

## STAFF REPORT

**TO:** Mayor & Councillors

**FROM:** D C Bush-King, Environment & Planning Manager

**REFERENCE:** S611

**SUBJECT:** **DEVELOPMENT CONTRIBUTIONS – EP09/01/05** - Report Prepared for 29 January Council Meeting

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### 1. Purpose of Report

To obtain agreement to amend the Council's Development Contribution Policy (DCP). A redraft of the Policy is attached as Annex 1. Note that some of the figures have yet to be populated at time of writing this report but they will be available for the Council meeting.

### 2. Current Situation

Council has had in place since 1997 a process whereby income is obtained from developments (subdivision or building) to help fund the capital cost of new or expanded infrastructure that is required to meet the additional demand created by growth. Since 1974 Councils have also had the ability to obtain reserve contributions for capital works associated with reserves.

The Local Government Act 2002 enabled Councils to put in place a DCP to continue these arrangements without the contest normally associated with Resource Management Act (RMA) consent procedures. In our case however, financial contributions for reserves and community services are still obtained via RMA procedures.

Under the LGA the Council must adopt a DCP and it must go through the special consultative procedure and be included in the Long Term Council Community Plan (LTCCP).<sup>1</sup>

In summary terms, development contributions (DCs) are set by identifying the capital development costs attributable to growth and dividing these using a growth yield formula in order to come up with unit of development contribution (which we call the Household Unit of Demand (HUD)). A HUD represents one typical household unit and is used so that both residential and non-residential developments can be charged DCs on a consistent basis. We currently levy DCs in the Coastal Tasman Area and the balance of the district for roading and only those water, wastewater and stormwater services which the property will benefit from (ie no service, no DC).

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<sup>1</sup> Sections 102(4)(d), 106, and Schedule 13 of the LGA refer.

A DC is required at the time of a resource consent, building consent. or service connection.

The Local Government Act requires that only costs included in the LTCCP can be considered for recovery through a DCP. It also requires a robust threshold test to determine which developments should pay a DC and those that should not. Thus not all development activity may be required to pay DCs.

The threshold test is whether the project under consideration (i.e. resource, building consent or service connection):

- (a) generates a demand for infrastructure (or reserves); and
- (b) either alone or with another development, requires new or additional assets or assets of increased capacity which will cause the Council to incur expenditure or has caused it to incur expenditure.

The only way for a DCP to be challenged is through a judicial review via the High Court, with the risk that, should a challenge be successful, it may invalidate other contributions collected under the policy. The risk of challenge can be reduced by having:

- (a) robust assumptions on growth at the level at which the levy applies;
- (b) robust asset management information, including levels of service and work programmes covering maintenance, renewal, acquisition and replacement, as well as an estimate of what is necessary to support growth;
- (c) a revenue and financing policy that sets out:
  - (i) how section 101(3) has been complied with;
  - (ii) the supporting analysis for the DCP.

The DCP has been reviewed having regard to these matters and the various issues that have been dealt with by Council workshops during 2008.

### 3. Review

Tasman is fortunate to have had 11 years operating under a regime where capital works have been funded by other than just rates and loans. All subdivisions which result in the creation of new allotments attract a DC or reserves contribution and about 40 percent of building consents attract a similar payment. Table 1 gives an indication of the revenue obtained from DCs and reserves and community services financial contributions.

Table 1: Revenue obtained from Development Contributions 1 July 2004 to 30 June 2008

Service	Value (\$)
Roading	3.3M
Stormwater	487,000
Water	2.0M
Wastewater	1.6M
Reserves and Community Services	8.0M

The added cost of DCs have often been a source of negative comment from the development community and are perceived as adding to compliance costs and reducing housing and section affordability. There has certainly been extra effort put into explaining and defending the costs across the counter notwithstanding the handout we have prepared. However other views see it as achieving the 'exacerbator pays' principle although what happens in relation to DCs on subdivision is that the costs are transferred to the sale price.

