00	3.00	
Zone (Locality)	KS - Inner City (Not Pic)	KS - Inner	
Development Contribution	354060.34	354060.34	
Equivalent Household Unit	63.64	63.64	
Equivalent Household Unit - Residential	0.00	0.00	
EquivHousehold Unit - Non Residential	63.64	63.64	

### Development Contribution Fees Breakdown

Type	Rate (GST Inclusive)	EHU	Total Fee (GST Exclusive)	Gst	Total Fee (GST Inclusive)
ZoneKS Dev Contr NonRes - Reserves	270.25	63.64	14955.40	2243.31	17198.71
ZoneKS Dev Contr NonRes - Roading	0	63.64	0.00	0.00	0.00
ZoneKS Dev Contr NonRes - WasteWater	1362.75	63.64	75413.40	11312.01	86725.41
ZoneKS Dev Contr NonRes - WaterSupply	1003.95	63.64	55557.72	8333.66	63891.38
ZoneKS Dev Contr NonRes-City - Reser	780.85	63.64	43211.56	6481.73	49693.29
ZoneKS Dev Contr NonRes-City - Roading	1253.50	63.64	69367.60	10405.14	79772.74
ZoneKS Dev Contr NonRes-City - StormWa	215.05	1.5	280.50	42.07	322.58
ZoneKS Dev Contr NonRes-City - WasteWa	336.95	63.64	18646.52	2796.98	21443.50
ZoneKS Dev Contr NonRes-City - WaterSup	545.10	63.64	30165.36	4524.80	34690.16
ZoneKS Dev Contr Resid - Reserves	2159.70	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid - Roading	0	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid - WasteWater	1362.75	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid - WaterSupply	1003.95	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid-City - Reserves	780.85	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid-City - Roading	1253.50	0	0.00	0.00	0.00
ZoneKS Dev Contr Resid-City - StormWate	215.05	1.5	280.50	42.07	322.58
ZoneKS Dev Contr Resid-City - WasteWate	336.95	0	0.00	0.00	0.00





## **Sofitel Hotel – 11-17 Bolton Street, Wellington Central**

### **Proposed WCC Development Contributions**

#### **Application for Reconsideration / Waiver of Contributions**

##### **Background**

1. The new 5 Star 129 room Sofitel Hotel in Bolton Street in Wellington is to be managed by the Accor Group (based in Paris) which is one of the largest hotel chains in the world and the Hotel is scheduled to open in June/July this year.
2. The Hotel has 15 levels less an EHU credit in terms an existing 9 level building with a net of 6 new levels.
3. The Council has assessed a Development Contribution for the project of \$354,060.34 which is calculated on councils assessment of 63.64 EHU's
4. We have supplied council with EHU calculations based on realistic hotel occupancies such that if an EHU approach is used then the EHU's for the project will be considerably less than Council has assessed.
5. We wish to apply for a reconsideration / waiver of the development contribution as assessed for the reasons set out below;

##### **Council's Assessment**

6. The largest components of the Council's assessment are the water supply and waste water costs and the city wide + catchment specific charges for those services add up to \$206,750.45.
7. The balance of the charges relate to reserves and roading which totals \$146,664.74 and to stormwater which amounts to \$645.16.

##### **Water and Wastewater**

8. The Councils Policy provides for a contribution based on the maximum capacity of a development. Typically in developments such as residential, commercial and industrial developments, maximum capacities are actually achieved on a daily basis as the people using them are permanent residents or permanent employees and so this policy could be seen as appropriate in those situations. However in a hotel situation, particularly a 5 star hotel such as this one, maximum capacities are very rarely achieved. We believe that this development is a special case where a blanket contribution based on maximum capacity for water and sewerage should not apply.

The guest rooms in this hotel have a maximum occupancy of 2 persons but being a 5 star business hotel the operator's experience is that the average length of stay is 1.3 nights and that there will be only 1.2 persons per room per night. Furthermore there will be an overall occupancy of 70% across the hotel. The actual occupancy per room per night is therefore 1.2 person per room per night x 70% = 0.84 persons.

We therefore submit that the water and sewerage contribution for this development of \$206,750.45 should be reduced by a factor of 0.84 (actual occupancy) / 2 (maximum occupancy) = 0.42. Whilst this ratio relates to the hotel rooms we believe the same ratio should also apply to the public spaces in the hotel such as lobbies, bar and conference areas etc. and also to the staff spaces in the hotel as the daily usage and the staffing levels generally move up and down on a daily basis with the hotel occupancy.

For the reasons indicated above, we submit that the **Water and Sewerage Contribution** therefore should be:  $\$206,750.45 \times 0.42 = \$86,835.19$

#### **Reserves and Roothing**

9. The Council's Policy provides for a contribution for reserves and roading. This Policy is appropriate in terms of new houses in new subdivisions and new industrial developments etc. as these new developments generate fresh demand for the use of parks and reserves and actual additional vehicle trips above and beyond what existed before the development.

In the case of a 5 star business hotel such as the Sofitel, it can be argued that there is likely to be close to zero use of parks and reserves as the occupants are generally using the hotel for business purposes. Where the hotel is used for recreation purposes, it is likely to be for one of Wellington's major events and most venues are within walking distance from the hotel.

