

PALMERSTON NORTH CITY COUNCIL

Development Contributions Policy

LTCCP | TEN YEAR PLAN 2006/16

(As amended June 2007)

[1] Introduction

[1.1] Legislative Requirements and Powers

Council is required to have a Development Contributions Policy 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 (LGA02). Section 198 of the LGA02 gives territorial authorities the power to require a contribution for developments. Development Contributions provide Council with the means to fund infrastructure required due to growth.

[1.2] When a Development Contribution is Required

A Development Contribution is 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 capital expenditure to provide appropriately for those assets, i.e. network infrastructure, reserves and community infrastructure.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with other development. A Development Contributions Policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

[1.3] Limitations to the Application of Development Contributions

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

- Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or

- Where the developer will fund or otherwise provide for infrastructure such as a reserve, network infrastructure, or community infrastructure; or
- Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.

[1.4] Relationship to Resource Management Act 1991

Development contributions under the LGA02 are in addition to, and separate from, Financial Contributions under the RMA. While Council generally considers development contributions under this Development Contributions Policy as its main funding tool for infrastructure it may also require Financial Contributions under the RMA. Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. Financial Contributions must not be applied as a condition on a consent where a Development Contribution has been required for the same purpose on the same development.

Despite the above the Council still has the power to require services or works for subdivisions or developments to avoid, remedy and mitigate the environmental effects through resource consent conditions.

[2] Community Outcomes

Council outlines its strategic goals in Part 1 of the LTCCP. As a result of the community feedback received as part of the 'Creating Our Future' project in 2005, Council adopted nine Community Outcomes. Five of the nine community outcomes adopted are considered to be relevant to the Development Contributions Policy.

The Development Contributions Policy contributes to the achievement of the following community outcomes:

[2.1] Palmerston North is attractive, clean and green:

The development contributions policy will ensure that a high and consistent level of infrastructure provision is maintained, which in turn will sustain a liveable urban environment.

[2.2] Palmerston North's physical infrastructure is reliable:

Physical infrastructure such as roads, water supply, wastewater, stormwater, reserves and other community infrastructure are critical to the effective functioning of the city. The development contributions policy will enable the provision of this infrastructure to cater for future demand.

[2.3] Businesses grow here and people have lots of jobs opportunities:

The development contributions policy helps to ensure that the cost of growth in the City is fairly and reasonably met by new development.

[2.4] People have lots of fun things to do:

Development contributions policy ensures that city-wide and local reserves will be provided for and are appropriate to meet any future demands

[2.5] People can move easily around Palmerston North

The development contributions policy will enable the provision of adequate roading network to meet future demand.

[3] Overview of Development Contributions Policy

Section 201 of the LGA02 outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Act.

[3.1] Purpose of a Development Contributions 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 that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service. This cost will be met from other sources.

[3.2] Trigger for Taking a Development Contribution

Under Section 202 of the LGA02 Council may apply a development contribution for developments generating increased reserves, network or community infrastructure demands upon the granting of:

- A resource consent
- A building consent
- An authorisation for a service connection.

A resource consent, building consent or authorisation for a service connection is only a trigger for taking developing development contributions in the sense of timing, not in the definitional context. The application of development contributions by Council upon the granting of a resource consent, building consent or authorisation for service connection is subject to clause 1.2 and 1.3 of this Policy.

[3.2.1] Preferred Stage of Applying a Development Contribution

It is Council's preference to apply a development contribution at the first stage of development, which is generally at the subdivision consent stage. It is not the intent of the Policy to delay the payment of contribution to subsequent consent/development stages. Deferring payment of development contributions to subsequent stages is both administratively onerous and also results in the same request at all subsequent development stages. Council considers that the subdivision consent stage is generally the most appropriate stage to take a development contribution for the following reasons:

- Practicality of implementation
- Economies of scale in implementation costs
- Fairness
- Best available knowledge for projections and allocating budgets.

[3.2.2] Payment of Development Contributions at Subsequent Development Stages

While generally development contributions will apply at subdivision consent stage, Council will apply contributions at the building consent stage or at the service connection stage on all types of development where additional units of demand are created in the absence of subdivision.

The Councils experience is that occasionally units of demand are created on land already subdivided. In such cases, as a matter of equity, Council will assess and seek the appropriate development contribution at the building consent stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage Council will require a development contribution at service connection stage.

Refer also to clause 5.2 (Amount, Payment and Collection of Development Contributions) and clause 5.3 (Transitional Provisions) of the Policy.

[3.2.3] Determining the Contribution Payable based on the Type of Development

There are three types of development categories in assessing a Development Contribution. These include:

- Residential
- Non-Residential
- Rural.

Development is categorized by type to adequately reflect the demand that type of development has on our infrastructure networks. When Council levies a development contribution, the expected dominant nature of activities in the underlying zone will

generally determine the type of development contribution payable. For example, the dominant activity in the industrial zone will be assumed to be non-residential and will therefore be subject to a non-residential development contribution.

However, there are exceptions where the underlying zone will not appropriately reflect the dominant activity proposed for a development. For example, a residential development / dwelling in a non-residential zone. In this circumstance it may be appropriate to levy a 'residential' unit of demand to that development where there is certainty that it will be the dominant activity on that particular site.

[3.3] Activities Requiring a Development Contribution to Meet the Costs of Growth

Council may require a development contribution from any development for the following:

1. Capital expenditure expected to be incurred as a result of growth
2. Capital expenditure already incurred in anticipation of development.

Funding Council's capital expenditure for growth with development contributions must be considered alongside Council's other funding tools. Development Contributions will be required from development under this Policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for Community Facilities: network infrastructure, community infrastructure and reserves. Table 1 identifies activities Council will require a development contribution on.

TABLE 1: ACTIVITIES REQUIRING A DEVELOPMENT CONTRIBUTION

ACTIVITIES	COMMUNITY FACILITIES
Water	Network Infrastructure
Wastewater	Network Infrastructure
Roading	Network Infrastructure
Stormwater	Network Infrastructure
Parks and Reserves – Buildings and Works	Community Infrastructure
Parks and Reserves – Land	Reserves

[3.4] Capital Expenditure Council Expects to Incur as a Result of Growth

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for network infrastructure, reserves, and community infrastructure over the next 20 years, is summarised in Table 2. The total growth component, excluding funding from other sources, of the capital expenditure budgets will be funded by development contributions.

TABLE 2: SUMMARY OF 20 YEAR ESTIMATED CAPITAL EXPENDITURE AND FUNDING FOR GROWTH

ACTIVITY	TOTAL PLANNED CAPITAL EXPENDITURE WORK	TOTAL LEVEL OF SERVICE COMPONENT	THIRD PARTY FUNDING	TOTAL ESTIMATED GROWTH COMPONENT	TOTAL ESTIMATED GROWTH COMPONENT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS ¹
Water	\$13,653,695	\$4,300,000	\$0	\$9,353,695	\$9,353,695
Wastewater	\$22,543,407	\$14,766,272	\$0	\$7,777,135	\$7,777,135
Roading	\$162,227,000	\$123,536,090	\$36,338,848	\$38,690,910	\$30,024,146
Stormwater	\$19,575,894	\$15,545,894	\$0	\$4,030,000	\$400,000
City Reserves - Reserves and Community Infrastructure	\$72,824,926	\$54,197,092	\$0	\$18,627,834	\$18,627,834
Local Reserves - Reserves and Community Infrastructure	\$14,233,096	\$10,142,189	\$0	\$4,090,907	\$4,090,907 ²

¹ As estimated in January 2006

² This figure is the total estimated growth component for local reserves in Kelvin Grove and Aokautere/Summerhill development contributions areas only.

In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under section 101(3) of the LGA 02 for each individual activity (network infrastructure or community facility). Key considerations included:

- The nature and operation of the activity;
- An analysis of who will benefit from the planned capital expenditure work; and
- An analysis of who will cause the need for the planned capital expenditure work.

A detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 of this Policy.

[3.5] Capital Expenditure Council has Incurred in Anticipation of Development

Development contributions will also be required from development to meet the cost of capital expenditure already incurred in anticipation of development, where Council has assessed it appropriate and reasonable.

The capital expenditure already incurred to meet increased growth demand for network infrastructure, reserves and community infrastructure over the next 20 years is summarised in Table 3 and will be funded by development contributions.

TABLE 3: SUMMARY OF CAPITAL EXPENDITURE COUNCIL HAS INCURRED IN ANTICIPATION OF DEVELOPMENT

TOTAL CAPITAL EXPENDITURE INCURRED IN ACTIVITIES ANTICIPATION OF DEVELOPMENT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS³

Water	\$300,000
Wastewater	\$1,307,052
Stormwater	\$2,629,577
Roading	\$1,160,000
City Reserves – Reserves and Community Infrastructure	\$0
Local Reserves – Reserves and Community Infrastructure	\$0

Note:

The water and wastewater capital expenditure is for new infrastructure that has been constructed between July 2004 and June 2006 and for which there is remaining capacity. These works were not included in the 2004 Development Contributions Policy.

The stormwater capital expenditure is for stormwater infrastructure that has been previously constructed in anticipation of future growth.

The roading capital expenditure is for new roading infrastructure that has been constructed between July 2004 and June 2006. These works were not included in the 2004 Development Contributions Policy.

[3.6] Council Use of Development Contributions

Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions in Table 2. Similarly third party funding received for capital expenditure Council has incurred in anticipation of development has also been excluded from figures represented in Table 3.

[3.7] Level of Service

The level of service component of Council's identified infrastructure works, for the network activities, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligation e.g. environmental standards for water quality or technological improvements. The level of service proportion of the identified infrastructure works will not be funded by development contributions. Approved Council Asset Management Plans for each activity define the relevant level of service for that activity.

[3.8] Implementation and Review

It is anticipated that this policy will be updated on a three yearly basis, 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 regular reviews of the Funding and Financial Policies, and the LTCCP

³ As calculated in January 2006

- Any issues associated with the implementation of the Policy
- Any other matters Council considers relevant.

The three year review period of the Policy is preferred and takes into account the following:

- The need for certainty of the fee structure over a reasonable duration
- Alignment with the required statutory update of the Council's Long Term Community Plan.

The Policy would only be reviewed at a shorter interval than the preferred three year period where there was a significant change in the projected growth rates and assumptions, or issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated.

