2015-2025

LONG TERM PLAN

THAMES COROMANDEL DISTRICT COUNCIL

Development Contributions Policy

We are proposing changes to our policy on development contributions ... please take the time to read this document and give us your feedback.

What's inside ...

- the changes we are proposing
- the draft policy
- how to provide feedback

Want more details....

Go to our website at www.tcdc.govt.nz/ltp for this document and information on how to make a submission.

Foreword

As new development occurs throughout the Thames-Coromandel District it places demands on the Council to provide a range of new and upgraded infrastructure. It is important to ensure that the potentially high costs of providing new assets for development are adequately and sustainably accounted for.

Local authorities are required by law to provide details about how they will fund capital expenditure – the costs of providing new assets or increasing their capacity. As the cost of growth is driven by development, the Council considers that it is equitable that a development should meet its share of the resulting costs. Development Contributions are the funds received from developers when they develop property. They are used to fund capital works that are driven by the need to provide services to our growing communities.

The Council adopted a Development Contributions Policy in 2004, and last revised it in 2012. The Council is now required under legislation to review its existing policy once more and to consult its communities on any changes it proposes.

In addition to this general requirement, a number of other specific amendments are required subsequent to the Government passing changes to the Local Government Act 2002 (the Act) in August 2014.

It is also proposed to make a number of other minor amendments to adjust for changes in legislation, remove contextual errors and provide clarity but these changes do not impact on how the policy is applied.

These proposed changes, and the reasons for them, are explained in this proposal. The Council invites feedback from anyone who has an interest in these issues before final decisions are made on what will and will not be included in the Policy.

This proposal includes:

- summary of key changes to the Development Contributions Policy
- information on how to make a submission
- overview on the Development Contributions Policy - what the policy is and how it is applied
- details of the changes proposed to the Policy since its last revision in 2012, and why these changes are proposed
- an analysis of options available to the Council relating to the areas proposed for amendment, and
- the proposed Development Contributions Policy.

We want your feedback....

The proposals within this consultation document are available for comment from Monday 9 March **until 4pm, Thursday 9 April**. The Council is also seeking your feedback on other proposals at the same time, including its Long-Term Plan Consultation Document, Rates Remission Policy and Revenue and Financing Policy. This is your chance to let the Mayor, Councillors and Community Board members understand your views or to put forward your ideas on these proposals, so please take the time to get involved and have your say.

Go to www.tdcdc.govt.nz/ltp to read the details and make a submission.

Our Mayor, Councillors, Community Board members and staff will be available across the district during the month of consultation to discuss the proposals and future planning. Dedicated time in each community board area has been arranged on the following days:

Thames	16 March	Council Chambers	9am
Tairua	16 March	Library	1pm
Coromandel/Colville	17 March	Area office	9am
Mercury Bay	17 March	Area office	1pm
Pauanui	18 March	Fire station	1pm
Whangamata	19 March	Area office	1pm

Your comments and suggestions can also be sent to the Council by:

- Completing the on-line submission form at www.tcdc.gotvt.nz/ltp
- Sending us an email to customer.services@tcdc.govt.nz
- Writing to us at Thames-Coromandel District Council, Private Bag, Thames 3540
- Faxing us on (07) 868 9737

Hearings will be held for those who wish to present their submission formally before the Mayor and Councillors in late April.

When making a submission on the proposed changes, please tell us:

- what aspect/s of the proposed areas of change you would like to comment on
- what you want and what decision you would like made, and
- the reasons for this.

Note: If you wish to make a submission about the *amount* of development contributions charged, this should be made through a submission to the Council's Long-Term Plan Consultation Document. The Long-Term Plan contains details on expenditure related to growth; this is where the development contributions amounts are set. Please refer to the Council website for details on how to submit to the Long Term Plan.

Once the Council has considered all the public feedback it will make decisions on the amendments to this draft and then adopted the Development Contributions Policy. **Remember, you have until 4pm, Thursday 9 April to give Council your feedback.**

Contents

Summary of key changes proposed to the Development Contributions Policy

Key changes the Council is proposing to the Policy are:

- removal of the requirement for commercial activities to pay for community infrastructure services other than solid waste
- change to the methodology for calculating development contributions
- change to the methodology for calculating and purpose of collecting reserve contributions
- public conveniences and cemeteries to be funded locally, not District-wide
- a new assessment of significant assumptions
- specific exemption for Council development providing infrastructure or reserves
- development contribution credits on previous activities if the value of these exceeds the credit available on the current activity, for a period of up to ten years.
- addition of development contribution requirements for minor units and campground activities
- updated assumptions supporting the calculation of commercial activities for water and wastewater
- a more relaxed criterion for reductions or waivers of contributions on the basis of significant public benefit.

In addition, a number of other amendments are required subsequent to the Government passing changes to the Local Government Act 2002 (the Act) in August 2014. Key changes are as follows:

- changes to the types of community infrastructure projects for which development contributions may be collected on new or early-stage projects
- a new schedule of assets
- amended provisions relating to private developer agreements
- ability for developers to request a reconsideration from Council or to object to the development contributions assessed to an independent commissioner
- a requirement that development contributions will be assessed in accordance with the policy provisions and amounts that were in place when the application was lodged
- the ability to withhold a certificate of acceptance until applicable development contributions have been paid.

Overview of the Development Contributions Policy

What is the Development Contributions Policy?

The Development Contributions Policy is a policy adopted by the Council under the Local Government Act 2002. It allows the Council to require contributions of money or land when new development occurs. The Council then uses the funds collected to carry out capital works needed to service that development (alone or together with others), for the following services:

- transportation
- water supply
- wastewater
- stormwater, environmental protection works, flood protection and mitigation worksreserves (for residential development only)
- community infrastructure, such as public conveniences, community centres and halls, play equipment on neighbourhood reserves and – for established projects only – parks, libraries, harbours, airfields, swimming pools, strategic land and buildings, cemeteries and solid waste facilities.

How do you know when a development contribution is payable?

In general you will pay a development contribution when you cause any additional demand on Council services by:

- creating additional lots by subdivision, including the subdivision or cross lease of an existing lot
- building additional dwellings on a lot
- providing additional retirement units or units of commercial accommodation
- extending the area of business activity on a lot
- extending the area of any other activity such as kindergartens, churches or clubs
- obtaining a new or additional service connection, or
- converting areas of temporary use to permanent use.

A development contribution will be payable by each additional “unit of demand” created by development activity for the services provided in the area or “catchment” within which it falls.

What is a "unit of demand"?

The Development Contributions Policy considers any new residential or rural lot or any new business lot of $1000m^2$ or more created in a subdivision to be one additional "unit of demand" for services.

For residential activities, a new dwelling is also considered to be a unit of demand while some smaller accommodation units or small commercial lots are charged less than this – for example a one-bedroom commercial accommodation unit is assessed at half a unit of demand. For commercial and other activities, the Development Contributions Policy contains formulas that use the "gross business area" (for commercial/industrial developments) or the "gross floor area" (for any other activity such as kindergartens, churches, and clubs) to calculate the units of demand generated.

In requiring a development contribution, the Council will give credits for any unit of demand in existence at the time the development or subdivision takes place because it deems this to have paid its contribution already*. For example:

- if a dwelling (one new unit of demand) is built on an existing residential lot (one existing Unit of Demand), then no contribution is payable, the residential lot being deemed to have paid a contribution when it was created. (Hence 1 new - 1 paid = 0) *
- if two dwellings (two new units of demand) are built on an existing lot (one existing Unit of Demand), then one contribution is payable. (2 new - 1 paid = 1)*

* with the exception of water and wastewater contributions where only existing lots or developments already connected to water and wastewater networks are deemed to have paid contributions in the past.

How are development contributions calculated?

Development contribution amounts originate from historical capital expenditure made in between 2000-2015 for growth that has not yet been recovered from new developments historical capital costs, and from planned capital expenditure in the Council's Long Term Plan from 2015-2025 that is required to service new developments. The Council then divides this expenditure by the amount of development that is expected to take place.

Development contributions cannot be used to fund the costs of renewing or replacing infrastructure to ensure existing development enjoys the appropriate levels of service.

Contributions payable will depend on location

The contributions payable for any new development or subdivision will depend on where the activity is situated.

The Development Contributions Policy uses a number of service areas or "catchments" to which expenditure is allocated. Only development taking place within a particular catchment will contribute towards its infrastructure.