Since 2002 the DCP has been amended annually to make technical changes and an escalation provision now exists to move the DC quanta by the costs construction index to keep in check with inflation.

Overall the DCP is considered to be an important and useful funding tool and there is no recommendation from staff to dispense with it.

#### **4. Summary of Proposed Changes**

##### **a) District-wide or catchment based DCs?**

It is neither expected nor planned that growth will be uniform across the district. Further, the costs and benefits of infrastructure provision can be different in different parts of the district. So why do we apply DCs district wide except for the Coastal Tasman Area (CTA)?

Since the inception of the predecessor to DCs in 1997 we have worked on the basis of a district wide charge as it is recognised that better outcomes may be achieved in our numerically small, but geographically large district, through averaging costs. In addition many of our services operate as a network. While a particular asset may be located in one area, use and demand for it may be spread throughout the district, or the asset may relate to the network as a whole. In some cases it is impracticable for differential costs and benefits to be determined for different and discrete areas. Alternatively, it may not be practical to recover different amounts from the growth communities in different areas. Averaging of the cost of growth is therefore appropriate.

Creating more subzones in the expectation of lower DCs does not automatically follow. For instance, because the section yield in say the Tapawera area is small there would be a small number of allotments to contribute to the capital costs of growth. The unit cost may still be little different from a district wide average.

Staff recommend that we merge the Coastal Tasman Area into the balance of the district resulting in one regime for the whole district. Over time all areas will benefit from this approach. It has the added advantage of simplifying the DCP.

##### **b) Payment Methods**

At present DCs are paid prior to the issue of the completion certificate for subdivisions or in relation to building consents, at the time of uplift (for which a 5% early payment discount is provided) or prior to the issue of the Code Compliance Certificate. Failure to pay can lead to placing a charge on the property (which has happened on 2 occasions, and 4 pending and we will review the ongoing need in

light of changes proposed). It has been suggested we should look at different payment options to assist with developer cash flows.

The law provides Council with some leverage to ensure payment through withholding certification. If we still sign off without full payment we would lose that leverage. However it is proposed that we introduce a bond which a developer can enter into as a means of deferring payment subject to paying interest. The problem with any postponement in receiving income is that Council may need to raise further funds to cover any shortfall. This option however can protect Council but does carry an additional cost for the individual developer.

- c) The current policy allows for credit to be made for previous payments. For first dwellings there may still be an additional payment required of the home owner if the DC quota has increased between the time of subdivision and building. This has created administrative issues and homeowners have been concerned because it was their expectation that the subdivider had met all costs. In recognition of this the policy has been amended the effect of which is to revert back to the original policy of exempting first dwellings on allotments created after 1 July 1997, the date when we started collecting contributions. This has resulted in other consequential amendments removing redundancies such as the 66% discount on first dwellings.
- d) No changes have been brought forward on other matters covered at the workshops including retrospective recovery, multi-unit developments, rebates, payment thresholds

## **RECOMMENDATION**

**It is recommended that Council agree to amend the Development Contribution Policy and that the revised Policy as outlined in Annex 1 be incorporated into the 2009-2019 LTCCP for public consultation under the Local Government Act 2004 special consultative procedure.**

D C Bush-King  
**Environment and Planning Manager**

## Development Contributions Policy

### 1 Introduction

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the district's infrastructure. Population growth in the District will place a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth.

Through this Policy Tasman District Council is seeking to set development contributions in a transparent and consistent manner and at a level that requires a fair share of the capital expenditure for infrastructure to be met those who are creating the new demand for infrastructure in the District.

This policy sets out the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and rationale used in calculating the level of contributions. It also includes a summary of the significant assumptions that the policy is based on. The policy also includes, for information purposes only, a summary of the provisions in the Tasman Resource Management Plan that relate to financial contributions

#### 1.1 Legislative Requirements and Powers

Council is required to have a policy on development contributions or financial contributions as a component of its Funding and Financial Policies in its Long-Term Council Community Plan (LTCCP) under Section 102(4)(d) of the Local Government Act 2002 (the Act). This Policy satisfies that requirement.