[4] Significant Assumptions of the Development Contributions Policy

[4.1] Approach to 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 from a system-wide perspective. This policy considers the specific infrastructure demands created by individual developments in the context of Council's wider community responsibilities as an infrastructure service provider.

[4.2] Development Contribution Areas

For the purposes of development contributions the City is broken into 12 development contribution areas based on activity service catchments (Refer Map 1 in Appendix A to this policy). This map is indicative only and zones may change during the life of this Policy. Where a zone does change, for example from rural to residential, then the

principles of Section 3.2.3 shall apply. Where a rural zone is changed to a residential or non-residential zone those fees attributable to Development Contribution Area B shall apply and be based on the dominant type of development within the new zone.

[4.3] Planning Horizons

A 20-year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with Council's asset management planning horizons. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy⁴ infrastructure works within any given year on development contributions.

[4.4] Projecting Growth

To estimate the number of residential and rural 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. Projected growth for residential and rural development is based on a high growth projection for population by the New Zealand Department of Statistics for Palmerston North City. The rate of accumulating population growth is projected to be 22% (1% accumulating) over a 20-year period. This represents approximately 9400 new households in the City.

Council has used past trends in non-residential land uptake to estimate the area of non-residential development Council expects each year. This represents approximately 4.6ha of non-residential development in the City.

[4.5] Best Available Knowledge

Development contributions are based on capital expenditure budgets from Council Asset Management Plans, which in turn feed into the Long Term Council Community Plan budgets. 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, as per Section 3.8 of this policy.

⁴ Lumpy infrastructure is where in any given year there are large sums assigned given the discrete nature of the development work.

[4.6] Growth in the District

Continued greenfield residential development will take place in Kelvin Grove and the Aokautere/Summerhill area units respectively in the short to medium term. Further residential development within existing developed residential areas within the district is also assumed. Further rural development, in particular rural-residential development, in the district is assumed to continue at current trends. Non-residential development is expected to continue within all relevant zones, in particular the North East Industrial Zone. New residential greenfield zones to the west and the east of the City are also assumed to have household growth within the 20 year projected timeframes. Where any of these new Greenfield areas are rezoned prior to an update of the Policy Section 4.2 shall apply.

[4.7] Unit of Demand

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to clause 6.6.2 and Table 4 – Units of Demand for Community Facilities for further guidance). Council will demonstrate that it has attributed units of demand to particular developments or types of developments on a consistent and equitable basis. For all activities a differentiation is made between residential, rural and non-residential development due to the demand and use they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Section 6 of this policy. Clauses 6.6.4 – 6.6.7 provide specific guidance for measuring units of demand for certain types of activities and different development scenarios e.g. Multi-unit residential development and development in the absence of subdivision.

⁵ The land-based portion of a development contribution includes those charges that are calculated on the area of land included within a development.

⁶ A balance lot is a remaining allotment not yet intended for development that will be developed at a later date.

[5] Administration of Development Contributions

[5.1] Additional Considerations: Remissions, Postponements, Refunds and Special Circumstances of Development Contributions

[5.1.1] Remissions and Postponements

At the request of the applicant, the development contribution required on a development may be considered for remission or postponement at Council's discretion on a case-by-case basis.

[5.1.2] Remissions

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

1. The development creates no additional unit of demand
2. A contribution has already been paid for the same service
3. Development contributions applicable to a particular development are deemed by Council to be manifestly excessive for any other reason. (This catchall is inserted because Council recognises that there maybe situations not envisaged at the time this policy was established that justifies remission. However, where units of demand are created it would only be in exceptional circumstances that Council would accept that a remission is justified.)

Remissions must be applied for before a development contribution payment is made to Council. Council will not allow remissions retrospectively.

[5.1.3] Postponements

Postponement of the land-based⁵ portion of a development contribution applicable to the balance lot⁶ of a development may be allowed in the following circumstances:

1. The development contribution is deemed by Council to be manifestly excessive given that no immediate capital works or expenditure are planned or required by Council.

[5.1.4] Postponements Criterion

Postponements must be applied for before a development contribution payment is made to Council. Council will not allow postponements retrospectively.

The postponed land-based portion of a development contribution will be reassessed at the next and any subsequent development phase.

In certain circumstances the Council may chose to only postpone part of the land-based portion of a development contribution applicable to the balance lot.

The postponed land-based portion of the development contribution that is applied at a subsequent development phase will be assessed on the development contribution charges applicable at that time.

Postponement of the land-based portion of a development contribution required on a development does not indicate that the development does not create additional units of demand.

[5.1.5] Process for Consideration for Remission or Postponement of Development Contribution

Any request for remission or postponement of a development contribution shall be made by notice in writing, from the applicant to Council, before development contributions required on the development are paid. Any request for remission or postponement shall set out reasons for the request.

In undertaking the review:

- Council shall consider the request as soon as reasonably practicable
- Council may, at its discretion, uphold, reduce, postpone or cancel the original amount of development contribution required on the development and shall communicate its decision in writing to the applicant within 15 working days of receiving the request
- Council will make the decision, by way of delegation, to officers to an appropriate level and on the papers.

Where Council decides to consider such a request the following matters will be taken into account:

- The Development Contributions Policy
- The Contributions Model
- Council's Funding and Financial Policy
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme
- Existing uses on the allotment area of the proposed development
- Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - (i) Development Contributions.
 - (ii) Agreements with Council.
 - (iii) Financial Contributions under the RMA
- Any other matters Council considers relevant
- The timing, likelihood and type of capital works or expenditure planned or required within or surrounding the postponed balance lot.

In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.

The applicant may request a further review of an officer's determination on a request for remission or postponement. That review will be undertaken by the Hearings

Committee. No further review will be available unless:

- (a) The further request is received by Council together with the prescribed fee within 20 working days of receipt of the officer's decision; and
- (b) The Hearings Committee gives leave for a further review.

The Hearings Committee will determine an application for leave on the papers. The Hearings committee may give leave for a further review only if it is clearly arguable that the development contributions are manifestly excessive.

A Council decision must not have the practical effect of altering the methodology of this policy including the underlying averaging approach inherent to the calculation of units of demand.

[5.1.6] Refunds

The refund of money and return of land if development does not proceed and refund of money or return of land if not applied to specified reserves purposes will be applied in accordance with Sections 209 and 210 of the LGA02 as set out in Appendix B.

Any refunds will be issued to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

[5.2] Amount, Payment and Collection of Development Contributions

Any resource consent, building consent or service connection applications received on or after the date the 2007/2008 Annual Plan came into effect (1 July 2007) will be subject to a development contributions charge under this Policy (the 2007 Policy).

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the attached schedule of fees and shall increase annually on 1 July of each year, in accordance with the following formula: $DC = BC \times (PPIC / PPIB)$.

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees.

PPIC = the Producers Price Index – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

Subject to the Council's powers under section 208 LGA 02 the development contribution assessed under this Policy may be paid at any time until the consent or authorisation that triggered the assessment lapses or expires. If the consent or authorisation lapses or expires, a new consent will be required in which case the development contribution payable will be re-assessed. If the development contribution is not paid within 12 months of the date the assessment was made, then the development contribution shall increase annually on 1 July each year by the amount of increase in the Producer's Price Index – Construction for that year.

Development contributions payable on resource consents, building consents or service connections will not be re-assessed following an update to the Policy.

If payment of development contribution is not received Council will exercise its powers outlined in Section 208 LGA02. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may:

- (a) in the case of a development contribution required under section 198(1)(a), -
 - i) Withhold a certificate under section 224(c) of the Resource Management Act 1991:
 - ii) Prevent the commencement of a resource consent under the Resource Management Act 1991:

- (b) in the case of a development contributions required under section 198(1)(b), withhold a code of compliance certificate under section 95 of the Building Act 2004:
- (c) in the case of development contribution required under section 198(1)(c), withhold a service connection to the development:
- (d) in each case, 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.

[5.3] Transitional Provisions

Any resource consent, building consent or service connection applications received on or after the date the interim 2004/2005 – 2013/2014 LTCCP came into effect (1 July 2004) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2004 Policy and will not be reassessed based on the fees applicable under the 2006 Policy or any other Development Contributions Policy adopted by Council.

Any resource consent, building consent or service connection applications received on or after the date the 2006/2007 – 2015/2016 LTCCP came into effect (1 July 2006) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2006 Policy and will not be reassessed based on the measure of a unit of demand and fees applicable under the 2007 Policy or any other Development Contributions Policy adopted by Council.

Any resource consent, building consent or service connection applications received prior to the date the 2007/2008 Annual Plan came into effect (1 July 2007) will not be subject to Producer's Price Index – Construction adjustment.

[5.4] Valuing of Land

Council will no longer accept land as a development contribution. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. Future land requirements for reserves purposes are budgeted for in Council's Recreation and Community Facilities Asset Management Plan. Council will use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.

[5.5] Special Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand. Where a development is considered to be a special circumstance, an individual assessment will be undertaken by Council to determine the effect of the development on the network infrastructure, reserves and community facilities and the development contributions amount payable.

For the purposes of clarity, special circumstances include, but are not limited to, the following activities:

- Wet industries
- Service stations
- Fast food outlets
- Wind-farms
- Activities that require specific roading upgrades.

The activities listed above have been identified as special circumstances for one of the following reasons:

- The potential effect the activity may have on the capacity of the network infrastructure, reserves and community infrastructure is likely to be

greater than that taken into account when developing a methodology for the Development Contributions Policy and calculating the development contributions charges per unit of demand

- The activity is likely to require the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.

Significant adverse effects on infrastructure of particular developments may be considered as part of the evaluation of application for resource consent and may influence consideration of the application in the absence of agreed mitigation with the Council.

The applicant shall provide sufficient information to enable the Council to determine whether or not a development is a special circumstance and to enable an individual assessment to be made (see clause 5.6).

[5.6] Individual Assessments

Where an individual assessment is undertaken by Council for the purposes of a special circumstance, the following matters will be taken into account when determining the final development contributions amount payable:

- (i) The schedules of contributions per unit of demand (fees) applicable at the time the application is received
- (ii) The relative measures of a unit of demand

⁷ *Brownfield redevelopment means further development of sites that are developed at or over 40% site coverage, or where at some time in the past at or over 40% site coverage, provided the buildings located at the site were established prior to 1 July 2004, and specifically includes:*

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings.