Catchments range in size depending on the types of service. For example:

- There is a single district-wide transportation catchment. Any new development in the District, wherever it is located, gives rise to the need for capital expenditure on the District transportation network as a whole and should contribute toward it.
- There are a number of community board area catchments. These are used to assign the costs of works undertaken to deal with growth in particular parts of the District such as community transportation works, halls and community centres.
- There are a number of local settlement catchments for services like wastewater, stormwater and water supply. These small catchments are used to assign the costs of works only to those developments that are serviced by or derive benefit from a particular scheme.

In general, a subdivision in a rural area will pay district-wide and community board contributions but will not pay toward water, wastewater or stormwater services which are usually limited to the urban settlements.

Reserve Contributions

Contributions are also payable for neighbourhood reserves in urban settlements in the District.

Reserve contributions are only payable for residential activities occurring in urban residential zones, including the *Coastal Village, Coastal Residential* and *Rural Village* zones in the District Plan.

The method of calculating reserve contributions is proposed to change from 1 July 2015 to align with the method for calculating other services. Currently, reserve contributions are based on property values but it is proposed that these will be based on an equal contribution towards the planned expenditure in that catchment per unit of demand.

What amounts of development contribution are payable?

Refer to Appendix B of the attached Development Contribution Policy for the estimated contribution amounts payable for services in each part of the District. Final figures are not available at time of the draft Development Contributions Policy being publicly released as the contributions payable are determined through the Long Term Plan process, which is still in progress and subject to public consultation. This Policy will be updated to include these when they become available.

What changes to the Policy are proposed and why

Local authorities are required under Section 102 of the Act to state the Council's policies in respect of the funding of capital expenditure from sources including development contributions and financial contributions. Councils are required under Section 106 to review these policies at least every three years. The Council has reviewed the Development Contributions Policy and identified some areas for improvement to assist the practical application and overall readability of the policy.

As well as this, in August 2014 the Government amended sections of the Act dealing with development contributions, and these required the Council to make its proposed approach to amending its policy publicly available by 1 December 2014, for adoption by 1 July 2015.

The Council is required under the Act to explain the proposed changes and the reasons for these, to identify and consider reasonably practicable options for achieving the objectives of these decisions and to assess the benefits and costs of each option.

This section summarises the proposed changes and the rationale for each change. An analysis of the reasonably practicable options is also included, with assessments of the advantages and disadvantages identified in each case.

The full proposed policy follows this section.

1. Removal of ability to collect contributions towards specified community infrastructure projects

(Refer Policy Clauses 2.1.4 and 2.1.5)

This change results from an amendment to the Act which restricts the types of community infrastructure that councils can collect development contributions towards going forward.

From 8 August 2014, the Council can continue to collect development contributions only for projects that are completed or substantially progressed in relation to the following activities:

- cemeteries and strategic land and buildings
- parks and reserves infrastructure
- harbour facilities
- libraries
- solid waste
- swimming pools
- airfields.

For these activities, the Council can no longer collect contributions towards projects if they are have not been completed or substantially progressed. However, the Council may continue to collect contributions towards all growth-related capital expenditure projects for community centres and halls, public toilets and play equipment on neighbourhood reserves.

Options

Option 1: Remove development contribution funding for the activities listed above for all projects that have not been completed or substantially progressed. This change arises from a new legislative requirement - Council is obliged to fund projects that do not meet the new definition of community infrastructure from other sources, unless they are complete or substantially progressed. As this is mandatory, no other practicable options have been identified.

Advantages	Development contributions are reduced, which will assist developers.	*Disadvantages*	Funding for the removed projects must be obtained from other sources if they are to proceed. No portion can be recovered from new developments even though these may contribute to the need for the infrastructure.

2. Provision for developers to request a reconsideration

(Refer Policy Clause 3.8)

This change also arises from amendments to the Act, which now allows applicants to request a reconsideration of the development contributions assessed on their development if they believe that the assessment was incorrectly calculated, the Policy was incorrectly applied, or the information used or the way it was recorded contained errors.

The current Policy already allows applicants to request reviews and Council practice has been to review contributions as requested on all of the above grounds. However, the Act specifically requires councils to include provisions on reconsiderations in their policies by 8 September 2014. The Policy has therefore already been amended in line with this requirement. However, a further provision has now been added in this version providing additional time for applicants who wish to provide a valuation where they consider a reserve contribution exceeds the maximum set by the Act.

Options

Option 1: Amend the Policy to *replace* the previous provisions allowing developers to request a review of contributions assessed with the new Act requirements for reconsiderations.

Advantages	Simple to apply and meets the requirements of the Act.	*Disadvantages*	There would be no provision in the Policy for the Council to consider grounds for review other than those laid out in the Act (such as a request for waiver to recognise a public benefit from the development).

Option 2: Revise the Policy to incorporate the new Act requirements but *retain* some provisions allowing for a review by the Council of matters not included in the Act and *add* an additional provision allowing extra time for valuations to be provided when requesting reconsiderations of reserve contributions.

Advantages	Provides a further opportunity for applicants to request a review of complex cases or situations outside the scope of the Act without the likely expense of an objection to an independent commissioner. A wider scope for consideration allows the Council to consider matters of fairness and equity in making these decisions. Extra time for applicants providing valuations is considered to be fair and reasonable.	*Disadvantages*	May be perceived to add additional complexity to the Policy as there are now three possible routes to review of contributions charged (including the new objections process).

▷ **Proposed amendment: Option 2**

3. Provision for objections to an independent commissioner

(Refer Policy Clause 3.10)

New provisions in the Act allow applicants to object to the development contributions assessed to an independent commissioner. The Government has appointed a number of commissioners and councils must engage up to three commissioners from this pool to make decisions relating to objections.

The Policy is now proposed to include a provision to allow for these objections but not to specify any procedures as these are included in the Act (Sections 199C-P and Schedule 13A).

Options

Option 1: The inclusion of a provision for independent commissioner objections is considered mandatory. The Act contains details of the scope of objections and the procedures that must be followed by the parties involved, and it is proposed that the Policy will refer readers to the Act provisions rather than reiterating these.

Advantages	The objections process provides for an independent decision in addition to or as an alternative to the Council processes available, and therefore developers have the opportunity to raise any concerns with an impartial decision-maker.	*Disadvantages*	Objections to independent commissioners may be costly and time-consuming for all parties involved. Costs to the Council from objections must be borne by the ratepayer.

4. New schedule of assets

(Refer Clauses 1.1)

A new section of the Act (201A) requires councils to produce a schedule of assets, and to include this in their policies or advise readers how to obtain a copy. This schedule must list each new asset, asset of increased capacity or asset for which capital expenditure has been incurred (grouped as appropriate) which will be funded in whole or in part by development contributions. For each of these, the schedule must specify the estimated cost, the proportion to be funded from development contributions and the proportion to be funded from other sources.

The schedule must also identify programmes or works which do not meet the revised definition of community infrastructure (i.e. they are not related to community centres/halls, public toilets or play equipment on neighbourhood reserves), but which will be funded partly or entirely from development contributions as they are already substantially progressed or completed. In these cases, councils must include the date by which full recovery of costs is expected to be recovered.

Councils were required to provide the new schedule of assets by 8 September 2014 and the Policy was amended accordingly. However, the schedule of assets for 2015-17 is not available at time of release of this proposal. This document will be updated once this information is finalised.

Options

Option 1: The requirement to include a schedule of assets containing information specified by the Act is mandatory, and therefore no practicable options are identified.

Advantages	Developers, ratepayers and other interested parties have the option of accessing more detailed information as required. Provides greater transparency and understanding of the Policy.	*Disadvantages*	No particular disadvantages are identified in relation to this addition.

5. Retention of certificate of acceptance pending payment of development contributions

(Refer Policy Clause 3.1.6)

The Act now allows councils to withhold certificates of acceptance until the development contributions on them have been paid. It is proposed to amend the Policy to reflect this, as this ensures that developers carrying out building works contribute to the costs of the infrastructure required for their developments.

Options

Option 1: Make no amendment to the Policy in relation to withholding certificates of acceptance.

Advantages	No advantages identified.	*Disadvantages*	While the Act allows councils to withhold certificates of acceptance pending payment, it would not be clear to readers of the Policy whether Council would take this action, or would take a consistent approach.

Option 2: Incorporate into the Policy the ability to withhold a certificate of acceptance until development contributions are paid, in accordance with the new provisions of the Act.