Section 198 of the Act gives territorial authorities the power to require a development contribution when granting a resource consent for a development, a building consent or an authorisation for a service connection. Development contributions provide Council with a method to obtain contributions to fund infrastructure required due to growth.

#### 1.2 Purpose of Policy

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for and benefit from the new or additional infrastructure, or infrastructure of increased capacity. Development contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service for existing users. This cost will be met from other funding sources.

#### 1.3 Adoption of Policy

This Policy is adopted in conjunction with the 2009–2019 Long-Term Council Community Plan and will come into force on 1 July 2009.

#### 1.4 When a Development Contribution is Required

A development contribution can be required in relation to a development when:

- the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and community infrastructure; and
- the Council incurs, or is likely to incur, capital expenditure to provide appropriately for those assets, ie network infrastructure, reserves and community infrastructure.

The effect of a development in terms of impact on assets includes the cumulative effect that a development may have in combination with another development.

Where a development will benefit from existing or future Council water, wastewater or stormwater services within the 10 year period of the LTCCP, a development contribution for that particular infrastructure item will be required. The road network is of benefit to the whole District and development contributions for roading will be payable on development throughout the District.

Connection fees will continue to apply in addition to the requirements to pay development contributions except where a development contribution for water supply in the Coastal Tasman Area was paid prior to 1 July 2009, in which case the development contribution included a component for a connection fee.

## **1.5 Limitations to the Imposition of Development Contributions**

Council may not require a development contribution for network infrastructure, reserves or community infrastructure in any of the following cases:

- (a) where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent requiring that a financial contribution be made in relation to the same development for the same purpose;
- (b) where subject to Council's agreement, the developer will fund or otherwise provide for the same network infrastructure, reserve or community infrastructure;
- (c) where in relation to water, wastewater or stormwater services, it is not intended that the development will benefit from a new or expanded Council system or that Council will manage any adverse effect on a stormwater system from development, over the life of the LTCCP (refer to the Services Contribution Area Maps – Schedule III);
- (d) where Council has received or will receive funding from a third party for these works.
- (e) where existing use rights under Section 10 of the Resource Management Act apply to any building development;
- (f) where, in relation to any dwelling, replacement development, repair or renovation work generates no additional demand for network infrastructure;
- (g) where, in relation to any first dwelling erected on an allotment created after 1 July 1997, a financial or development contribution has already been paid for network infrastructure.
- (h) where, except in the case of a new dwelling, the value of any building work for which a building consent is required is less than \$50,000 exclusive of GST, unless the building consent is for a change of use.
- (i) where a building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.

Council will require a reduced development contribution in respect of building development where a previous contribution was paid at the time of subdivision which resulted in the creation of the title being built upon. Likewise any payment in respect of a building development will be recognised at the time of signing off a section 224 certificate in respect of subdivision provided that payment was made in the preceding three years.

## **1.6 Recovery of Financial Contributions**

Financial contributions for reserves and community infrastructure will continue to be recovered under the financial contributions provisions of the Tasman Resource Management Plan independent of whether any development contribution is payable. Council intends only to require development contributions under this Development Contributions Policy for capital expenditure on network infrastructure comprising water, wastewater, roading and stormwater assets and has not, since 1 July 2004, required financial contributions for subdivision and land development under the Council's Tasman Resource Management Plan for capital expenditure

on these assets. However, Council has and may still require works or services on new developments to avoid, remedy or mitigate the environmental effects of proposed developments through resource consent conditions, or in accordance with any relevant provision in the Tasman Resource Management Plan.

Section 16.5 of the Tasman Resource Management Plan, which contains the Council's planning provisions for recovering financial contributions, should also be consulted.