- (iii) The factors used to portion out the 20 year residential and non-residential growth costs (water, wastewater and roading only)
- (iv) Previous contributions paid
- (v) The current or previous level of demand placed on the network infrastructure, reserves and community facilities
- (vi) The level of demand the proposed development will place on the network infrastructure, reserves and community facilities
- (vii) Any other matters Council considers relevant.

[5.7] Non-Residential Brownfield Redevelopment

Non-residential brownfield redevelopment⁷ generally places negligible increased demand on the capacity of the network infrastructure. This is because it occurs in established areas and the new or altered activities and buildings established on the site generally place a similar demand on the network infrastructure as the previous activity or building. For this reason non-residential brownfield redevelopment does not create additional units of demand.

Non-residential brownfield redevelopment will generally occur on allotments that have not paid development contributions in the past based on allotment area (2007 Policy) or per additional allotment (2004 and 2006 Policies).

The alteration of an existing non-residential building or construction of a new non-residential building may still create additional units of demand and be subject to development contributions (refer to sections 6 and 7 for further guidance) e.g. the extension of a non-residential building established after 1 July 2004 located on an allotment that has not paid any development contributions in the past at the subdivision stage.

The applicant shall provide sufficient information to enable the Council to determine whether or not a development is a non-residential brownfield redevelopment.

[5.8] Tax – GST

Development contributions required will incur a 12.5% Goods and Services Tax upon assessment of contribution payable.

[5.9] Cross Boundary Development

In the situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development allotment area.

[6] Community Facilities: Network Infrastructure, Reserves and Community Infrastructure

[6.1] Water

The water reticulation network is made up of two service catchments, Palmerston North urban area and Ashhurst urban area. Each of the defined service catchments of the water reticulation system is characterised by interdependent components. For the purposes of development contributions, the water reticulation network is optimised to include only those components necessary to the effective operation of the network-wide system.

Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind. This network

is referred to as the 'Integrated Water Network' and its components in the service catchments are defined visually on Map 2 in Appendix C.

[6.1.1] Development Contributions Approach

A development contribution for the identified water service catchments will be based on the value of future identified growth works on each of the service catchments in the 'Integrated Water Network'. The anticipated future works on the 'Integrated Water Network' in each area are identified in the Palmerston North City Council's Water Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy.

[6.1.2] Who Gets Charged?

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions are:

- developments in the rural area that are not connected to the City water systems (Development Contributions Area A).
- developments in Ashhurst that have a separate water network on which no future growth works are planned (Development Contributions Area C).

[6.1.3] Justification for Approach

All growth works on the 'Integrated Water Network' are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the integrated networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

[6.1.4] Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.

The following factors have been used to portion out the 20 year residential and non-residential growth costs for water:

- an average residential – non-residential water demand ratio
- the average number of equivalent household units per hectare
- the residential and non-residential growth projections.

All residential and non-residential development is assumed to create a unit of demand. All rural development is assumed to create zero units of demand.

The measure for a residential unit of demand is:

- per additional allotment at subdivision; or
- per connected equivalent household unit at building consent or service connection.

The measure for a non-residential unit of demand is:

- per 100m² of allotment area at subdivision; or
- per 100m² of Gross Floor Area (GFA) at building consent or service connection.

The measures for units of demand are summarised at the end of this section in Table 4.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.2] Wastewater

The wastewater reticulation network is made up of two discrete service catchments, Palmerston North urban area and Ashhurst urban area. Each of the defined service catchments of the wastewater system is characterised by a combination of interdependent components. For the purpose of development contributions, the wastewater network is rationalised to include only those components necessary to the effective operation of the network-wide system.

Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of the identified network is undertaken with network-wide supply and demand issues in mind. This network is referred to as the 'Integrated Wastewater Network' and its components are defined visually on Map 3 in Appendix D

[6.2.1] Development Contributions Approach

The development contribution is based on the value of future identified growth works on each of the service catchments in the 'Integrated Wastewater Network'. The anticipated future works on the 'Integrated Wastewater Network' are identified in the Palmerston North City Council's Wastewater Asset Management Plan and the value is summarised in Table 2 in Section 3.4 of this Policy.

[6.2.2] Justification for Approach

All growth works on the 'Integrated Wastewater Network' are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All necessary components of the integrated networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

[6.2.3] Who Gets Charged?

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions are:

- developments in the rural area that are not connected to the City wastewater systems (Development Contributions Area A)
- developments in Ashhurst that have a separate wastewater network on which no future growth works are planned. (Development Contributions Area C)

[6.2.4] Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.

Production of wastewater correlates closely with the consumption of water. Therefore the following factors have been used to portion out the 20 year residential and non-residential growth costs for wastewater:

- an average residential – non-residential wastewater demand ratio.
- the average number of equivalent household units per hectare.
- the residential and non-residential growth projections.

All residential and non-residential development is assumed to create a unit of demand. All rural development is assumed to create zero units of demand.

The measure for a residential unit of demand is:

- per additional allotment at subdivision; or
- per connected equivalent household unit at building consent or service connection.

The measure for a non-residential unit of demand is:

- per 100m² of allotment area at subdivision; or
- per 100m² of GFA at building consent or service connection.

The measures for units of demand are summarised at the end of this section in Table 4.

Refer also to clause 5.5 (Special Circumstances), clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.3] Rooding

The roading network service is contained within the Palmerston North City Council territorial boundary. The roading network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.

For the purposes of development contributions, the roading network is considered to be an unrestricted system. This means that the roading network can be accessed by anyone at anytime in the City. The roading network is defined visually on Map 4 in Appendix E.

[6.3.1] Development Contributions Approach

Development contributions are applied citywide and are based on the value of future identified growth capital development works on the roading network. The anticipated future growth capital development works are identified in the Palmerston North City Council's Rooding Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy. The development contribution for the roading network is based on the proportion of these works that have been assessed as the result of increased

demand generated by new residential, rural and non-residential development.

The proportion of future growth works resulting from increased demand attributable to new residential and non-residential development is determined by Council from data collected for Palmerston North City Council's Transportation Management Plan.

[6.3.2] Who Gets Charged?

Under the above outlined method, all new developments in all development contribution areas will be subject to a development contribution for the roading network.

[6.3.3] Justification for Approach

All components included in the development contribution for the roading network are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. The current network also has excess capacity that has been planned to and will cater for anticipated future capacity uptake. Any identified capital development works undertaken on the network enhance the capacity of the existing integrated network directly.

[6.3.4] Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.

The following factors have been used to portion out the 20 year residential and non-residential growth costs for roading:

- average vehicle trip generation data for residential and non-residential activities
- the residential and non-residential growth projections.

All residential, non-residential and rural development is assumed to create a unit of demand.

The measure for a residential and rural (dwellings) unit of demand is:

- per additional allotment at subdivision; or
- per connected equivalent household unit at building consent or service connection.

The measure for a non-residential unit of demand is:

- per 100m² of allotment area at subdivision; or
- per 100m² of GFA at building consent or service connection.

The measure for a rural (other) unit of demand is:

- per 100m² GFA at building consent or service connection.

The measures for units of demand are summarised at the end of this section in Table 4.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.4] Stormwater

The stormwater network is defined using a catchment based approach because it is dependent on natural geographical features and events. The stormwater network is characterised by a number of relatively autonomous service catchments and within each of these is an integrated system of interdependent network components. For the purposes of this policy there are seven defined service catchments that make up seven development contribution areas.

Stormwater infrastructure development within service catchments is based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. For the purpose of development contributions specific demand analysis has been undertaken on existing service catchments and infrastructure requirements have been identified as a result.

[6.4.1] Development Contributions Approach

A stormwater development contribution for each of the seven service catchments is based on the value of components to be located within each in order to meet the defined level of service under the fully developed catchment scenario. Anticipated future components are identified in Council's Stormwater Asset Management Plan capital development budgets.

Current and planned future stormwater infrastructure provided in the seven service catchments is anticipated to cater for the entire catchment when it is fully developed. Thus, in partially developed service catchments, infrastructure provision identified will specifically cater for growth in that service catchment.

[6.4.2] Who Gets Charged?

Under the above outlined method, all new developments in the defined seven service catchments in Kelvin Grove and Aokautere/Summerhill development contribution areas will be subject to a development contribution. New developments in other catchments will not be required to pay any development contributions for stormwater.

[6.4.3] Justification for Approach

Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Investigations suggested that additional development within existing developed stormwater catchments would have little effect on the demand for additional stormwater infrastructure. In contrast, additional development in partially developed catchments had a significant effect on the demand for additional stormwater infrastructure.

Only Aokautere and Kelvin Grove stormwater service catchments will be subject to development contributions for stormwater as other identified stormwater catchments have level of service deficiencies that require remedy before it is appropriate to further develop infrastructure for growth, and thus apply a development contribution in these

catchments. As a result of the findings of these demand investigations Council will apply development contributions to partially developed service catchments only. Identified partially developed catchments are illustrated on Map 5 & 6 in Appendices F & G.

[6.4.4] Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.

The allotment area of development and hence information related to site coverage and impermeable surface area has been used to calculate a unit of demand.

All residential development is assumed to create one unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create two units of demand.

The measure of a unit of demand is per 700m² of allotment area.

The measures for units of demand are summarised at the end of this section in Table 4.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.5] Reserves and Community Infrastructure

The Palmerston North City reserves and community infrastructure asset comprises two distinct parts. They are: land zoned as reserve and identified for recreational purposes ("reserves"), and infrastructure associated with that zoned land ("community infrastructure"). Community infrastructure includes capital developments and facilities

associated with the identified reserves, such as playgrounds, car parks, and fences.

The reserves and community infrastructure assets are also distinguished at two levels, these being “citywide” and “local”.



[6.5.1] Citywide Reserves and Community Infrastructure

The primary purpose of citywide reserves and community infrastructure is to provide active recreational facilities to the city community. Citywide reserves are destination reserves that are accessed for recreational purposes from all areas of the City and people within the Palmerston North City boundary. The citywide reserves and community infrastructure service catchment is illustrated on Map 7 in Appendix H.