Advantages	This helps ensure that all developers pay their share towards the infrastructure provided for their developments and therefore provides an additional level of safeguard for the ratepayer, who might otherwise end up bearing the	*Disadvantages*	No particular disadvantages are identified in relation to this amendment.

costs of the unpaid contributions or legal expenses to recover these. Incorporating the provision into the Policy helps ensure consistent treatment for similar cases.

- ▷ **Proposed amendment: Option 2**

6. Amendment to private development agreement provisions

(Refer Policy Clause 3.6)

The Act now includes specific provisions relating to development agreements and includes a number of requirements relating to the processes for entering into such agreements and to the content of any agreement. While the Development Contributions Policy already provides for private development agreements, the criterion that such agreements can only be entered into where there is significant public benefit (defined as "a clear benefit created towards the social, economic, environmental and cultural well-being of the District community") is proposed to be removed. This is to ensure that the Policy does not limit agreements in a manner that is not intended by the Act, and to allow greater flexibility for developers and Council. Additional provisions are included to ensure that private development agreements are not used to discount contributions payable but may allow greater flexibility as to the manner and timing of payment. Additional provisions are also proposed that will ensure the Council will take into account its Procurement Policy, will make its decisions transparently and will protect the interests of the community when considering whether to enter into an agreement.

Options

Option 1: The Act now contains a number of specific requirements relating to development agreements and it is mandatory for councils to amend their policies in line with these requirements. However, it may be beneficial to provide further guidance in the Policy as to how these are dealt with. The first option is to add a clause to provide for development agreements in accordance with the Act with no additional provisions.

Advantages		*Disadvantages*	
	Keeps the Policy simple.		Does not provide any indication of the Council's approach to dealing with development agreements, other than what is required in the Act.

Option 2: Expand on Option 1 by retaining the current Policy provision requiring a demonstrable public benefit from the agreement as well as providing further criteria for development agreements – i.e. that Council will not use agreements to provide discounts, that Council will consider its Procurement Policy when determining whether to enter into agreements, that in entering into agreements the Council will state the reasons for

departure from standard Policy clauses, and that the interests of the community will be protected.

Advantages	The additional criteria help provide clarity and transparency for developers, ratepayers and other users of the Policy.	*Disadvantages*	The requirement to provide a "significant public benefit" may prevent agreements being made that provide flexibility to developers but only minor public benefit and may be outside the intentions of the Act.

Option 3: Expand on Option 1 by providing further criteria for agreements – i.e. that Council will not use agreements to provide discounts, that Council will consider its Procurement Policy when determining whether to enter into agreements, that in entering into agreements the Council will state the reasons for departure from standard Policy clauses, and that the interests of the community will be protected – but remove the existing requirement for significant public benefit.

Advantages	This option provides flexibility for Council and developers at the same time as providing transparency and clarity for all interested parties.	*Disadvantages*	No particular disadvantages identified.

- ▷ **Proposed amendment – Option 3**

7. Development contributions assessed against Policy in effect at date of lodgement

(Refer Policy Clause 3.1.3)

The Act now includes a requirement that the assessment of a development contribution must be consistent with the content of a policy (including the amount of contribution payable) in force at the date the application for consent or authorisation was lodged (i.e. submitted with all required information). Previously, Council policy has been to apply the Policy in force at the date of granting of consent. The Policy is therefore amended to accommodate this legislative change.

Options

Option 1: This requirement is mandatory under the new Act provisions. No other practicable options have been identified.

Advantages	Greater certainty for developers in cases where a consent is lodged in one financial year but granted in a subsequent year – the contributions payable will be known up front.	*Disadvantages*	There will be some discrepancy between the treatment of previous consents and those lodged following the change to the Act but this effect is considered to be minor.

8. Change to method of calculating reserve contributions

(Clause 3.4 in the existing policy to be removed, and Clause 2.12 is amended)

At present, reserve contributions are calculated on the basis of the value of the land being developed or the lots being created under subdivision. This method has historical roots, going back to development levies under the Local Government Act 1974. It is now proposed to amend this method of calculation so that the anticipated cost of reserves required for growth is divided equally to each unit of demand in the catchment. This is to provide consistency with the methodology for determining the contributions for all other services, to allow developers to know up front the reserve contribution payable per unit of demand and to ensure the methodology reflects the intentions of the Act.

Options

Option 1: Retain the current methodology for assessing reserve contributions.

Advantages	No advantages of retaining this methodology.	*Disadvantages*	Developers do not know the contributions payable until the development has commenced or, in the case of subdivision, until the final stages of the process. This method operates somewhat like a tax, as those with properties with higher values are required to pay more, and does not align well with the intent of the Act. Further, developers must pay for valuations in each case.

Option 2: Retain methodology to assess reserve contributions on the basis of land value but obtain valuation at time of granting of consent.

Advantages	Somewhat more certainty for developers than existing methods as reserve contribution payable would be known at time of granting of consent.	*Disadvantages*	As for Option 1, this method is not well aligned with the Act provisions and developers must pay for valuations.

Option 3: Amend the methodology so that reserve contributions are determined on the basis of the average value of residential land within each catchment, and include the amount payable for each catchment in the Policy.

Advantages	Greater certainty for developers as contributions would be known before the application is lodged. No valuation fee generally required.	*Disadvantages*	Obtaining up-to-date and adequate data on property values for each settlement for calculating contributions may be difficult and/or costly. It may also be time consuming and difficult to

determine averages. Does not link to expenditure.

Option 4: Base reserve contribution calculations on the planned expenditure for reserve land and development needed for growth in the catchment, divided by the number of new units of demand anticipated, with the resulting contribution per unit of demand specified up front in the Policy.

Advantages As for Option 3, a high level of certainty for developers as the contribution will be known at time of lodgement, and developers will not need to pay a valuation fee for the contribution to be determined. Additionally, the methodology will be consistent with that used for the other services for which contributions are collected. The methodology will be better aligned with actual expenditure and will more clearly reflect the purpose of development contributions.

Disadvantages If significantly higher amounts of reserve land were planned to be purchased or developed than currently anticipated, there is a risk that in some cases where a property value is low, reserve contributions may exceed the maximum permitted under the Act. More administrative resource may be required to avoid this risk.

▷ **Proposed amendment – Option 4**

9. Change to the purpose for which reserve contributions are to be collected and clarification of the purpose of these

(Refer Policy Clause 2.12.2)

Previously Council has collected reserve contributions primarily for the purchase of reserve land, while parks and reserves contributions have generally been used to provide infrastructure on reserves. Under the current legislation, Council will be limited to the type of community infrastructure on reserves that can be collected from development contributions on new projects, while still allowing some development of reserves to be funded from reserve contributions.

Under the proposed Policy, Parks and Reserves contributions will now be used only to fund established projects providing infrastructure on reserves (those completed or substantially progressed). Reserves contributions will be used for land purchases and for development of the reserve to enable it to be used for its intended purpose (e.g. footpaths, seating, and so forth) but not for infrastructure not related to its essential purpose.

A clause has been added to clarify the purpose for collecting reserve contributions and new definitions added to assist understanding.

Options

Option 1: No amendment to the Policy

Advantages	No particular benefits identified in retaining the status quo.	*Disadvantages*	Council will not be able to recover any contributions towards development of reserves. May create confusion for Policy readers.

Option 2: Amend the purpose for which reserve contributions and parks and reserves development contributions are to be used, and clarify the difference between the two in the Policy.

Advantages	Ensures Council can collect contributions towards the purchase *and* development of reserves as permitted under the Act. Provides clarity as to what the two types of contributions are collected for.	*Disadvantages*	No particular disadvantages identified.

▷ **Proposed amendment – Option 2**

10. Revised methodology for allocating costs of projects

(Refer Clauses 2.10, 5 and 6)

The methodology for calculating development contributions is proposed to be changed to remove two limiters - the Replacement Cost to Service Standard (RCSS) and the Optimised Depreciated Replacement Value (ODRV). Under the current Policy, for each combined project a similar project has to be designed and costed, but without allowing for the growth element of the project. The RCSS value is then used to limit the costs of the combined project to existing ratepayers, as this would be all they would have to pay if the project did not allow for growth.

The ODRV is obtained from Council records, to determine the value of an asset serving existing ratepayers. Where an existing asset will soon be required to be replaced, this value would require existing ratepayers to contribute towards these projects (from financial reserves), and therefore reducing the cost to developers for carrying out these projects.

It is proposed to remove these two limiters as they create additional work and complexity for all users of the Policy, particularly the RCSS limiter. The ODRV limiter is being removed as it is considered fair to remove the alternate ODRV limiter as well.

