

I hereby give notice that an ordinary meeting of the Orākei Local Board will be held on:

Date: Thursday, 3 July 2014
Time: 3.30pm
Meeting Room: St Chads Church and Community Centre
Venue: 38 St Johns Road
Meadowbank

Orākei Local Board OPEN ADDENDUM AGENDA

MEMBERSHIP

Chairperson	Desley Simpson, JP
Deputy Chairperson	Mark Thomas
Members	Ken Baguley
	Troy Churton
	Kate Cooke
	Colin Davis, JP
	Kit Parkinson

(Quorum 4 members)

Georgina Morgan
Democracy Advisor

27 June 2014

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ITEM	TABLE OF CONTENTS	PAGE
27	Development contributions charge for Oceania Football Confederation Incorporated to develop sports fields at 62-80 College Road	5

Development contributions charge for Oceania Football Confederation Incorporated to develop sports fields at 62-80 College Road

File No.: CP2014/14453

Purpose

1. To report on the decision by Council staff not to waive development contributions for Oceania Football Confederation Incorporated's development of sports fields and facilities at 62-80 College Road.

Executive summary

2. The Orakei Local Board made a presentation to the Finance and Performance Committee requesting contributions be waived for this development.
3. Development Contributions for the development have been assessed at \$495,725.79 (\$492,240.96 for stormwater). The development is creating 35,420m² of impervious surface area for two artificial turfs and training areas, along with a sports complex. This impervious surface has no ability to absorb stormwater runoff.
4. Stormwater will flow from the site into the council's network. The consent for the development requires the applicant to construct some stormwater management capacity on the site. This is because the amount of impermeable surface being created exceeds that expected when the Council upgraded the stormwater network in the area to provide for development. This upgrade was to be paid for by developers through development contributions.
5. The Development contributions policy does not provide for the waiver of contributions. If the council wished to waive contributions it would need to make an "inconsistent decision" under section 80 of the Local Government Act 2002 and identify the reasons for the inconsistency.
6. Staff have recommended not to waive the development contributions because it would:
 - be inconsistent with the impact of the development on council's infrastructure
 - set a precedent for the grant of other waivers with associated risk to council revenue and integrity of council's development contributions policy
 - provide additional funding to an external party's project without appropriate transparency
 - require the foregone funding to be made up from either:
 - other developers
 - ratepayers
 - reduced spending on other projects.

Recommendation/s

That the Orākei Local Board:

- a) receives the report.

Comments

7. Oceania Football Confederation (OFC) is funding a development on land owned by Auckland Council at 62-80 College Road, St John. OFC will take a 30 year lease on the property when Stage One is completed. The development will create two football fields and training areas on artificial turf, along with a building complex including changing rooms, an indoor arena and offices. The artificial turf is being laid over concrete. This will capture

stormwater that flows to onsite ponds and then the council's network. OFC are the consent holders.

8. Auckland Council recently acquired Colin Maiden Park (19 hectares) that adjoins this development, as open space land – at a cost of \$60m to Council.
9. The 2012 Contributions Policy does not make provision for any waiver of contributions. The council made this decision as development contributions are a cost recovery tool and a waiver would transfer the cost of that development onto other developers or rate payers.

Assessment of development

10. Contributions are payable where a development places demand on the council's infrastructure.
11. In response to the growth expected in the area, as part of the development of Stonefields, the council invested in a major upgrade of the stormwater network. No development would have been possible without the upgrade to the network. The network could not have managed the stormwater runoff from the additional impervious surface created by the conversion of the quarry to residential and commercial use. It was planned that development contributions would fund this investment.

The resource consent for the OFC development, section 42-44 of the R/LUC/2013/3381, requires the construction of stormwater ponds on site. Onsite ponds are required because the development is proposing a higher level of intensity/impermeable surfaces than was expected when Council upgraded the local stormwater network. Stormwater will flow from the ponds to the council's network. The onsite mitigation ensures that the:

- level of service of the stormwater network is not compromised
- appropriate treatment quality is achieved.

12. The development is creating a demand on the Council stormwater network due to the proposed connection from the development into the public network. While the flows from the site will be limited to the rate(s) set under the Land Use Consent the overall volume will still discharge to the Council network there. This creates a demand on the network which is the test for whether development contributions should be applied.

Comparison to similar developments

13. A smaller artificial sportsfield development was recently completed at Michaels Ave. This development had a different design based on turf over compact gravel. The design requirements differ because the Michaels Ave turf has wetland surrounding it that can withstand the stormwater flows which therefore won't flow to the council network.
14. The Michaels Ave turf development paid a lower contributions charge because:
 - development is much smaller scale
 - flows to council network are lower
 - assessment was made under former council contributions policies.

Waiver of contributions

15. If the council wished to waive contributions it would need to make an inconsistent decision under section 80 of the Local Government Act 2002. This would require the reasons for the inconsistency of the decision to be recorded.
16. As noted above a demand is being placed on the stormwater network and accordingly a waiver would need to be for other reasons e.g. to support the provision of the services to be offered by the development. If this was the case other sources would need to be found to replace the lost funding for the stormwater development. This funding would have to come from either rates or other developments.

17. A waiver would allow for additional support to be provided to this development ahead of other demands on ratepayer, or contributions, funding without the opportunity to assess their relative merits for the Auckland Region.
18. Private development agreements and grants are alternatives to a waiver for the council to provide additional support for the OFC development. Both of these choices would require the council to increase its expenditure. They are more transparent means of funding and provide an opportunity for this project to be compared to other spending proposals within the council's normal planning process and cycle.
19. A private development agreement usually involves the developer constructing assets which the council purchases from them. The developer may then use the sale proceeds to fund any contributions assessed. However, in these circumstances there are effectively no public assets to purchase as the onsite stormwater ponds are a resource consent requirement. The council would only be purchasing the wider benefits from the development of the sports field and associated complex. Given this it would be better to use a grant. Grants are the appropriate mechanism for providing this kind of support.
20. Staff do not recommend that OFC be granted a waiver. If additional support is to be granted to OFC for the development it should be by way of a grant.

Consideration

Local board views and implications

21. The Orakei Local Board passed a motion requesting that Council officers waive the development contribution for this development.
22. The Board's request was made because:
 - they considered that an incorrect assessment of contributions had been made given the onsite stormwater ponds required under the resource consent
 - the OFC has agreed to pay for the development of the sports field and complex, and that a further charge should not be applied to them.

Maori impact statement

23. The recommendations in this report have no impact on Maori.

Implementation

24. There are no implementation issues associated with the recommendations in this report.

Attachments

There are no attachments for this report.

Signatories

Authors	Aaron Matich - Principal Advisor Modelling Andrew Duncan - Manager Financial Policy
Authorisers	Matthew Walker - Manager Financial Plan Policy and Budgeting Andrew McKenzie - Chief Finance Officer Adam Milina - Acting Relationship Manager - Albert-Eden & Orakei Local Boards