[6.5.2] Local Reserves and Community Infrastructure

Identified local reserves and community infrastructure primarily serve a local area. The primary purpose of these assets is to provide amenity for local areas by breaking up the urban environment and also to provide for passive recreation. Local reserves are not considered destination type reserves. Local reserves and community infrastructure service catchments are illustrated on Map 8 & 9 in Appendices I & J.

[6.5.3] Development Contributions Approach

A city development contribution is based on the value of identified future provision of citywide reserves and community infrastructure.

In an effort to maintain the existing level of service for citywide reserves over the next 20 years, an additional area of approximately 12 hectares and associated infrastructure is required to accommodate the projected growth over this period. The location of this citywide reserve, or series of reserves, would most likely be situated near, or within, a future urban growth area.

A local development contribution is based on the value of identified future provision of local reserves and community infrastructure.

[6.5.4] Who Gets Charged?

All residential and rural developments (dwellings and additional allotments only) in all development contribution areas will pay a citywide development contribution for “citywide” reserves and community infrastructure.

All residential and non-residential developments within the Kelvin Grove and Aokautere/Summerhill development contributions areas will pay a development contribution for “local” reserves and community infrastructure.

[6.5.5] Justification for Approach

The assumed demand for citywide reserves and community infrastructure is created and driven as a result of additional people, or residential households, being located within the Palmerston North territorial boundary. As citywide reserves and community infrastructure are destination reserves, increased demand can come from anywhere within the defined city boundary from both residential and rural development. Non-residential development is generally assumed to have no impact on the demand for citywide reserves and community infrastructure networks.

As one of the key purposes of ‘local’ reserves and community infrastructure is to provide amenity by breaking up the urban environment, it is assumed for the purposes of development contributions that the key driver and demand for the provision of such

“local” assets is the take up of land in a defined local area. While local population increase within a defined local area does have a bearing on the provision of local reserves, ultimately there is only a finite land area in which to provide local reserves. Residential and non-residential development are both considered to have an impact on the provision of local reserves because of the development of land area and the need for local reserves to provide amenity by breaking up the urban environment and provide for passive recreation needs.

[6.5.6] Legislative Considerations

A development contribution for reserves may not exceed the greater of 7.5% of the value of additional allotments created by a subdivision and the value equivalent of 20 square metres of land for each additional household unit created by the development.

A development contribution for community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13 of the LGA02.

[6.5.7] Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand.

For citywide reserves, information regarding the average resident populations and households has been used to calculate a unit of demand for citywide reserves and community infrastructure.

For local reserves, information regarding the average allotment area of development and hence information related to public access reserve areas available has been used to calculate a unit of demand for local reserves and community infrastructure.

For **citywide reserves and community infrastructure**, all residential and rural development (dwellings and additional allotments only) is assumed to create one unit of demand. The measure of a unit of demand for citywide reserves and community infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

For **local reserves and community infrastructure**, all residential and non-residential development is assumed to create one unit of demand (Aokautere/Summerhill and Kelvin Grove areas only). All rural development is assumed to create zero units of demand. The measure of a unit of demand for local reserves and community infrastructure is per 700m² of allotment area.

The measures for units of demand are summarised at the end of this section in Table 4.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.6] Units of Demand for All Community Facilities Requiring a Development Contribution

[6.6.1] Key Criterion in Assessing Contributions under the Policy

The **key criterion** that Council uses to assess whether a development contribution is payable on a proposed development is ‘**units of demand**’ and the characteristics of that unit of demand.

Units of demand can be assessed at subdivision, building consent and service connection stage.

Units of demand can also be created outside of the subdivision process i.e. an

additional dwelling on an existing lot. Therefore the Policy enables Council to assess units of demand created at the building and service connection stage also.

It is Council's preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. The reasons for this are set out in Section 3.2.1 of this Policy and Council will apply this preference consistently.

[6.6.2] Measuring Units of Demand

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments.

The measures for units of demand are summarised at the end of this section in Table 4.

Further guidance on measuring units of demand is provided in clauses 6.6.4 - 6.6.7 and section 7.

Water and Wastewater

RESIDENTIAL

The measure of a residential unit of demand for water and wastewater is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.

RURAL

Not applicable.

NON-RESIDENTIAL

The measure of a non-residential unit of demand for water and wastewater is per 100m² of allotment area at subdivision or per 100m² of GFA at building consent or service connection.

Note: Whether a lot or site has existing services on site or at the boundary does not necessarily determine an existing unit of demand i.e. the placement of a new dwelling on a site with existing services.

Roading

RESIDENTIAL

The measure of a residential unit of demand for roading is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.

RURAL

The measure of a rural (dwellings) unit of demand for roading is per additional allotment at subdivision or per equivalent household unit at building consent or service connection. The measure for a rural (other) unit of demand for roading is per 100m² GFA.

NON-RESIDENTIAL

The measure of a non-residential unit of demand for roading is per 100m² of allotment area at subdivision or per 100m² of GFA at building consent or service connection.

Citywide Reserves and Community Infrastructure

RESIDENTIAL

The measure of a residential unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

RURAL

The measure of a rural unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.

NON-RESIDENTIAL

Not applicable.

Stormwater and Local Reserves and Community Infrastructure

RESIDENTIAL AND NON-RESIDENTIAL

Access to stormwater, local reserves and community infrastructure is limited to the land area within specific service catchment areas. Therefore the measure for a residential and non-residential unit of demand for stormwater and local reserves and community infrastructure is per square meter of allotment area developed. Each equivalent household unit is assumed to occupy 700m² of allotment area.⁸

RURAL

Not applicable.

[6.6.3] Applying Units of Demand

Individual developments may create multiple units of demand for any of the given community facilities. To determine the number of units of demand created by development on a particular community facility the unit of demand factor is multiplied by the number of measures associated with the development as defined in 6.6.2 and shown in Table 4. Examples of applying the units of demand to development can be found in Section 10 of this policy.

Table 4 gives a summary of the assessed units of demand for residential, rural and non-residential development for each of the community facilities **and should be**

read in conjunction with the Residential, Rural and Non-Residential Schedule of Contributions per Unit of Demand contained within section 8 of the Policy.

The table also illustrates the measure associated with a unit of demand for each of the community facilities.

[6.6.4] Measuring Units of Demand – Specific Guidance, Principles and Notes (Residential)

Multi-unit or Communal Residential Development: For the purposes of establishing the number of equivalent household units that apply for multi-unit or communal residential developments, the maximum possible number of occupants on any given night is to be divided by 2.7, which is the average number of occupants per dwelling in Palmerston North (2001 Census).

Accommodation Motel: For the purposes of establishing the number of equivalent household units that apply for accommodation motels, the number of individual units that meet the definition of an equivalent household unit is to be multiplied by 0.48 (48%), which is the average occupancy rate for Palmerston North (Statistics New Zealand Accommodation Survey). For units that do not meet the definition of an equivalent household unit, the multi-unit or communal residential development measure can be used in combination with the average occupancy rate multiplier (0.48).

In determining the final number of equivalent household units that apply to a particular development, a combination of the general measure of an equivalent household unit, the multi-unit or communal residential development measure of equivalent household units and the accommodation motel measure of equivalent household units may be used to recognise the specific composition of a particular development. For example, a retirement village that includes a combination of independent dwellings and communal living arrangements or an accommodation motel that includes a combination of fully serviced units, hostel accommodation and a managers unit.

⁸ The number of units of demand created is the total allotment area divided by the measure of 700m² where the allotment area is greater or lower than 700m²

TABLE 4: UNITS OF DEMAND FOR COMMUNITY FACILITIES

COMMUNITY FACILITIES	UNIT OF DEMAND			MEASURE: Subdivision	MEASURE: Building Consent and Service Connection
	Residential	Rural	Non-Residential		
Water	1	0	1	RESIDENTIAL: Per Additional Allotment RURAL: Not Applicable NON-RESIDENTIAL: Per 100m ² of Allotment Area	RESIDENTIAL: Per Connected EHU RURAL: Not Applicable NON-RESIDENTIAL: Per 100m ² GFA*
Wastewater	1	0	1	RESIDENTIAL: Per Additional Allotment RURAL: Not Applicable NON-RESIDENTIAL: Per 100m ² of Allotment Area	RESIDENTIAL: Per Connected EHU RURAL: Not Applicable NON-RESIDENTIAL: Per 100m ² GFA*
Stormwater	1	0	2	RESIDENTIAL: 700m ² of Allotment Area RURAL: Not Applicable NON-RESIDENTIAL: 700m ² of Allotment Area	RESIDENTIAL: 700m ² of Allotment Area RURAL: Not Applicable NON-RESIDENTIAL: 700m ² of Allotment Area
Roading	1	1	1	RESIDENTIAL: Per Additional Allotment RURAL: Per Additional Allotment NON-RESIDENTIAL: Per 100m ² of Allotment Area	RESIDENTIAL: One EHU RURAL (DWELLINGS): One EHU RURAL (OTHER): Per 100m ² GFA* NON-RESIDENTIAL: Per 100m ² GFA*
Citywide Reserves and Community Infrastructure	1	1	0	RESIDENTIAL: Per Additional Allotment RURAL: Per Additional Allotment NON-RESIDENTIAL: Not Applicable	RESIDENTIAL: One EHU RURAL (DWELLINGS): One EHU RURAL (OTHER): Not Applicable NON-RESIDENTIAL: Not Applicable
Local Reserves and Community Infrastructure	1	0	1	RESIDENTIAL: 700m ² of Allotment Area RURAL: Not Applicable NON-RESIDENTIAL: 700m ² of Allotment Area	RESIDENTIAL: 700m ² of Allotment Area RURAL: Not Applicable NON-RESIDENTIAL: 700m ² of Allotment Area

**For fees applied at the building consent stage for non-residential development a minimum of 100m² GFA, or a minimum increase of 100m² GFA, applies.*

Refer to the residential development contributions assessment flowchart for further guidance.

[6.6.5] Measuring Units of Demand – Specific Guidance, Principles and Notes (Rural)

It is assumed that each additional rural allotment may accommodate an additional dwelling. Each additional rural allotment therefore creates one unit of demand for roading and citywide reserves and community infrastructure.

While most new rural development is likely to be dwellings, occasionally a more general rural activity may establish in the rural area e.g. a rural industry or milking shed. These types of activities are identified in table 4 above as Rural (Other) and attract one unit of demand per 100m² GFA at the building consent or service connection stage for roading only.