These changes only affect projects that are deemed to be "combined projects" – i.e. those projects that have an element of addressing renewals and improving levels of service as well as accounting for new and future growth.

Options

Option 1: Retain existing policy and methodology in respect of the limiters (RCSS & ODRV)

Advantages

The RCSS limiter ensures that existing ratepayers would not pay more than their proportion (based on a similar project with the same service life but without the growth element) of a combined project.

Likewise the ODRV limiter ensures that developers do not overbear the cost of a capital project when it replaces an existing asset that is nearing the end of its economic life.

Disadvantages

The Policy remains complex, which may deter developers, and requires significant administration and potential costs from external consultants in establishing RCSS values.

Option 2: Remove limiters (RCSS & ODRV) from policy and calculation

Advantages

Simplifies the policy, so it is easier to understand. Requires less administration and potentially external consultant costs as RCSS values do not have to be established. Distribution of capital project costs between ratepayers and developers continue to be distributed in a fair and equitable manner.

Disadvantages

For a number of combined capital projects where the RCSS limiter is removed, additional capital costs may need to be borne by ratepayers. Likewise where the ORDV limiter is removed, additional costs may be borne by developers.

▷ **Proposed amendment – Option 2**

11. Calculations extended until capacity reached

(Throughout Policy)

Another change to methodology concerns the capacity values for each capital project. Under the current Policy, the year that the capital project would reach capacity is determined based on the growth model. However, this then needs to be updated each time the growth model for the District has been updated. The new methodology requires a capacity number to be entered for each project (i.e. how many units of demand the infrastructure can supply) and the Council's contributions model then calculates either the lesser of the year that full capacity is reached or 40 years from the start of the model. This change allows for the growth model to be updated, with the effects of this flowing straight through to each project’s capacity calculations. This change does not fundamentally affect the calculation of development contributions within the model, but seeks to make the model more robust from future changes to projected growth within the district.

Options

Option 1: Retain existing method of entering year capacity reached for each project within the model.

Advantages	No advantages identified.	*Disadvantages*	Significant administration required as the year that capacity is reached for each capital project requires review upon any revision to the growth model for the district.

Option 2: Model updated so that project capacity data is entered into calculations model. Limit capacity data to the expected full take-up period of thee asset or 40 years from the date of adoption of this policy (30 June 2015) whichever is the earlier.

Advantages	Reduction in administration required as the year that capacity is reached is calculated automatically upon revision of the growth model.	*Disadvantages*	No disadvantages identified.

▷ **Proposed amendment – Option 2**

12. Replacement of term ILOS (Improved Level of Service) with ERP (Existing Ratepayer Projects)

(Throughout Policy)

The term ERP (Existing Ratepayer Project) replaces the term ILOS (Improved Level of Service) throughout the Policy as ILOS includes costs for renewal projects (capital projects to replace a new asset for an old one with no change in service levels) as well as improved levels of service. These projects are now identified as Existing Ratepayer Projects or ERP and the ILOS and renewal portions will then be identified separately. This change assists disclosure and transparency but does not affect the calculation of development contributions.

Options

Option 1: Retain the term ILOS in the policy and model.

Advantages	No advantages identified.	*Disadvantages*	Capital project costs that are either for improved level of service or are renewal projects are not transparent. Additional work would still be required to be undertaken to establish the split between ILOS and Renewal capital projects for disclosure and compliance with the Funding Impact Statement.

Option 2: Replace the term ILOS with ERP throughout the calculations model and Policy and allow for additional split between ILOS projects and Renewal projects (projects for existing ratepayers where there is no improved level of service)

Advantages	It is necessary to distinguish between ILOS capital expenditure and Renewals (capital projects which replace existing infrastructure with the existing levels of service) capital expenditure in order to comply with the requirements of the Funding Impact Statement which was introduced during 2012. The replacement of the term ILOS with ERP with these costs further broken down into ILOS and Renewal allows for greater transparency of costs.	*Disadvantages*	No disadvantages identified.

- **Proposed amendment – Option 2**

13. Inclusion of minor units into the Policy

(Refer Table 1)

The Proposed District Plan includes a new category of residential activity relating to second dwellings on lots that meet set criteria, including size (up to 50m^2, or 60m^2 with Qualmark certification). It is proposed to amend the Policy to include this category (called "minor units") as distinct from a typical dwelling. As these will be small, and would generally be expected to accommodate fewer people than an average dwelling, minor units are proposed to be assessed at 0.5 units of demand – similar to small motel units and retirement units.

Options

Option 1: Exempt all minor units from development contributions.

Advantages	Simple and easy to administer. Recognises that minor units are small and often related to the primary dwelling on the site.	*Disadvantages*	May be perceived as inconsistent with other residential activities, as a minor unit may function as a separate dwelling from the first dwelling on the lot but unlike other dwellings would not be required to pay a contribution.

Option 2: Assess contributions on minor units at one unit of demand but allow for these to be deferred where the applicant agrees to register an encumbrance on the title restricting the use of the unit to friends and family at no tariff.

Advantages	Recognises that an addition to a dwelling may be part of a single dwelling rather than a dwelling for a separate household.	*Disadvantages*	Complex to administer and both time-consuming and difficult to monitor. The deferral of contributions may be perceived to be based on the relationship of the parties in the dwellings rather than the demand on infrastructure and may be perceived as inequitable.

Option 3: Assess contributions at one unit of demand on all minor units.

Advantages	Simple to administer and consistent with other dwellings. Ensures that a contribution is paid if the use of a minor unit changes without requiring consent to become a dwelling accommodating a separate household.	*Disadvantages*	Does not recognise that minor units are by definition small, and therefore are generally unlikely to create the demand for infrastructure generated by an average dwelling. Does not recognise instances where the minor unit may be used by household members. May result in attempts to bypass legal requirements for consent, therefore requiring additional monitoring and compliance resources.

Option 4: Charge contributions of 0.5 unit of demand for all minor units.

Advantages	Simple to administer and recognises that minor units are small and likely to create a lower demand for infrastructure than standard private dwellings. Ensures that a contribution is paid if the use of a minor unit changes to become a dwelling (albeit a small one) accommodating a separate household without requiring consent.	*Disadvantages*	Does not recognise instances where the minor unit may be used by household members as a single dwelling. May result in attempts to bypass legal requirements for consent by a small number of people (to a lesser degree than Option 3), therefore requiring additional monitoring and compliance resources.

▷ **Proposed amendment – Option 4**

14. Inclusion of methodology for assessing campground activities

(Refer Table 1)

The current Development Contributions Policy does not provide a specific methodology for assessing campground activities, instead requiring them to be calculated by special assessment. A methodology has now been developed and applied to campground developments, and a template reflecting this approved by the Council's Judicial Committee to ensure equity and fairness. It is proposed to incorporate the methodology used in the approved template into the Policy for clarity and transparency. This type of development will no longer be required to have a special assessment carried out although as with any other activity a special assessment may be carried out where there are unique characteristics that impact on the demand for infrastructure.

Options

Option 1: Continue to assess campgrounds by special assessment with no specified methodology in the Policy**.**

Advantages	The template can be easily adapted if new information becomes available in relation to the demand on infrastructure generated by campgrounds.	*Disadvantages*	It is difficult for campground developers to know upfront the likely contributions that will be required. Developers must obtain a copy of the template, which is more complex than the proposed changes to the Policy.

Option 2: Incorporate into the Policy the methodology which forms the basis of the approved campground assessment template.

Advantages	Provides transparency and consistency, and enables developers to know the contributions likely to be required up front. Simpler for developers to understand than the template, while resulting in the same outcome.	*Disadvantages*	No particular disadvantages identified.

▷ **Proposed amendment – Option 2**

15. Removal of community infrastructure contribution charges except solid waste from commercial developments

(Refer Table 1, Clauses 1.3.3 and 1.3.4)

Under the current Policy, commercial developments pay a contribution towards a range of community infrastructure, including (as applicable): public conveniences, cemeteries, solid waste, strategic land and buildings, halls, libraries, airfields, swimming pools, parks and reserves and harbour facilities. Except for solid waste, Council considers that the impact of commercial activities on these services is minor and that it would be more appropriate for the costs of these to be covered by residential developments, which they primarily supply. The solid waste development contribution helps fund refuse transfer stations and other infrastructure but not kerbside collections. Both commercial and residential activities have access to this infrastructure.

Clauses 1.3.3 and 1.3.4 of the Policy which related to the methodology for calculating development contributions have been updated as dwelling figures rather than rating units will be used to calculate contributions on activities which will no longer be charged to commercial developments.