## **2 Council's Objective for the Collection Of Development Contributions**

Council's objective is to develop new or additional infrastructure, or infrastructure of increased capacity to meet the demands of new growth within Tasman District. A development contribution is the Council's preferred method for ensuring that this outcome is achieved for network infrastructure comprising water, wastewater, roading and stormwater assets. Capital expenditure on reserves and community infrastructure will continue to be recovered as financial contributions under relevant planning instruments under the RMA. In addition, a requirement to provide works or services may continue to be imposed as a condition on any resource consent for new development.

## **3 Trigger For Taking A Development Contribution**

Under Section 202 of the Act, Council can require a development contribution upon the granting of

- (a) a resource consent for a subdivision or building development;
- (b) a building consent;
- (c) an authorisation for a service connection.

Council will generally require development contributions on the grant of a resource consent for subdivision or building consent for new development. Council considers that these triggers are generally the most appropriate stage to require a development contribution for the following reasons:

- (a) practicality of implementation;
- (b) economies of scale in implementation costs;
- (c) fairness;
- (d) best available knowledge for projections and allocating budgets.

Council will require development contributions at resource consent stage or at the service connection stage where additional units of demand are created and development contributions for those additional units of demand may not otherwise be covered.

The requirement to pay a development contribution will be in addition to a requirement to pay service connection fees on connection to any Council provided network infrastructure except where a development contribution for water supply has been required in the Coastal Tasman Area prior to 1 July 2009.

## **4 Activities Requiring A Development Contribution To Meet The Costs Of Growth**

Council will require a development contribution for capital expenditure to meet the increased demand for the following network infrastructure resulting from growth:

- (a) water supply;
- (b) wastewater reticulation;
- (c) roading and other transport;
- (d) stormwater collection and management.

### **4.1 Capital Expenditure as a Result of Growth in District**

The Council has estimated the total capital expenditure which it expects to incur as a result of growth to meet increased demand for network infrastructure over the next 10 years. This arises out of the preparation of asset management plans (which are available for public

inspection) identifying the new or additional or expanded network infrastructure that will be developed over the next 10 years, the anticipated growth in the District and the proportion of capital expenditure on that network infrastructure which is attributable to new growth. It is only the proportion of capital expenditure on network infrastructure that is attributable to new growth that will be recovered through development contributions under this Policy. This information is summarised in Schedule II of this Policy.

The relevant capital expenditure on network infrastructure attributable to new growth is summarised in Table 1 below:

<b>Table 1</b>	
<b>Activity</b>	<b>Growth component to be funded by Development Contributions \$ (GST excl)</b>
Road network	xxx
Wastewater Reticulation	xxx
Water Supply	xxx
Stormwater	xxx
<b>Total</b>	<b>xxx</b>

## **5 Units of Demand**

### **5.1 Residential**

**5.1.1** The unit of demand is based upon the development of xxx new residential activities over the life of the LTCCP and beyond through the subdivision and associated development of new and existing lots. Each additional residential activity is assumed to generate a demand for network infrastructure which is equivalent to a single household unit of demand.

### **5.2 Non-Residential**

**5.2.1** Where there is a subdivision for a non-residential land use or non-residential building development, an assessment will be carried out to determine an appropriate unit of demand. This will be based on a comparison between the demand for network infrastructure generated by the non-residential development and the assumptions made in calculating the household unit of demand or such other criteria as may be relevant.

**5.2.2** Where a subdivision consent or building consent is lodged with no assessment of the demand for network infrastructure generated by the non-residential development, Council may require the developer to provide such information. In any case the Council may carry out its own assessment for any development and may require development contributions based upon the Council's estimates. If no proper assessment of the likely demand for network infrastructure is able to be carried out at the subdivision consent stage, a development contribution based on a residential unit of demand will be charged for each new allotment created and Council will require an assessment to be carried out at the building consent stage. This assessment will take into account the development contributions paid at the subdivision consent stage.