Refer to the residential development contributions assessment flowchart for further guidance.

[6.6.6] Measuring Units of Demand – Specific Guidance, Principles and Notes (Non-Residential)

General

All new non-residential subdivisions are assessed and measured based on allotment area (per 100m²). Subsequent non-residential building development on sites that have paid development contributions based on allotment area (2007 Policy) or per additional allotment (2004 and 2006 Policies) are assumed to have paid in full and therefore do not create additional units of demand.

Refer to the non-residential development contributions assessment flowchart for further guidance.

Subdivision

Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy) or per additional allotment (2004 and 2006 Policies) and there is (or was) a building located on the site, the remaining lot⁹ is to be excluded from the final allotment area calculation.

Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the site, the entire site is subject to additional units of demand.

Where development contributions are applied at the subdivision stage they will be assessed and measured based on allotment area (per 100m²).

Non-residential boundary adjustments and amalgamations will be assessed on a case by case basis. Refer to clause 11.1 Boundary Adjustments /Amalgamations for further guidance.

Refer to the non-residential development contributions assessment flowchart for further guidance.

Building Consent or Service Connection

Where the underlying allotment of a particular development has not paid any development contributions in the past based on allotment area (2007 Policy) or per additional allotment (the 2004 and 2006 Policies) and there is or was a building located on the site, the following principles shall apply when measuring units of demand:

- Buildings established or approved between 1 July 2004 and 30 June 2007 (2004 and 2006 Policies) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand

⁹ A remaining lot is an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.

- Buildings established or approved after 1 July 2007 (2007 Policy) that have paid development contributions at the building consent or service connection stage based on the GFA measure are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand
- A new or additional building on an allotment with remaining development potential is assumed to create additional units of demand
- As provided by clause 5.7 of this Policy, non-residential brownfield redevelopment does not create additional units of demand.

Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the allotment, it is assumed that development on the site will create additional units of demand.

Where development contributions are applied at the building consent or service connection stage they will be assessed and measured based on GFA (per 100m²) or the overall increase in GFA (per 100m²).

For fees applied at the building consent stage for non-residential development a minimum of 100m² GFA, or a minimum increase of 100m² GFA, applies to ensure small insignificant buildings and alterations and additions to existing buildings are not levied development contributions. This will also ensure the application of the Policy does not become administratively onerous.

Refer to the non-residential development contributions assessment flowchart for further guidance.

Non-Residential Brownfield Redevelopment and Special Circumstances

Refer to clauses 5.5 to 5.7 for further guidance on non-residential brownfield redevelopment and special circumstances.

Refer to the non-residential development contributions assessment flowchart for further guidance.

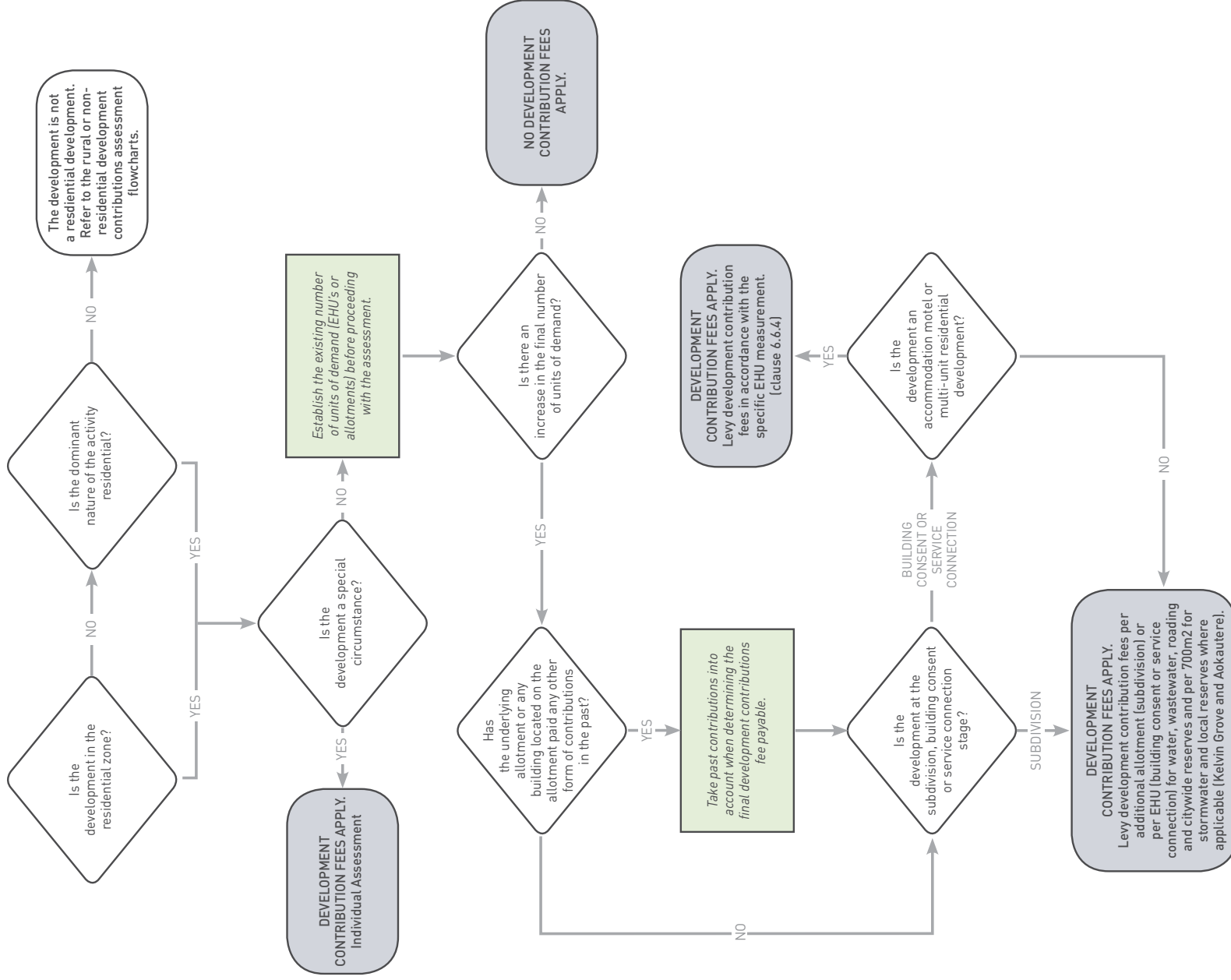
[6.6.7] Measuring Units of Demand – Specific Guidance, Principles and Notes (General)

Stormwater and Local Reserves: Building development in the absence of Subdivision Where building development occurs in the absence of subdivision in a development contributions area that is subject to local reserves and stormwater charges, the total area of the underlying allotment will determine the stormwater and local reserves fees applicable.

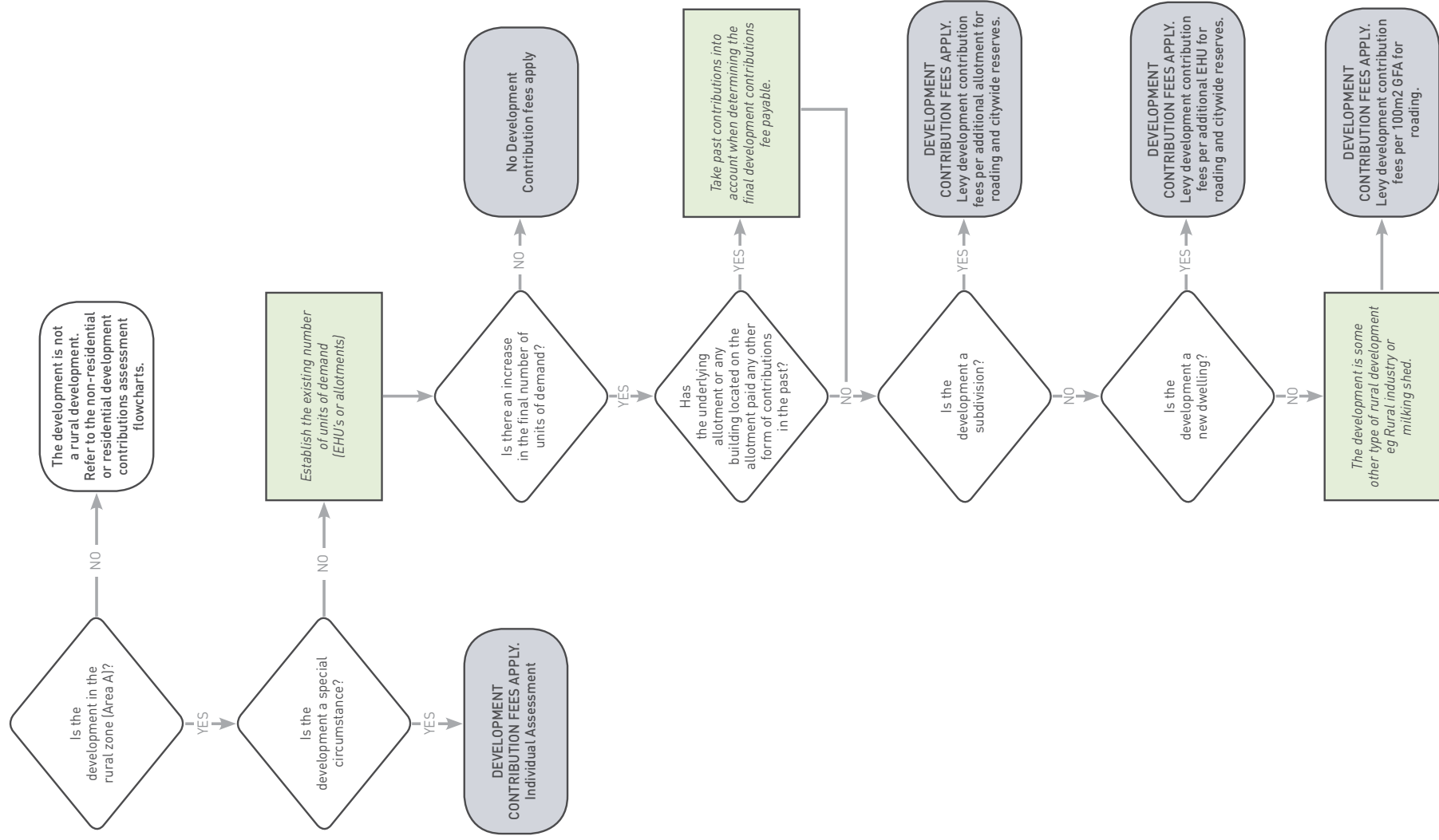
[7] Development Contributions Assessment Flowcharts

The following flowcharts have been included in the Policy to assist with determining whether or not development contributions fees apply. The flowcharts are for guidance purposes only.