In terms of roading, the Council's Policy indicates that the traffic and roading contribution is based on 10 private vehicle trips per day. In this instance the great majority of guests will be from outside the Wellington Region and will be travelling by air and will arrive and depart by taxi. There generally will only be 1x taxi trip at the start and 1x taxi trip at the end of a guest's stay which is 1.3 days as indicated above. During a guest's stay most of the business venues will be within walking distance similarly to the limited number of recreational stays due to the central location of the Hotel property.

In this case, it can be seen that the additional impact on the roading network of this hotel development is close to zero. The reason is that the taxis that service the hotel are part of a pool of a restricted number of licenced taxi vehicles that are on the road in Wellington on a daily basis anyway and would be used for other trips if not used for servicing this hotel.

For the reasons indicated above, we submit that the **Reserves and Roothing Contribution** for this development should be **zero**

#### **Stormwater**

10. The stormwater contribution is based on a minor increase in the building's footprint as compared to the existing building. The whole of the existing site including the existing building was virtually totally impervious and there should be no change in the stormwater runoff.

For the reasons indicated above we submit that the **Stormwater Contribution** should be **zero**

**Economic Factors**

11. This hotel development, upon completion brings a capital expenditure injection of some \$50 million into the Wellington Region.

It has been estimated that this Hotel even in its first years of operation will generate 60 to 70 fulltime equivalent job positions which will add \$3 million to \$4 million of direct spending approximately into the Wellington economy per annum.

This will be further added to by the direct purchase of goods and services by the Hotel in the Wellington economy of between \$2 million to \$ 3 million approximately per annum.

The cumulative effect of the above noted spends is between \$5 million to \$7 million per annum but when a typical economic multiplier effect of 3.5x is applied to these figures then the real economic benefit to the Wellington Region is estimated to be between \$17 million and \$24 million per annum.

**A conservative estimate of the ongoing positive economic benefit per annum for the Wellington Region is in the order of \$20 million per annum.**

It is also noted that the company that owns the Sofitel Hotel is subsidiary company of a larger fully New Zealand owned and operated Company that already has four other significant existing hotel properties in the Central Wellington area. These properties taken collectively also already generate an existing economic benefit of a similar order. The decision that was made to develop a new hotel in the Wellington region was taken in the light of other new build opportunities in markets with greater growth opportunities in New Zealand such as the Auckland market. As such, the overall development costs of the hotel in the Wellington economic environment are of a major concern to the owner.

Considerable further investment, redevelopment and upgrading of these existing Wellington properties is under active consideration and this would further add to the positive economic impacts in the Wellington Central area.

When the above noted economic factors are taken into account we submit that this Sofitel development is of such a significant economic merit to the central and wider Wellington area that the **overall Development Contribution should be set to zero** in this particular instance.

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Appendix 3

Water consumption by fixtures

The hotel has a 100mm domestic connection which can deliver 15.7l/sec or 56,520 l/hr at a velocity of 2m/sec (low velocity)

Water consumption when the hotel operates at full capacity				
Fixtures	No	Loading units	Load	Nominal flow
Toilets	122	2	244	
Urinals	0	0	0	
Basin/Sink	127	1	127	
Shower	133	4	532	
Baths	130	8	1040	
Dishwasher	1	3	3	
Glasswasher	1	3	3	
Total			1949	11l/s or 39,600l/hr

**Note:** If the hotel operates to its full capacity, nominal flow required for the fixtures to operate is 11l/sec or 39,600l/hr.

Water consumption if all fixtures are used at the same time				
Fixtures	No	Flow rate l/s	Required flow	Maximum flow l/s
Toilets	122	0.1	12.2	
Urinals	0	0.002	0	
Basin/Sink	127	0.1	12.7	
Shower	66	0.1	6.6	
Baths	65	0.2	13	
Dishwasher	1	0.1	0.1	
Glasswasher	1	0.15	0.15	
Total				44.75 l/s or 161,100l/hr

**Note:** If all the fixtures in the hotel are used at the same time the water consumption will be 44.75l/s or 161,100l/hr. This scenario is unlikely to happen.

Considering no showers are used only baths are used				
Fixtures	No	Loading units	Load	Nominal flow
Toilets	122	2	244	
Urinals	0	0	0	
Basin/Sink	127	1	127	
Shower	133	0	0	
Baths	130	8	1040	
Dishwasher	1	3	3	
Glasswasher	1	3	3	
Total			1417	8.5l/s or 30,600l/hr

Considering no baths are used only showers are used				
Fixtures	No	Loading units	Load	Nominal flow
Toilets	122	2	244	
Urinals	0	0	0	
Basin/Sink	127	1	127	
Shower	133	4	532	
Baths	130	0	0	
Dishwasher	1	3	3	
Glasswasher	1	3	3	
Total			909	6.5l/s or 23,400l/hr

**Note:** If the hotel uses above facilities four hrs a day (morning two hrs and evenings two hrs) a flow rate of 6.5l/s or 23,400l/hr.

Considering no baths or showers are in use				
Fixtures	No	Loading units	Load	Nominal flow
Toilets	122	2	244	
Urinals	0	0	0	
Basin/Sink	127	1	127	
Shower	133	0	0	
Baths	130	0	0	
Dishwasher	1	3	3	
Glasswasher	1	3	3	
Total			377	3.4l/s or 12,240l/hr

**Note:** If the hotel uses above facilities for six hrs a day (apart from the morning and evening four hrs) a flow rate of 3.4l/s or 12,240l/hr.