Options

Option 1: Retain existing provisions – commercial developments contribute to all services in the catchment.

Advantages	Avoids an additional increase to contributions payable on residential activities.	*Disadvantages*	May be perceived as inequitable by commercial developers as demand for community infrastructure is arguably required to service residential developments.

Option 2: Remove requirements for commercial developments to pay development contributions for any service.

Advantages	May promote commercial development in the District.	*Disadvantages*	It may be perceived to be inequitable to remove contributions to roading, solid waste, stormwater, water and wastewater as most businesses require sanitary services, roading for movement of goods/customers/staff, etc., and generate solid waste. Removing the requirement to contribute to these may mean the costs have to be funded from other parties who are not in fact creating the demand.

Option 3: Remove requirements for commercial developments to pay for any community infrastructure except solid waste (i.e. no contributions on community centres and halls, swimming pools, public conveniences, harbour facilities, wharves, boat ramps, libraries, cemeteries, strategic land and buildings or parks and reserves).

Advantages	Recognises that demand for community infrastructure is generated on the whole by residential activity and use of these facilities, generally for private purposes, by staff employed by businesses is most appropriately covered by contributions from residential development. Removal of these costs may also help promote commercial development in the District.	*Disadvantages*	Any costs of community infrastructure not funded by commercial developments would need to be reallocated to residential developments, and therefore a development contribution on a residential development would rise slightly.

▷ **Proposed amendment – Option 3**

16. Exemption for Council developments that provide infrastructure or reserves

(Refer Policy Clause 2.16.2 and Table 1)

Under the Act, "pipes and lines" of network utility operators are exempt from development contributions. The current Policy expands on this exemption, adding installations, roads, water supply, wastewater and stormwater collection management systems to the list of developments that are exempt.

An amendment to this provision is now proposed exempting all Council developments that provide reserves (land or development), community infrastructure or network infrastructure. This recognises that these developments are providing community facilities, which are the reason for collecting development contributions.

Options

Option 1: Retain existing exemption – i.e. the installation or expansion of network utility infrastructure, including pipes, lines and installations, roads, water supply, wastewater and stormwater collection and management systems from development contributions – and add clarification that contributions will be required on all other Council developments.

Advantages	Council would pay the same contributions as other developers are required to pay on any infrastructure not specifically exempted.	*Disadvantages*	Council would essentially be paying itself, creating an additional step in the process.

Option 2: Provide an exemption from development contributions on all Council developments that provide community infrastructure, network infrastructure or reserves.

Advantages	Recognises that these developments are providing infrastructure and reserves for which contributions are collected. Provides clarity and is simple to apply.	*Disadvantages*	No particular disadvantages identified.

- ▷ **Proposed amendment – Option 2**

17. New significant assumptions section

(Refer Policy Clause 2.13 and Appendix F)

A new section detailing the significant assumptions underpinning the Development Contributions Policy is proposed to be included in the Policy. Parts of the previous section on Financial Assumptions have been retained in the Policy as Section 2.18 (Financial Policy), while redundant clauses have been removed. The new section more explicitly details relevant assumptions to aid clarity and transparency, and to more closely align with the Act requirements. An assessment of effects in relation to significant assumptions has been included in Appendix F.

Options

Option 1: Update assumptions to ensure all requirements of the Act are fully covered and up to date. No practicable options identified.

Advantages	Assumptions are up-to-date and meet the requirements of the Act.	*Disadvantages*	No particular disadvantages identified.

18. Provision for development contributions credits on activities within the past 10 years

(Refer Policy Clause 3.2.2)

The current Policy provides a development contributions credit for an existing lawfully established activity on a lot. However, in some cases the existing development is of a recent nature and replaces a previous development for which a greater contribution may have been required. A new provision has been added to provide credit for the greater of the existing activity or a previous activity on the site up to ten years before lodgement of the consent application.

Options

Option 1: Retain the existing Policy provisions – i.e. credit is only provided on existing activities.

Advantages	Simple to administer.	*Disadvantages*	Does not recognise any contributions paid previously in excess of those applicable to the existing activity.

Option 2: Incorporate a provision into the Policy which provides a credit for a previous activity on a site to be offset against a current development if the credit available on the prior activity exceeds the credit available on the current activity. This will apply to any activity on the site within ten years prior to the date of lodgment of the current application.

Advantages	Recognises that an activity may have existing on a site in the past which created a higher level of demand on infrastructure than the existing activity, and that a larger credit should be applied against a proposed development. Provides a clear timeframe in which credits may apply.	*Disadvantages*	Some additional administration required but this is minor.

▷ **Proposed amendment – Option 2**

19. Local funding for cemeteries and public toilets

This change reflects a general change in the Council's approach to funding and management of a range of facilities, which in turn reflects the Community Governance model the Council has implemented. Facilities considered to provide a more local benefit are now funded from local development. The current Policy as yet does not reflect this change of approach in relation to two activities - cemeteries and public conveniences. In addition, recently developed principles in Section 197AB of the Act require councils to avoid collecting development contributions on a district-wide basis where practical (while taking into account matters of administrative efficiency and fairness and equity).

Options

Option 1: Retain the existing provisions – i.e. cemeteries and public conveniences are funded district-wide.

Advantages	Simple to administer.	*Disadvantages*	Not well aligned with Council's direction towards community governance or with principle (g) in section 197AB of the Act.

Option 2: Change the catchments for cemeteries and public conveniences from district-wide to local.

Advantages	Consistent with the Council's overall direction for communities to fund and manage their own local facilities. Also, better aligned with the new development contributions principles in the Act which require councils to avoid district-wide catchments where practical.	*Disadvantages*	Some additional administration required.

▷ **Proposed amendment – Option 2**

20. Change to criteria for waivers or reductions of development contributions for developments providing a public benefit, and clarification as to how these are to be funded

(Refer Clauses 3.9.5, 3.9.9 and Definitions section)

The Development Contributions Policy allows for waivers or reductions of development contributions to be granted where it is fair and reasonable to do so, and where this provides a significant public benefit. However, the current Policy definition of "significant public benefit" is considered too restrictive, and may exclude some organisations that provide a good to the community which Council seeks to recognise. The definition is proposed to be removed and a more relaxed criterion included in the relevant clause. However, the clause now also specifies that waivers or reductions on these grounds are only available to non-profit organisations to ensure that requests for reductions are not received in inappropriate situations.

In the case of waivers or reductions provided on these grounds, the cost of the infrastructure must be funded from an alternative source. It is proposed to provide clarification in the Policy that where the local community benefits, funding will be drawn from community rates. Where a benefit is considered to be provided to the wider District, funding will be obtained from rates collected District-wide.

Options

Option 1: Relax the criteria so that the public benefit needs to be *within* the District rather than *to* the District, and can be a benefit to social, economic, environmental *or* cultural well-being rather than a benefit to all four. Provide clarification of the funding sources for such waivers and reductions.

Advantages	Provides significantly greater flexibility for waivers and reductions to be granted whether there is some public benefit involved.	*Disadvantages*	May result in increased numbers of unsuitable applications for review.

Option 2: Relax the criteria as per Option 1 but restrict the availability of such waivers and reductions to non-profit organisations. Provide clarification of the funding sources for such waivers and reductions.

Advantages	Provides greater flexibility but ensures this is applied only to organisations that are the intended recipients of waivers and reductions on the basis of public benefit.	*Disadvantages*	No particular disadvantages identified.

▷ **Proposed amendment – Option 2**

21. Review basis on which a unit of demand is determined for commercial activities on water and wastewater services

Refer Appendix D)

Development contributions are charged in units of demand, one unit of demand being equivalent to an average dwelling. However, commercial developments are charged by gross business area. In order to determine the gross business area that equates to a unit of demand, the Policy must compare the expected demand of commercial development to a dwelling and include adjustments as appropriate. The basis for comparing water and wastewater demand has been reviewed and is proposed to change based on up-to-date water data from actual commercial and residential meter readings in the District.

The current methodology is based on the expected percentage of a site occupied by commercial activity and an anticipated water consumption of 15,000 litres per hectare per day. However, recent data indicates that in our District, commercial water consumption is 260 litres per m^2 of gross business activity per year, compared with an average dwelling which is expected to be occupied for over half the year which uses 180,624 litres per year. On this basis, a gross business area of 694.71m^2 is equivalent to one unit of demand, or an adjustment of 0.0014. The revised methodology is considered to be more robust as well as more up-to-date than the previous methodology.