### **5.3 Special Assessments**

**5.3.1** In addition, Council reserves the right, at its sole discretion, to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development. This may occur where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of an equivalent household unit of demand. In any such case the Council may, at its sole discretion, require a 'special assessment' to determine the capital expenditure on network infrastructure that can be attributed to the development in question.



## **6 Refunds**

Sections 209 and 210 of the Local Government Act 2002 state the circumstances where development contributions will be refunded, or land returned. Council also reserves the right to refund moneys in other circumstances it considers appropriate.

## **7 Payment of Development Contributions**

Development contributions shall be payable on the granting of a resource consent or building consent or authorisation of a service connection. The due date for payment shall be as follows.:

- For a resource consent (for subdivisions): prior to release of the certificate under section 224(c) of the Resource Management Act 1991 (the 224c certificate).
- For a resource consent (other): on uplift of the building consent, or where no building consent is required or it has already been issued, on issue of the resource consent.
- For a building consent: on issue of the consent.
- For an authorisation for a service connection: on uplift of the authorisation.

Where necessary, these different requirements will apply even when two types of consent are processed simultaneously, or as a single application. Bonding may be available for development contributions as set out in section 8. No other provision for postponement of payment is available.

In addition to its powers generally to require payment of development contributions, Council will exercise the powers conferred by Section 208 of the Act (at its discretion) if development contributions are not paid, or not paid in full. This section enables Council to:

- prevent the commencement of a resource consent;
- withhold a certificate under Section 224I of the RMA;
- withhold a code compliance certificate under Section 43 of the Building Act 1991;
- withhold a service connection to the development;
- register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required.

The Council can recover any development contribution to be paid at the rate applicable at the time when payment is made.

Applicants for a building consent that attracts payment of a development contribution shall be entitled to a 5 per cent discount if payment is made at the time of uplifting the building consent.

## **8 Bonding for development contributions**

Bonding may be available for development contributions over \$50,000, at the discretion of Council. Bonds:

- will only be accepted where the bond is guaranteed by a registered trading bank
- shall be for a maximum period of 24 months, subject to later extension as agreed by an authorised officer
- will have an interest component added, at an interest rate of 2 per cent per annum above the Reserve Bank 90 day bank bill rate on the day the bond document is prepared. The bonded sum will include interest, calculated on the basis of the maximum term set out in the bond document
- shall be based on the GST inclusive amount of the contribution.

If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.

## **9 Implementation and Review**

It is anticipated that this Policy will be updated on a three yearly basis, in whole or in part, or at shorter intervals if Council deems it necessary. Any review of the Policy will take account of:

- any changes to significant assumptions underlying the Development Contributions Policy;
- any changes in the capital development works programme for growth;
- any changes in the pattern and distribution of development in the District;
- any changes that reflect new or significant modelling of the networks;
- the result of reviews of the Funding and Financial Policies, and the LTCCP;
- any other matters Council considers relevant.

## **10 Significant Assumptions of the Development Contributions Policy**

### **10.1 Methodology**

In developing a methodology for the Development Contributions Policy, Council has taken an approach to ensure that the cumulative effect of development is considered across the entire District.

### **10.2 Planning Horizons**

A 20 year timeframe has been used as a basis for forecasting growth and applying a development contribution to all capital expenditure for network infrastructure. This is set out in Council's asset management plans. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy<sup>2</sup> infrastructure works within any given year on development contributions.

### **10.3 Projecting Growth**

To estimate the number of residential and rural-residential developments Council expects over a 20 year period, this Policy has used, and has maintained consistency with, Council's urban growth planning and asset management planning data. This in turn has been based on the medium growth scenario from Statistics New Zealand (2006 base projections).

### **10.4 Best Available Knowledge**

Development contributions are based on capital expenditure budgets from Council's asset management plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The Policy will be updated, as practical, to reflect better information as it becomes available.