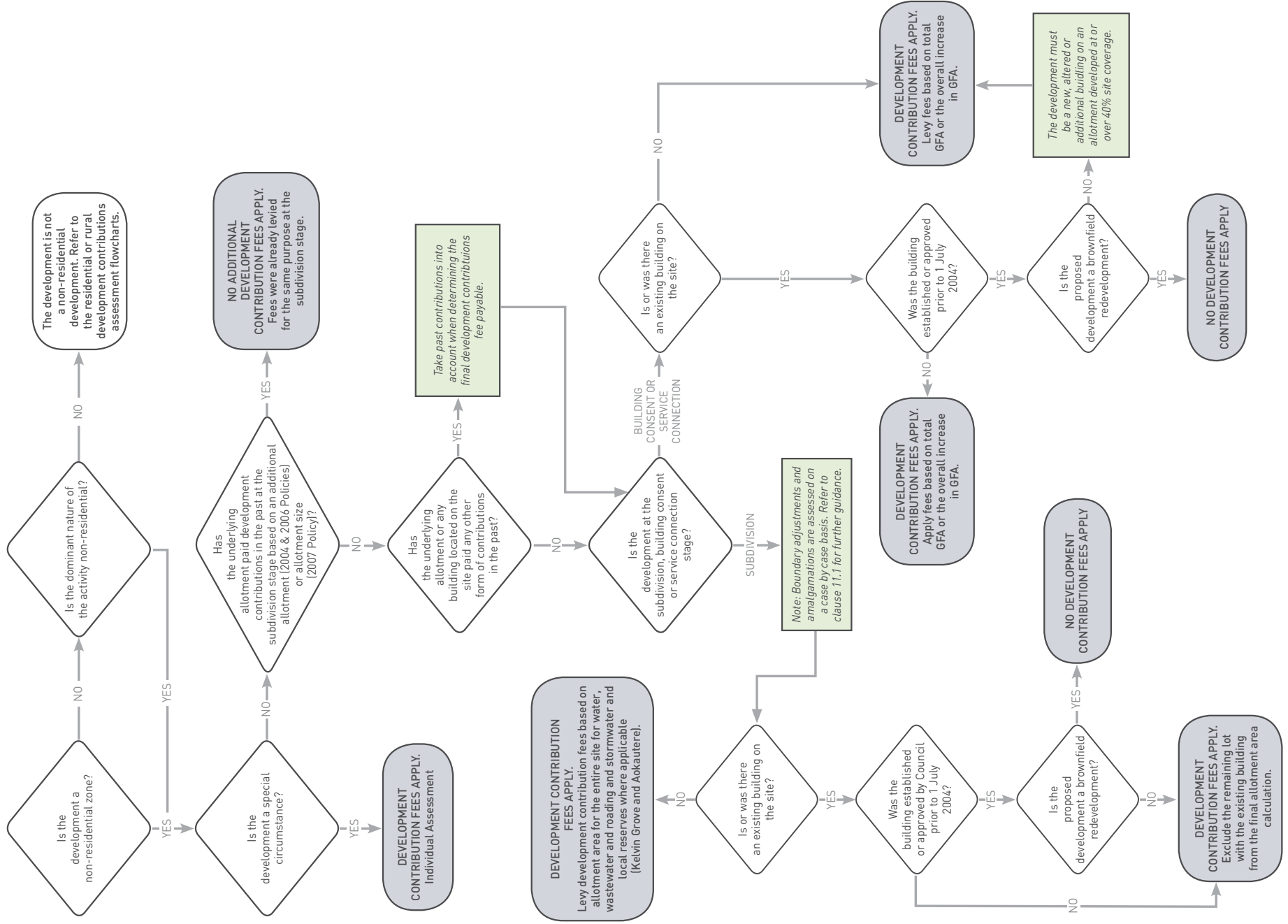
[7.1] Residential Development Contributions Assessment Flowchart



[7.2] Rural Development Contributions Assessment Flowchart



[7.3] Non-Residential Development Contributions Assessment Flowchart



[8] Schedule of Contributions Per Unit of Demand

The residential, rural and non-residential schedule of development contributions refer to Development Contributions Areas A to L. Area A is the rural area and is therefore excluded from the residential and non-residential schedule and is the only area listed in the Rural Area schedule. These areas relate to geographically defined development contribution areas in Appendix A, Map 1.

Each column of development contribution for the community facilities is per unit of demand as measured by Table 4. Section 10 shows examples of how to work out your development contribution for particular developments.

All fees in the schedule are GST exclusive, however final assessment of development contribution payable will incur a 12.5% GST.

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RESIDENTIAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RESIDENTIAL

COMMUNITY FACILITIES

Development Contribution Area	Roading		Water		Wastewater		Stormwater		Citywide Reserves		Local Reserves	
	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection
MEASURE	Per Additional Allotment	Per EHU	Per Additional Allotment	Per Connected EHU	Per Additional Allotment	Per Connected EHU	Per 700m ² Additional Allotment Area	Per 700m ² Additional Allotment Area	Per Additional Allotment	Per EHU	Per 700m ² Additional Allotment Area	Per 700m ² Additional Allotment Area
B	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$0	\$0	\$1980	\$1980	\$0	\$0
C	\$2510	\$2510	\$0	\$0	\$0	\$0	\$0	\$0	\$1980	\$1980	\$0	\$0
D	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$0	\$0	\$1980	\$1980	\$570	\$570
E	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$0	\$0	\$1980	\$1980	\$640	\$640
F	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$30	\$30	\$1980	\$1980	\$570	\$570
G	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$330	\$330	\$1980	\$1980	\$570	\$570
H	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$1290	\$1290	\$1980	\$1980	\$570	\$570
I	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$240	\$240	\$1980	\$1980	\$570	\$570
J	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$2080	\$2080	\$1980	\$1980	\$570	\$570
K	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$470	\$470	\$1980	\$1980	\$640	\$640
L	\$2510	\$2510	\$1010	\$1010	\$880	\$880	\$1270	\$1270	\$1980	\$1980	\$640	\$640

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RURAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

COMMUNITY FACILITIES

Development Contribution Area	Roading			Water		Wastewater		Stormwater		Citywide Reserves		Local Reserves	
	Sub-division	Building Consent or Service Connection (Dwellings)	Building Consent or Service Connection (Other)	Sub-division	Building Consent or Service Connection	Sub-division	Building Consent or Service Connection	Sub-division	Building Consent or Service Connection	Sub-division, Building Consent or Service Connection (Dwellings)	Building Consent or Service Connection (Other)	Sub-division	Building Consent or Service Connection
MEASURE	Per Additional Allotment	Per EHU	Per 100m ² GFA	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Per Additional Allotment or Per EHU	Not Applicable	Not Applicable	Not Applicable
A	\$2510	\$2510	\$2510	\$0	\$0	\$0	\$0	\$0	\$0	\$1980	\$0	\$0	\$0

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: NON-RESIDENTIAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

COMMUNITY FACILITIES

Development Contribution Area	Roading		Water		Wastewater		Stormwater		Citywide Reserves		Local Reserves	
	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection
MEASURE	Per 100m ² of Allotment Area	Per 100m ² GFA	Per 100m ² of Allotment Area	Per 100m ² GFA	Per 100m ² of Allotment Area	Per 100m ² GFA	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area	Not Applicable	Not Applicable	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area
B	\$800	\$2510	\$180	\$560	\$220	\$700	\$0	\$0	\$0	\$0	\$0	\$0
C	\$800	\$2510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D	\$800	\$2510	\$180	\$560	\$220	\$700	\$0	\$0	\$0	\$0	\$570	\$570
E	\$800	\$2510	\$180	\$560	\$220	\$700	\$0	\$0	\$0	\$0	\$640	\$640
F	\$800	\$2510	\$180	\$560	\$220	\$700	\$30	\$30	\$0	\$0	\$570	\$570
G	\$800	\$2510	\$180	\$560	\$220	\$700	\$330	\$330	\$0	\$0	\$570	\$570
H	\$800	\$2510	\$180	\$560	\$220	\$700	\$1290	\$1290	\$0	\$0	\$570	\$570
I	\$800	\$2510	\$180	\$560	\$220	\$700	\$240	\$240	\$0	\$0	\$570	\$570
J	\$800	\$2510	\$180	\$560	\$220	\$700	\$2080	\$2080	\$0	\$0	\$570	\$570
K	\$800	\$2510	\$180	\$560	\$220	\$700	\$470	\$470	\$0	\$0	\$640	\$640
L	\$800	\$2510	\$180	\$560	\$220	\$700	\$1270	\$1270	\$0	\$0	\$640	\$640

[9] How to Work Out Development Contribution Payable

STEP 1

Go to Appendix A, Map 1 and check what development contribution area your development lies within.

STEP 2

Establish what type of development it is i.e. residential, rural or non-residential.

Determine the stage of development i.e. subdivision, building consent or service connection.

STEP 3

Check clause 6.6.4 Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart Contained in section 7 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 4) in Section 6.6.3 establish how many units of demand your development will create for each of the community facilities.

STEP 4

Go to the relevant Development Contributions Schedule of Fees in Section 7 and identify the fees payable per unit of demand for your development contribution area.

STEP 5

Apply the Units of Demand to your development i.e. multiply the charges by the number of units of demand applicable.

Calculate your total development contribution by summing the individual community

facilities charges established in steps 1-4 and add GST of 12.5%

EXAMPLES

In Section 10.1-10.8 working examples of steps 1 through to 5 are provided to help you work out your development contribution payable

[10] Examples

The examples below are intended as a simple illustration of the calculation process associated with the development contributions policy.

The figures used exclude GST.