Options

Option 1: Retain existing methodology based on number of occupants and gross business area as an estimated percentage of the area of the property.

Advantages The current adjustments are a 'known quantity' to developers.

Disadvantages This methodology contains more assumptions than Option 2 and therefore may be a less accurate method of comparison.

Option 2: Change the methodology for determining the units of demand so that comparisons between dwellings and businesses are based on actual water meter data for each activity type rather than comparisons of number of occupants.

Advantages This method is considered more robust as it is based on actual water consumption data for residential and commercial properties in the District. Further, gross business area used in this methodology is also based on actual information and is not extrapolated from the property area.

Disadvantages Commercial activities may pay more per unit of demand for water and wastewater than previously.

▷ **Proposed amendment – Option 2**

22. Minor amendments to wording to adjust for changes in legislation, remove contextual errors and provide clarity.

Throughout Policy

Minor amendments that do not impact on how contributions are assessed, but may increase the readability and understanding of the Policy, and ensure consistency in decision-making. Some updates are also required to reflect legislative amendments.

These include:

- Updated references in Section 1.1 to the consultation requirements in the Act. Development contribution policies are no longer required to be adopted using the Special Consultative Procedure in the Act. However, the Council has elected to use this process for the adoption of the 2015 Policy.
- Clarification provided in Clause 2.5.2 that the requirement that vested assets cannot be used to offset development contributions unless they reduce the need for Council to provide an asset in its capital works programme does not apply to reserves required under structure plans in the District Plan as per Clause 2.12.5 of the Policy.
- Removal of a provision in Clause 2.11.8 (or 2.13.3 in the current Policy) which allowed the Council to apply funds collected from a smaller catchment to a large one to achieve administrative efficiency. This is rarely done in practice, and is considered to not align well with the new Act provisions.
- Two new zones (coastal living and rural lifestyle) have been added to the list on zones where reserve contributions may be payable in Clause 2.12.4 to cover changes to zones in the proposed District Plan.
- Procedures have been included specifying how vested assets will be financially recorded (Clauses 3.7.3 and 3.7.4).
- An assessment of catchments in relation to the requirements of Section 197AB(g) of the Act is included as Appendix G.
- Updated definitions, other minor clarifications and corrections as required.

Options

Option 1: Update and amend the Policy as required to improve clarity and readability and to ensure consistency and compliance with legislation. No other practical options have been identified.

Advantages	The Policy is easier to understand, and is applied in a consistent manner. Legislative requirements are met.	*Disadvantages*	No disadvantages identified.

Thames-Coromandel District Council

DEVELOPMENT CONTRIBUTIONS POLICY

March 2015

Development Contributions Policy Contents

Introduction

Statutory Requirements

Local authorities are required, under section 102 of the Local Government Act 2002, ("the Act") to adopt funding and financial policies as part of their financial management obligations. The Revenue and Financing Policy, required to be adopted under section 102(2)(a) of the Act must state, amongst other things, the Council's policies in respect of the funding of capital expenditure from sources including development contributions and financial contributions. One such policy is a policy on development contributions or financial contributions. Development contributions may be sought to meet the increased demand for community facilities resulting from growth and new development in a district.

This document contains the Development Contributions Policy accompanying the Thames-Coromandel District Council 2015-2025 Long Term Plan.

Section 106(6) of the Act requires that a development contributions policy must be reviewed at least once every three years using a consultation process that gives effect to the requirements of section 82 the Act.

In adopting the Thames–Coromandel Development Contributions Policy 2004, the Council considered the options available to it and determined that a development contributions policy was the most practical and efficient means of securing sources and levels of funding to meet costs associated with growth and new development.

The Council, in addition to determining matters of content of the policy, has determined:

- that the decision to amend the Development Contributions Policy is a significant decision;
- that it believes it has met the decision-making and consultation requirements of the Local Government Act 2002 to the extent required; and
- that the Special Consultative Procedure under section 83 of the Act, provides an appropriate level of consultation for the review of the Development Contributions Policy.

The Act requires a development contributions policy to include a schedule of assets listing assets or programmes of works for which development contributions are to be required. The schedule of assets can be obtained in electronic format from the Council's website www.tcdc.govt.nz or in hard copy from the Thames-Coromandel District Council, 515 Mackay Street, Thames 3500.

Note that the schedule of assets and development contributions payable are not available for the period 2015-2017 at the time of release of this draft Policy as the Council has not yet completed the relevant stages of its Long Term Plan. A revised schedule of assets will be produced and Appendix B and C of this Policy updated once the relevant figures are finalised.

Sources of Funding

Section 106(2) of the Act requires a policy on development contributions to summarise and explain the capital expenditure that the Council expects to incur to meet the increased demand for community facilities resulting from growth.

It also requires the Council to state the proportion of capital expenditure that will be funded from other sources and the total amount of funding to be sought by development contributions for each activity or group of activities.

Appendix C shows the approximate total amount of funding to be sought by development contributions for each type of Council infrastructure. As above, final figures are not available at the time this draft Policy is required to be publicly released. Updated numbers will be included when these are finalised.

Other sources of funding of capital expenditure may include:

(a) Outside sources such as New Zealand Transport Authority subsidies, grants, regional council or central government funding;
(b) Funding from sources such as rates and sale of assets;
(c) Funding from financial contributions previously made for the same asset, in accordance with section 207 of the Act.

Growth Projections

1.2.1 The Council acknowledges that new development is occurring throughout the Thames-Coromandel District. This places demands on the Council to provide a range of new and upgraded infrastructure. This Policy provides the means by which the Council may seek development contributions from new development where the effect of that development requires the Council to incur capital expenditure to provide for reserves and infrastructure.

1.2.2 The successful application of this Development Contributions Policy is dependent on reliable estimates of the amount of new development that is expected to occur in the District and different parts of it. Estimates are required:

- to inform infrastructure planning; and
- to give the Council some assurance as to the reliability of its predicted reserve and infrastructure requirements, and that development will occur from which the Council can expect to recover growth-related expenditure.

1.2.3 This Development Contributions Policy uses the growth projections as set out in the Forecasting Assumptions section of the 2015-2025 Long Term Plan.

1.2.4 While projections of new development, measured as rating units, have been prepared for the District, the Council faces the risk of under-recovering development contributions that it expects to receive under this Policy where:

a) a proportion of the numbers of new rating charges estimated to be establishing in any one year, does not constitute *"development"* as defined under the Act; or
b) it allows reductions or waivers to the amounts of development contribution normally payable on developments for various reasons.

Policy on Growth

1.3.1 The Council is aware of the vibrancy and economic benefits that growth and development can bring to the Thames-Coromandel District and acknowledges new growth. However the Council also recognises the potentially high costs of providing new infrastructure for development and intends to ensure that these costs are adequately and sustainably accounted for. It has made it clear that:

a) development must be sustainable;
b) services must be adequate and affordable;
c) the Council itself must remain financially sustainable in the long-term;
d) it must be prudent in its financial management; and
e) it must be fair and equitable.

1.3.2 In view of the expenditure undertaken providing infrastructure, often in advance of new development and the risks of under-recovering that expenditure, the Council does not accept a "growth at all costs" approach and will only provide servicing for growth where the above criteria are met.

1.3.3 When this Policy is reviewed, the Council will compare the expected increase in units of demand (using forecast rating units or dwellings as a proxy for increases in infrastructure demand) on service infrastructure for each activity catchment with the actual number of units of demand that have occurred in the catchment since the Policy was last adopted. It may adjust its projections of units of demand for the catchment and may reduce or increase (as the case may be) growth related capital expenditure for the catchment accordingly.

1.3.4 For the purposes of calculating development contributions, each new rating unit in a catchment will constitute one Unit of Demand for infrastructure in that catchment. Projections of rating units cover all types of development in the District including residential, commercial, industrial and other developments and provide a reasonable measure of the amount of existing development in the District and all development that is expected to occur over the capacity life of the asset. However, dwelling projections have been used to calculate reserves and community infrastructure Units of Demand as these activities do not apply to commercial or other non-residential activities therefore enabling these activities to be removed from the calculations for these development types. The growth projections have been supplied by the Council external consultants.

Financial Management Policies and Strategy

1.4.1 This Policy is a financial policy and as such it has been prepared in the wider context of the Council's overall financial management policies including the Revenue and Financing Policy.

1.4.2 This Policy is made in accordance with directions in the Revenue and Financing Policy.

Development Contributions Policy

The Council has considered all matters it is required to consider under the Act when making a development contributions policy. The policies resulting from these considerations are set out in this section.