### **10.5 Key Risks/Effects**

- That the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- That the time lag between expenditure incurred by Council and contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

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<sup>2</sup> Lumpy infrastructure is where in any given year there are large sums assigned given the discrete nature of the development work.

## 10.6 Financial/Administrative Assumptions

- All figures in the Development Contributions Policy are in today's dollars and there has been no allowance for inflation.
- That methods of service delivery will remain substantially unchanged.

## 11 Review of Decisions

A Council subcommittee comprising any two of the Mayor (or a Mayoral nominee), the Chair of the Environment and Planning or Engineering Services Committees may review assessments of non-residential developments made by staff under delegated authority. Any request for a review shall be lodged no later than 15 working days after receipt of the invoice detailing the Development Contribution payable and accompanied by any lodgement fee. A meeting to consider the request shall be convened within 20 working days of lodging the review request.

## 12 Meaning of Terms

In this Policy, unless the context otherwise requires, the following applies:

**Act** means the Local Government Act 2002.

**Activity** means a good or service provided by, or on behalf of, a local authority or a Council-controlled organisation; and includes:

- (a) the provision of facilities and amenities; and
- (b) the making of grants; and
- (c) the performance of regulatory and other governmental functions.

**Allotment** has the meaning given to it in Section 218(2) of the Resource Management Act 1991.

**Asset Management Plan** means the current Council document that outlines how the Council will manage and provide infrastructure assets.

**Catchment** means the area served by a particular infrastructure.

**Capital Expenditure** means the cost Council expects to incur to provide infrastructure assets for the running of network infrastructure.

**Community Outcomes**, in relation to a district or region:

- (a) means the outcomes for that district or region that are identified as priorities for the time being through a process under Section 91 of the Act; and
- (b) includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.

**Development** means

- (a) any subdivision or other land development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

**Development Contribution** means a contribution:

- (a) provided for in a development contribution policy included in the Long-Term Council Community Plan of the Council; and
- (b) calculated in accordance with the methodology set out in Schedule 13 to the Act; and

- (c) comprising:
- (i) money; or
  - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
  - (iii) both.

**Development Contributions Policy** means the policy on development contributions included in the Long-Term Council Community Plan of the Council under Section 102(4)(d) of the Act.

**District** means the Tasman District.

**Dwelling** means a building or part of a building for a single, self-contained, house-keeping unit, whether of one or more persons (where 'self-contained house-keeping unit' means a single integrated set of sleeping, ablution and cooking facilities).

*Note: Workers Accommodation as defined in the Tasman Resource Management Plan will be assessed for roading contributions on the basis of one HUD per ten beds.*

**HUD** means Household Unit of Demand and a single HUD is calculated in accordance with the table below as follows:

Table 3			
Activity	Base Unit	Demand per Household Unit	Comments
Water	Internal pipe size into development	Minimum house size 20 mm + 1 HUD	Internal pipe size into development dictates HUD amount (See below)
Water lateral pipe size into development		Equivalent HUD amount payable	
20 mm dia		1 HUD	
21 - 30 mm dia		2 HUD	
31 - 40 mm dia		3 HUD	
41 - 50 mm dia		5 HUD	
21 – 100 mm dia		10 HUD	
101 – 150 mm dia		15 HUD	
Greater than 150 mm dia		Separate assessment	
Wastewater (commercial only) (Industrial separately assessed on Trade waste flows from site i.e. more than 1.0 m <sup>3</sup> /day)	Number of pans / urinals	2 pans / urinals	Urinal = pan. Number of pans / urinals / 2 = HUD amount, i.e 10 pans + 2 urinals = 12 pans divided by 2 = 6 HUDS
Stormwater	300 m <sup>2</sup> of non pervious surface	300 m <sup>2</sup> and multiples thereof for roof and paved areas. Credits given for stormwater mitigation, i.e grass swales / rain gardens	Typical residential dwelling covers approx 300 m <sup>2</sup> site. Multiples of 300 m <sup>2</sup> , i.e roof and paved areas equate to HUD / 300 m <sup>2</sup>
Roading	Three carpark spaces	Three carpark spaces per household unit = 1 HUD	Figure 16.2D of the TRMP sets out carpark spaces for different uses. The total carparks required per development / 3 = required HUD