[10.1] Development Contributions Calculation – Example 1 (Residential):

Consider the example of a proposed residential subdivision as shown in Diagram 1 and 2. The proposed subdivision is for an original lot size of 4000m². The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 1000m². The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 3000m². An example to work out the appropriate contribution is set out below.

Step 1 What Development Contribution Area is the development in?
Area H (Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

FORMULA: ROW 1 – ROW 2 = ROW 3

		Water	Waste- water	Roading	City Reserves
How many final units of demand will there be?	Row 1	4	4	4	4
How many existing units of demand are there?	Row 2	1	1	1	1
TOTAL demand created for each community facility	Row 3	3	3	3	3

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3 Calculate the Area Based Charges

Stormwater¹⁰ : $(3000\text{m}^2/700\text{m}^2 = 4.2$

Local Reserves: $(3000\text{m}^2/700\text{m}^2 = 4.2$

These contributions are based on the total land area being developed (less area in road/s) i.e. the measure of a unit of demand is per 700m².

Step 4 Calculate Final Development Contributions Payable

Water	3 (additional allotments)	x	\$1,010	=	\$3,030
Wastewater	3 (additional allotments)	x	\$880	=	\$22,640
Stormwater	4.2 (3000 m ² /700 m ²)	x	\$470	=	\$1,974
Roading	3 (additional allotments)	x	\$2,510	=	\$7,530
City Reserves	3 (additional allotments)	x	\$1,980	=	\$5,940
Local Reserves	4.2 (3000 m ² /700 m ²)	x	\$570	=	\$2,424
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE				=	\$23,538

Notes:

The remaining lot of 1000m² as shown in Diagram 2 may also create a unit of demand and could be subject to a development contribution. If the remaining lot has a dwelling on it connected to all City services then it will not be subject to a further development contribution levy as it is assumed it has an existing unit of demand. If the remaining lot does not have a dwelling on it and has not paid a past contribution, or it has a dwelling that is not fully connected to infrastructure services then Council officers will assess this at the time of processing the consent for development and will advise applicants if additional contributions are required as a result of additional units of demand being assessed.

DIAGRAM 1 – ORIGINAL LOT SIZE

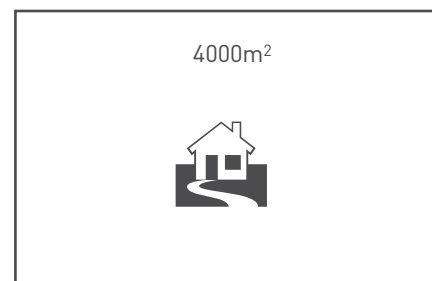
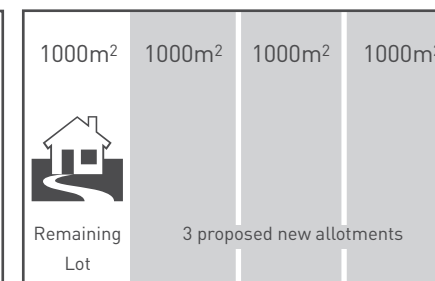


DIAGRAM 2 – PROPOSED NEW ALLOTMENTS FOR ORIGINAL LOT



¹⁰ This contribution is based on the total land area being developed (less area in road/s) i.e. unit of demand is the size of the site being developed and the measure is a fee per 700m².

[10.2] Development Contributions Calculation – Example 2 (Rural):

Consider the example of a proposed rural subdivision as shown in Diagram 3 and 4. The proposed subdivision is for an original lot size of 16ha. The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 4ha. The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 12ha. An example to work out the appropriate contribution is set out below.

Step 1 What Development Contribution Area is the development in?
Area A (Rural Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

FORMULA: ROW 1 – ROW 2 = ROW 3

		Water	Waste-water	Roading	City Reserves
How many final units of demand will there be?	Row 1	N/A	N/A	4	4
How many existing units of demand are there?	Row 2	N/A	N/A	1	1
TOTAL demand created for each community facility	Row 3	N/A	N/A	3	3

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3 Calculate the Area Based Charges
Not applicable

Step 4 Calculate Final Development Contributions Payable

Roading:	3 (additional allotments)	x	\$2510	=	\$7530
City Reserves:	3 (additional allotments)	x	\$1980	=	\$5940
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					= \$13470

DIAGRAM 3 – ORIGINAL LOT SIZE

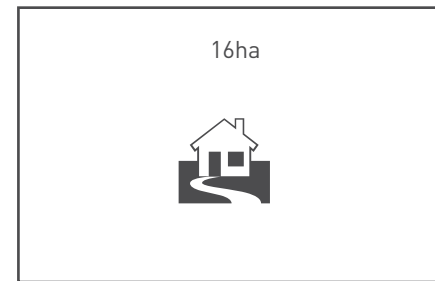
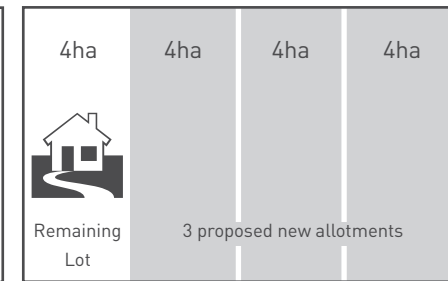


DIAGRAM 4 – PROPOSED NEW ALLOTMENTS FOR ORIGINAL LOT



[10.3] Development Contributions Calculation – Example 3 (Non-Residential):

Consider the example of a proposed non-residential subdivision. The proposed subdivision is for an original lot size of 10,000m² that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established prior to 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 2000m², leaving a 4000m² remaining lot that will provide for the existing building. The Development Contributions applied will be worked out in relation to the 3 new allotments that will contain a total area of 6000m². The remaining lot of 4000m² with the existing building established prior to 1 July 2004 is excluded from the allotment area calculation.

Step 1 What Development Contribution Area is the development in?
Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

.....
FORMULA: ROW 1 – ROW 2 = ROW 3
.....

		Water	Waste-water	Roading	City Reserves
How many final units of demand will there be?	Row 1	10,000m ²	10,000m ²	10,000m ²	N/A
How many existing units of demands are there?	Row 2	4,000m ²	4,000m ²	4,000m ²	N/A
TOTAL demand created for each community facility	Row 3	6,000m ²	6,000m ²	6,000m ²	N/A

Step 3 Calculate the Area Based Charges
Not applicable

Step 4 Calculate Final Development Contributions Payable

Water:
(6000/100) = 60 Units of Demand (100m² of Allotment Area) x \$180 = \$10,800

Wastewater:
(6000/100) = 60 Units of Demand (100m² of Allotment Area) x \$220 = \$13,200

Roading:
(6000/100) = 60 Units of Demand (100m² Allotment Area) x \$800 = \$48,000

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE = \$72,000

[10.4] Development Contributions Calculation – Example 4 (Non-Residential):

Consider the example of a proposed non-residential subdivision. The proposed subdivision is for an original lot size of 8,000m² that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established after 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 1500m², leaving a 3500m² remaining lot that will provide for the existing building. The Development Contribution applied will be worked out in relation to the 3 additional allotments that will contain a total area of 4500m². The remaining lot of 3500m² with the existing building established after 1 July 2004 is not included in the allotment area calculation.

Step 1 What Development Contribution Area is the development in?
Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

.....
FORMULA: ROW 1 – ROW 2 = ROW 3

		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	8,000m ²	8,000m ²	8,000m ²	N/A
How many existing units of demands are there?	Row 2	3,500m ²	3,500m ²	3,500m ²	N/A
TOTAL demand created for each community facility	Row 3	4,500m ²	4,500m ²	4,500m ²	N/A

Step 3 Calculate the Area Based Charges
Not applicable

Step 4 Calculate Final Development Contributions Payable

Water:
(4500/100) = 45 Units of Demand (100m² of Allotment Area) x \$180 = \$8,100

Wastewater:
(4500/100) = 45 Units of Demand (100m² of Allotment Area) x \$220 = \$9,900

Roading:
(4500/100) = 45 Units of Demand (100m² of Allotment Area) x \$800 = \$36,000

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE = \$54,000

[10.5] Development Contributions Calculation – Example 5 (Non-Residential):

Consider the example of a proposed extension to an existing non-residential building. The existing 5000m² building is located on an allotment which has not paid any development contributions in the past at the subdivision stage. The existing building was established after 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed extension will add 2000m² to the building. The Development Contributions applied will be worked out in relation to the 2000m² extension only.

Step 1 What Development Contribution Area is the development in?
Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

.....
FORMULA: ROW 1 – ROW 2 = ROW 3

		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	7,000m ²	7,000m ²	7,000m ²	N/A
How many existing units of demands are there?	Row 2	5,000m ²	5,000m ²	5,000m ²	N/A
TOTAL demand created for each community facility	Row 3	2,000m ²	2,000m ²	2,000m ²	N/A

Step 3 Calculate the Area Based Charges
Not applicable.

Step 4 Calculate Final Development Contributions Payable

Water:
 (2000/100) = 20 Units of Demand (100m² GFA) x \$560 = \$11,200

Wastewater:
 (2000/100) = 20 Units of Demand (100m² GFA) x \$700 = \$14,000

Roading:
 (2000/100) = 20 Units of Demand (100m² GFA) x \$2510 = \$50,200

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE = \$75,400

Notes:
It is assumed for this example the activity is not a special circumstance.

If the underlying allotment in the above example had paid development contributions in the past then the GFA fees would not be applied.

[10.6] Development Contributions Calculation – Example 6 (Non-Residential):

Consider the example of a proposed new non-residential building. The new building is to be located on a vacant allotment which has not paid any development contributions in the past. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The new building will have a GFA of 9,000m². The Development Contributions applied will be worked out in relation to the GFA of 9,000m².

Step 1 What Development Contribution Area is the development in?
Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

.....
FORMULA: ROW 1 – ROW 2 = ROW 3
.....

		Water	Waste-water	Roading	City Reserves
How many final units of demand will there be?	Row 1	9,000m ²	9,000m ²	9,000m ²	N/A
How many existing units of demands are there?	Row 2	0	0	0	N/A
TOTAL demand created for each community facility	Row 3	9,000m ²	9,000m ²	9,000m ²	N/A

Step 3 Calculate the Area Based Charges
Not applicable

Step 4 Calculate Final Development Contributions Payable

Water: (9000/100) = 90 Units of Demand (100m² GFA) x \$560 = \$50,400
 Wastewater: (9000/100) = 90 Units of Demand (100m² GFA) x \$700 = \$63,000
 Rooding: (9000/100) = 90 Units of Demand (100m² GFA) x \$2510 = \$225,900

 TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE = \$339,300

Notes:
It is assumed for this example the activity is not a special circumstance.