The purpose of this development contributions policy is to enable the Council to recover from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to serve growth over the long term.

This policy takes account of the principles in section 197AB of the Act in the way the Council requires, determines and uses development contributions, and allocates the costs of assets.

Requirement to Pay Development Contributions

2.1.1 In accordance with the principle in section 197AB(a) of the Act, a development contribution shall be payable when development is carried out, the effect of which is to require new or additional assets or assets of increased capacity and as a consequence the Council incurs capital expenditure to provide appropriately for those assets and that capital expenditure is not otherwise funded or provided for.

2.1.2 Development may occur when:

(a) additional lots are created by subdivision, including the subdivision or cross lease[1] of existing lots;
(b) additional dwellings, retirement units or commercial accommodation units are built on lots;
(c) the area of business activity is increased on lots;
(d) the area of any other activity such as schools, churches, hospitals or clubs is increased;
(e) new or additional service connections are made to infrastructure networks by existing activities;
(f) areas of temporary use are converted to permanent use.

[1] A development contribution will apply to a cross lease only where an additional unit of demand is created. The development contribution will generally have been required on the granting of a building consent for that additional unit of demand.

2.1.3 In such cases, in accordance with section 198 of the Act, the Council may require a development contribution of money or land or both when:

(a) a resource consent is granted under the Resource Management Act 1991;
(c) a building consent is granted under the Building Act 2004;
(c) an authorisation for a service connection is granted;
(d) a certificate of acceptance is issued under the Building Act 2004.

2.1.4 In terms of this Policy, development contributions will be required to meet the growth related component of capital expenditure on the following activities:

(a) District transportation
(b) Community transportation
(c) Local community infrastructure – community centres and halls, public conveniences and play equipment on neighbourhood reserves
(d) Water supply
(e) Wastewater treatment
(f) Stormwater - urban stormwater, environmental protection works, flood protection and mitigation works
(g) Reserves - land and development.

2.1.5 In addition to those activities listed in **Section 2.1.4** above, for the following activities, development contributions will be required to meet the growth related component of capital expenditure only for projects completed or substantially progressed before 8 August 2014:

(a) Cemeteries
(b) Parks and reserves infrastructure
(c) Harbour facilities
(d) Libraries
(e) Solid waste
(f) Swimming pools
(g) Airfields.
(h) District community infrastructure – strategic land and buildings

Limitations on Contributions

2.2.1 While the Council is able to seek both development contributions for infrastructure under the Local Government Act 2002 and financial contributions under the Resource Management Act 1991, section 200 of the Local Government Act 2002 contains certain limitations. The Council must not require a development contribution for a reserve, network infrastructure, or community infrastructure where it has imposed a contribution requirement on the same development for the same purpose under the Resource Management Act 1991, where developers or other parties fund the same infrastructure or where a contribution has been required for the same purpose on a building consent or certificate of acceptance.

2.2.2 Although under the Resource Management Act 1991, the Council may impose a *financial contribution* as a condition of resource consent it shall in preference take development contributions under this Policy on subdivisions and development.

2.2.3 However, the financial contribution requirements for car parking in the Thames-Coromandel District Plan will be retained and development contributions under this Policy will not be sought for this activity.

2.2.4 Nothing in this Policy will detract from any requirements under the District Plan (such as landscaping conditions and parking requirements) which impose works or financial contributions to avoid, remedy or mitigate the adverse effects of any development on the environment.

2.2.5 Nothing in this Policy, including the amounts of development contribution payable in ***Appendix B***, will detract from any other legal requirement to make a payment for community facilities other than a development contribution, including connection fees or any other fee required to be paid by agreement with the Council.

2.2.6 The Council will not require a development contribution for any lot that:

a) is held in perpetuity pursuant to an open space covenant, provided for by section 22 of the Queen Elizabeth the Second National Trust Act 1977;
b) is unable to be developed or used for any activity that would cause the Council to incur expenditure on infrastructure, as a result of restrictions on the title of the lot.

Limits on Costs Eligible for Inclusion in Development Contributions

2.3.1 In calculating development contributions under this Policy, the capital expenditure on which contributions are based shall not include the value of any project or work or part of any project or work required for:

a) Rehabilitating or renewing an existing asset; or
b) Operating and maintaining an existing asset.

2.3.2 In accordance with section 200 of the Act, no development contribution calculated under this Policy shall include the value of any funding obtained from third parties, external agencies or other funding sources in the form of grants, subsidies or works. This limitation shall not include the value of works provided by a developer on behalf of the Council and used as a credit against contributions normally payable, which the Council may seek to recover from other developers in contributions.

2.3.3 The Council may require development contributions where it has not incurred capital expenditure but has provided a credit against development contributions payable by any person where that person has incurred capital expenditure on behalf of the Council, and which provides additional capacity to serve further development.

Subsidies and Other Sources of Funding

2.4.1 The value of any subsidy or grant toward the value of any project or work shall be deducted prior to the allocation for funding of the balance portion project cost between development contributions and other sources of Council funding.

Vested Assets

2.5.1 No expenditure on works or assets to avoid, remedy or mitigate the adverse effects of any development on the environment, or to directly service that development alone, shall be included in the calculation of development contributions under this policy. Examples include works such as transportation, wastewater, water supply, local stormwater and reserve works and assets (even when these may at some stage vest in the Council) that directly service a particular subdivision or development.

2.5.2 Except as provided for in **Section 2.12.5, t**he value of assets vested or expenditure made by a developer, pursuant to a requirement under the Resource Management Act 1991, shall not be used to offset development contributions payable on development unless all or a portion of such assets or expenditure can be shown to avoid or reduce the need for the Council to provide an asset that is included in its capital works programme, for which development contributions are sought.

2.5.3 The value of assets vested or expenditure made voluntarily by a developer, to enhance a development shall not be used to offset development contributions payable on development other than by agreement with the Council.

Surplus Capacity

2.6.1 In accordance with section 199(2) of the Act, development contributions may be used to fund capital expenditure already incurred by the Council in anticipation of development prior to the first adoption of this Policy on 1 October 2004.

2.6.2 The Council has in recent years undertaken works or acquired land in anticipation of development, which it seeks to recover in development contributions yet to be made. The Council may include in its calculation of development contributions, capital expenditure made in anticipation of development since 1 July 2000, and the value of such expenditure will be known as “surplus capacity.”

Service Levels

2.7.1 There will be no requirement under this Policy for new development to be serviced above Service Standards.

Cumulative Effects

2.8.1 In accordance with section 199(3) of the Act, development contributions may be required under this Policy where the effect of a development may, in combination with other developments, have a cumulative effect on reserves and infrastructure.

Appropriate Sources of Funding

2.9.1 Section 101(3)(a) of the Act states that the funding needs of a local authority must be met from those sources that the local authority determines to be appropriate.

2.9.2 The Council has made its considerations about appropriate sources of funding in the preparation of its Revenue and Financing Policy. These included considerations about development contributions as a source of funding. The Council has determined that:

a) Development contributions are an appropriate source of funding for recovering capital expenditure for a range of community facilities set out in **Sections 2.1.4 and 2.1.5** above;
b) While visitors and tourists benefit from and cause capital expenditure in most of the community facilities listed, expenditure cannot be cost-effectively determined or recovered from these groups. Funding is likely to come from District rates and/or community board rates in view of the benefits that tourists and visitors bring to the community as a whole;
c) Subsidies and grants provide an appropriate source of funding in combination with rates and development contributions for capital expenditure under some activities;
d) Capital expenditure (including past expenditure) can provide benefit to the existing community, new members of the community arriving in the Long Term Plan period and future residents and businesses arriving after the Long Term Plan period. It is appropriate to fund community infrastructure capital expenditure over an extended period of time. To distribute the benefits accordingly, the Development Contributions Calculation Period should cover assets provided in the past (in anticipation of growth), with remaining spare capacity and assets provided in the Long Term Plan period with capacity up to twenty years into the future. Where capacity may exceed twenty years, the calculation covers the asset until it reaches full capacity. (See **Section 2.14**) This is consistent with the principle in Section 197AB(b) of the Act;
e) It is appropriate to identify and source development contributions funding from a range of areas (catchments) as set out in Appendix E, ranging from district wide areas for activities such as transportation to local areas for activities such as water supply and wastewater treatment (See **Section 2.11**).