- \* *For industrial/wet industries using more than 5.0m<sup>3</sup> water per day, individual assessments will be undertaken on the proposed water use averaged over the year.*
- *When a change in use occurs and no resource consent required but an increased use in Council's infrastructure ie 198 and 199 Local Government Act 2002 (LGA 2002) , Council may require that a Development Contribution be made and enforced through a statutory land charge pursuant 208(d) of LGA 2002.*

**Network Infrastructure** means the provision of roads and other transport, water, wastewater and stormwater collection and management.

**Policy** means this Development Contributions Policy.

**Service Connection** means a physical connection to a service provided by Council.

**Urban Drainage Area** means an area defined under the Local Government Act 1974 as adopted by Council.

**Water Supply Area** means a water supply rating area as adopted by Council

## Schedule I

### Summary of Development Contributions

#### 1 Residential Development

##### 1.1 Development Contributions Required on Subdivision

For each infrastructure asset (water, wastewater, stormwater and roading) where development contributions are required, the development contribution payable by the developer will be calculated by multiplying the number of household units of demand (HUD) generated by the development by the figure for the relevant activity in Table 4. For the purpose of this Policy, a single household unit of demand is equivalent to each allotment created by subdivision. In calculating the number of HUDs, Council will use the number of new allotments created by subdivision, less:

- (a) the number of separate certificates of title pertaining to the land being subdivided which have resulted from a previous subdivision consent or equivalent approval;
- (b) any allotment which, by agreement, is to be vested in the Council or the Crown for a public purpose;
- (c) any allotment required as a condition of consent to be amalgamated with another allotment.

Table 4	
Activity	Development Contribution per HUD \$ (incl GST)
Water	xxx
Wastewater	xxx
Roading	xxx
Stormwater	xxx
<b>Total</b>	<b>xxx</b>

*\* The value of the Development Contribution shall be adjusted on 1 July each calendar year using the annual change in the Cost Construction Index*

##### 1.2 Development Contributions Required on Building Development

For building development in the District, development contributions are calculated as follows:

- (a) for each building that is the first dwelling on a site created after 1 July 1997, the development contribution is nil.
- (b) for each building that is the first dwelling on a site created before 1 July 1997, the development contribution is as set out in Table 4
- (c) Where the building is a second or subsequent dwelling on a single certificate of title, the development contribution is set out in Table 4.

#### 2 Non-Residential Development

**2.1** Where there is a subdivision for a non-residential land use, or non-residential building development, an assessment will be carried out to determine a non-residential unit of demand in accordance with Table 3. The development contribution required for a non-residential development will be required on the grant of a resource consent, or on the grant of a building consent, or on the grant of any authorisation for a service connection, whichever is applicable and is first in time.

**2.2** If no proper assessment of the likely demand for network infrastructure is able to be carried out at the subdivision consent stage, the Council will require a development contribution based on

a residential unit of demand for each new allotment created and Council will require an assessment to be carried out at the building consent stage. This assessment will take into account the development contributions paid at the subdivision consent stage.

- 2.3** In calculating the equivalent HUD, the Council does not allow for fractions of HUDs. Standard rounding formulae will apply ie  $\geq 0.5$  is rounded up to the next whole number,  $< 0.5$  is rounded down to the next whole number.

**Schedule II – Summary of Activity Management Plans**

Will insert list of qualifying projects as discussed at workshops



**Schedule III – Services Contribution Area Maps**

Will insert maps as currently in use