If the underlying allotment in the above example had paid development contributions in the past then the GFA fees would not be applied.

[10.7] Development Contributions Calculation – Example 7 (Non-Residential):

Consider the example of a proposed redevelopment involving the demolition of four existing non-residential buildings established prior to 1 July 2004 and the construction of one new non-residential building. The proposed redevelopment is located in an established area and meets the definition of non-residential brownfield redevelopment. Non-residential brownfield redevelopment generally places negligible increased demand on the capacity of the network infrastructure and therefore does not create additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0

[10.8] Development Contributions Calculation – Example 8 (Non-Residential):

Consider the example of a proposed new 500m² non-residential building. The new building is to be located a recently subdivided 1500m² allotment that paid development contributions based on allotment area at the time of subdivision under the 2007 Development Contributions Policy. The proposed new 500m² building does not create any additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0

[11] Guidance Notes

[11.1] Boundary Adjustments/Amalgamations

The Policy does not exempt boundary adjustments or amalgamations from being assessed for development contributions. Boundary adjustments and amalgamations create new lots, but not necessarily additional lots or additional allotment area, through subdivision. Where the new lot and the characteristics of that new lot are determined to create additional units of demand then a development contribution will be payable. Each circumstance will be assessed on a case-by-case basis.

One example is where a boundary adjustment or an amalgamation includes land where all or part of that land has not had contributions previously paid on it. Council will, in this instance, assess the contributions payable related to the specific development application.

The measure of a non-residential unit of demand for water, wastewater and roading is per 100m² of allotment area at subdivision or per 100m² GFA at building consent. In determining whether a non-residential boundary adjustment or amalgamation creates additional units of demand, the following matters will be taken into account:

- Previous contributions paid;
- Whether or not the existing allotment(s) meet the definition of non-residential brownfield redevelopment;
- Whether or not the proposed allotment(s) meet the definition of non-residential brownfield redevelopment;
- The current or previous level of demand placed on the network infrastructure, reserves and community facilities;
- The level of demand the proposed boundary adjustment or amalgamation may place on the network infrastructure, reserves and community facilities;
- Whether or not it is more appropriate to levy development contributions at the building consent stage; and
- Any other matters Council considers relevant.

[11.2] Past Contributions and Determining an Existing Unit of Demand

Past contributions will be taken into account in assessing new units of demand. It is incumbent on the applicant to provide the necessary information, where possible, to show contributions have been paid on a particular development. Where past contributions can be validated, what these cover in terms of units of demand under the new Policy, and how they apply to new developments, will depend on the original intent of the contribution or agreement at that time. As the new Policy is different

in methodology and application to the previous policy there will need to be an assessment made by Council officers on a case-by-case basis.

Where it is proven a past contribution has not been paid on a proposed development, and that development creates a unit of demand as defined in the Policy, then a development contribution will be assessed accordingly.

One example is where no past contribution has been paid on a vacant lot and where an applicant now proposes to build a house or further subdivide the lot. An existing vacant lot does not necessarily mean that there is an existing unit of demand. A determination, by staff on the application, will assess if past contributions were paid and what they covered, and if they were not paid what units of demand the particular proposed development now creates, if any.

[11.3] Granting consents does not assume that final contributions payment has been made

A development contribution can be levied either at the subdivision, building or service connection consent stage. Having a development contribution levied upon the granting of consent does not assume final payment. Under the Policy, payment of contributions is required prior to the issue of either: the 224 certificate (for subdivision), the code compliance certificate (for building consent), or service connection. As such, full and final payment of development contribution charges on a specific development will not be assumed until one of these criteria has been met.

[11.4] Development contributions on overlapping consents and future subdivision applications

In the case where two or more overlapping consent applications are being processed simultaneously in the same development area, full contributions (under whatever contribution regime existed at that time) will be levied on both applications until full payment has been received for one or the other as explained above. Once payment has

been received for one of the two consents concerned, all contributions applicable to future subdivision applications will be revised to include those contributions already paid.

[12] Glossary of Terms

Accommodation Motel has the same meaning as Accommodation Motel in the Palmerston North City District Plan

“means land and/or buildings used for transient residential accommodation and includes the provision of playgrounds, spa pools and swimming pools. It does not include restaurants, bars or conference facilities”.

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.

Allotment Area is the total land area of an allotment, and for the purposes of the development contributions policy only, excludes ‘undevelopable land’ as defined in the Palmerston North City District Plan when applying units of demand to stormwater only

Applicant is the person/persons that apply for resource consent, building consent or service connection

Asset Management Plan means Council documents that outline how the Council will manage and provide infrastructure assets.

Balance Lot means a remaining allotment not yet intended for development that will be developed at a later date.

Brownfield Redevelopment means further development of sites that are developed at or over 40% site coverage, or were at sometime in the past, provided the buildings located on the site were established prior to 1 July 2004, and specifically includes:

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings.

Catchment means the area served by a particular infrastructure.

Capital Expenditure means the cost council expect to incur to provide infrastructure assets for the running of network infrastructure, reserves and community infrastructure.

Community Facilities means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the *Local Government Act 2002*.

Community Infrastructure means:

- (a) land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and
- (b) includes land that the territorial authority will acquire for that purpose.

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; 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.

Connected Equivalent Household Unit means an equivalent household unit with an existing unit of demand with direct access to a service connection

Consent Holder is the person/persons that are the applicants to which resource consent, building consent or service connection was granted

Development means

- (a) any subdivision or other 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 a territorial authority; and
- (b) calculated in accordance with the methodology; 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 Contribution Areas relate to defined indicative geographical areas to which a development contribution is applicable in relation to the service catchments within those areas for network infrastructure, community infrastructure and reserves.

Development Contribution Policy means the policy on development contributions included in the long-term council community plan of the territorial authority under

section 102(4)(d).

District means the district of a territorial authority.

Equivalent Household Unit has the same meaning as Dwelling and Dwelling Unit in the Palmerston North City Council District Plan.

“means self contained home and includes buildings where board and lodging is provided for up to and including five people”.

Fast Food Outlets has the same meaning as Fast Food Outlets in the Palmerston North City District Plan.

“means any building, or part of a building, whose principal business is the preparation and sale of food for immediate consumption on or off the premises. This definition includes takeaway bars”

Financial Contribution has the same meaning as financial contributions in s108(9)(a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST.) means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.

Greenfield Areas are defined as those areas where building capacity exists on the perimeter of the city. Where a land is zoned residential, has capacity to provide for future development it is considered a Greenfield site. Two defined Greenfield areas for the purposes of Development Contributions policy are the Kelvin Grove and Aokautere areas.

Gross Floor Area (GFA) has the same meaning as Gross Floor Area in the Palmerston North City District Plan.

“Is the sum of the gross area of all floors of all buildings on a site, measured from the

exterior faces of the exterior walls, or from the centre lines of walls separating two buildings.

In particular, gross floor area includes:

- (a) Elevator shafts, stairwells, and lobbies at each floor;
- (b) Floor space in interior balconies and mezzanines;
- (c) All other floor space not specifically excluded.

The gross floor area of a building shall not include:

- (1) Uncovered stairways;
- (2) Floor space in terraces (open or roofed), external balconies, breezeways, porches;
- (3) Roof vehicle parking, lift towers and machinery rooms on the roof, having a floor area of not more than 200 m²;
- (4) Public thoroughfare areas in malls (this does not include foodcourt areas);
- (5) Areas used exclusively for fire egress;
- (6) Switchboard areas / Plant rooms;
- (7) Public Toilets”.

LGA 2002 means the Local Government Act 2002 or any legislation substituted for the same.

Local Authority means a regional council or territorial authority.

Methodology has the same meaning as methodology in s197 of the Local Government Act 2002.

Multi-unit or Communal Residential Development means any form of residential development that does not meet the definition of an equivalent household unit.

Network Infrastructure means the provision of roads and other transport, water,

wastewater, and stormwater collection and management.

Non-Residential Development means any activity in a non-residentially zoned area, excluding the rural zone, or where the predominant activity is not residential or rural.

Remaining Lot means an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.

Residential Development means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

RMA 1991 means the Resource Management Act 1991.

Rural Development means any activity in a rural zoned area or where the predominant activity is not non-residential or residential.

Schedule of Development Contributions means the schedule to the council's development contributions policy required by section 201 of the LGA02 and setting out the information required by section 202, namely;

- the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure
- the events giving rise to the requirement for development contribution
- specified by district and by activity.

Service Catchment means a catchment defined by reference to the characteristics of the service and the common characteristics of the geographical area (for example stormwater catchments).

Service Connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Service Station has the same meaning as Service Station in the Palmerston North City District Plan.

“means a business primarily engaged in the fuelling of motor vehicles.

This may also include mechanical repairs and servicing of motor vehicles.

Retail sales for the convenience of the traveling public may also be included, provided such sales remain incidental and ancillary to the principal use of fuelling motor vehicles”

Site Coverage has the same meaning as Site Coverage in the Palmerston North City District Plan.

“means that portion of the net site area, expressed as a percentage, which may be covered by all buildings and storage space, including eaves, balconies and verandas in excess of 0.6 of a metre in width, but excluding uncovered swimming pools, decks of 0.5 of a metre in height or less, and ramps of 0.5 of a metre in height or less with handrails of an additional 0.9 of a metre in height or less. Where no garage is shown at the construction of a dwelling, an allowance for a garage of 18 m² will be added to the total building coverage”

Subdivision has the same meaning as Section 218 of the Resource Management Act 1991.

Third Party Funds means funding or subsidy, either in full or in part, from a third party. Unit of Demand means measure of demand for community facilities.

Wet Industry means any activity located on an allotment greater than 5000m² which seeks to use water or discharge wastewater at a rate exceeding 200m³ /ha/day (or per area equivalent).

Wind Farm has the same meaning as Wind Farm in the Palmerston North City District Plan.

“means land, buildings or structures used to generate electricity from the wind”