Principle of Project Cost Allocation

2.10.1 The capital cost of any project or work identified in the Development Contributions Calculation Period shall, after deductions for subsidies and other sources of funding, be allocated between:

a) the Existing Rateable Properties (ERP) Cost; and
b) the Additional Capacity (AC) Cost.

2.10.2 The Council will allocate project costs between ERP Costs for *improving levels of service and/or renewals* to existing households and businesses, and AC Costs for providing *additional capacity* to accommodate development of new households and businesses, using the methodology described in **Section 5.0** – Methodology for Cost Allocation.

2.10.3 The methodology used is a Unit of Demand approach to the cost allocation of all Projects based on the capacity of each project (principle in Section 197AB(b) of the Act), and for Combined Projects it ensures that these costs are fairly and equitably spread over existing ratepayers and additional capacity (principle in Section 197AB(c) of the Act).

2.10.4 There is a requirement to state Remaining Service Life (RSL) of an existing asset and Additional Service Life (ASL) given by the new asset as a crosscheck for audit purposes but with these two variables not brought into the calculation.

2.10.5 Development contributions will be used in accordance with the principles in section 197AB(d) of the Act.

Areas of Service (Catchments)

2.11.1 The principle in section 197AB(g) of the Act states that when calculating and requiring development contributions, the Council may group together certain developments by geographic area or categories of land use provided:

a) The grouping balances practical and administrative efficiencies with considerations of fairness and equity; and
b) Grouping by geographic area avoids grouping across an entire district wherever practical.

The Council considers that development contributions should be required from developments on an area-by-area or catchment basis. The development contribution catchments are set out in ***Appendix E***. An analysis pursuant to section 197AB(g) is set out in ***Appendix G.***

2.11.2 The catchment is the geographic area within which growth and development is occurring, which is likely to give rise, either solely or cumulatively, to the need for particular works or groups of works.

2.11.3 In general the Council uses community board areas for the recovery of costs more closely associated with growth within and around recognised local communities. Activities at this catchment level include community transportation, libraries, parks and reserves, harbours, community centres and halls, solid waste, swimming pools, public conveniences, cemeteries and airfields.

2.11.4 The Council uses large district-wide or sub-district catchments for the recovery of the costs of projects, which occur as a result of the cumulative effects of growth in the whole district or large parts of it. District–wide areas of benefit are used for facilities such as the district transportation network and strategic land and buildings.

2.11.5 The Council uses local settlement areas for the recovery of costs in specific areas such as water and wastewater connection areas, where growth relates to the need for new infrastructure.

2.11.6 In general, a subdivision in a rural area will pay district-wide and community contributions but will not pay toward water, wastewater or stormwater services, which are usually confined to the urban settlements.

2.11.7 In the case of stormwater, the Council considers that works in the wider stormwater funding catchment, such as flood protection and mitigation works, environmental protection works, works in the public domain, in town centres, on roads, parks and waterfront areas, can be of benefit to communities within those developments through the protection of their health, safety, convenience and amenity. Stormwater funding catchments may cover wider areas including whole urban areas and need not be limited to the areas of physical stormwater drainage catchments.

2.11.8 In those cases where funds or land have previously been collected through financial or development contributions, the Council will offset the value of these contributions against proposed expenditure on the same activity in the same activity catchment for which it was collected.

Reserves

2.12.1 Under this Policy and pursuant to section 199(1) of the Act the Council may require a development contribution for reserves.

2.12.2 Reserves contributions will be collected to fund a programme of reserve land purchases and development of any kind that enables the reserve to be used for its intended purpose.

2.12.3 Pursuant to Section 203(1) of the Act, the amount of such contributions shall not exceed the greater of 7.5% of the value of additional lots created by subdivision and the value equivalent of 20 square metres of land for each additional household unit created by development.

2.12.4 No reserve contributions shall be payable on any rural residential activity or on any non-residential activity in urban or rural areas. Reserve contributions shall be payable on any residential activity in any Coastal Village, Coastal Residential, Coastal Living, Rural Village or Rural Lifestyle zone or in any other zone within 500 metres of any residential or village zone where residential lots of less than 2500m^2 in area are created or developed.

2.12.5 Structure Plans in the District Plan make provision for the level of reserve considered appropriate to the location covered by the Plan. Where land is shown as reserve or proposed reserve for recreational purposes on a Structure Plan under the District Plan the Council may require that land to be vested in Council as a condition of resource consent. The value of the reserve land vested shall be determined pursuant to a valuation provided by a registered property valuer. Subject to the limitations in **sections 2.5.1** and **2.5.2**, where the value of the land vested exceeds the amount of reserve development contributions required, no reserve development contribution shall be payable. Where the value of the land vested is less than the amount of reserve development contribution required, this amount will be deducted from the reserve development contribution and a cash payment of the remaining balance will be payable.

Significant Assumptions as required by the Act

2.13.1 Section 201(1)(b) of the Act requires this policy to set out the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects.

2.13.2 The significant assumptions underlying the calculation of the schedule of development contributions are that:

a) The rate, level and location of growth will occur as forecast in the 2015-2025 Long Term Plan;
b) Capital expenditure will be in accordance with the capital works programme in the 2015-2025 Long Term Plan;
c) No significant changes to service standards are expected to occur in the Long Term Plan period other than those planned for in the Asset Management Plan;
d) The level of third party funding (such as NZ Transport Agency subsidies) will continue at anticipated levels as set out in the 2015-2025 Long Term Plan;
e) There will be no significant variations to predicted rates of interest and inflation to those set out in the 2015-2025 Long Term Plan;
f) The revenue from rates will be sufficient to meet the operating and maintenance costs of capital expenditure funded by development contributions.

2.13.3 An assessment of effects, if there is a significant level of uncertainty as to the scope and nature of the effects, is set out in ***Appendix F*** of this Policy.

Development Contributions Calculation Period

2.14.1 In order to include in the calculation of development contributions the expenditure incurred by the Council prior to the first adoption of this Policy on 1 October 2004, to be known as "surplus capacity" (See **Section 2.6**), the commencement of the Development Contributions Calculation Period is 1 July 2000.

2.14.2 Capital expenditure on infrastructure that will serve new development should be recovered over the take-up period of the project, or a period of time sufficient to allow recovery from all development that caused and will benefit from that expenditure, consistent with the principle in section 197AB(b) of the Act.

2.14.3 The Council has considered the period over which the benefits of capital expenditure for new development are expected to occur. The Council considers that capital expenditure on infrastructure during the long term plan period should be recovered over the full take-up period of each asset, from all development that caused that expenditure or will benefit from capacity it provides, including development occurring after the long term plan period.

The full take-up period referred to above shall be the expected full take-up period of the asset or 40 years from the date of adoption of this policy whichever is the earlier period.

2.14.4 It has determined that:

a) new development occurring in the long term plan period will contribute only to that proportion of additional asset capacity that it is expected to consume;
b) future development occurring after the long term plan period will contribute toward the remaining surplus capacity in assets at the end of that period.

2.14.5 In calculating the development contributions payable by new development for each activity type, the Council will:

a) include the value of any past surplus capacity in assets provided after 1 July 2000, (See ***Section 2.6***), that is expected to be consumed by new development;
b) include the value of capacity in assets to be provided in the long term plan period, that is expected to be consumed by new development; and
c) exclude the value of remaining surplus capacity in assets at the end of the long term plan period, which is likely to be consumed by future development.

2.14.6 Recovery of the whole of a project's cost from only those households and businesses establishing in the long term plan period, may place an unfair burden on them. Households and businesses developing after the period would arrive to a fully paid up asset with spare capacity for their developments.

2.14.7 This Policy therefore uses a development contributions calculation period extending from 1 July 2000 (to include past surplus capacity) to 30 June 2085, 70 years after the adoption of this current Policy to ensure more equitable attribution under Schedule 13 of the Act.

2.14.8 The value of remaining surplus capacity in assets at the end of the long term plan period is not to be included in the calculation of development contributions as provided for in this Policy.

2.14.9 The Council has considered the fair attribution of growth related capital expenditure to new development occurring in the long term plan period and has determined that it may allocate the asset capacity of any project to new (N) development in the long term plan period, before that project is built. It may do this where that new development will eventually consume capacity in the project when it is built but has been serviced temporarily using capacity normally allocated to existing development.

Policy on Existing Lots or Development

2.15.1 The Council shall not seek development contributions retrospectively for lots or development (Units of Demand) already legally established at the date of granting consent, other than in the case of a development contribution for water supply or wastewater infrastructure where such lots or development are not yet connected to a public water supply or wastewater system and for which no development contribution can be shown to have been previously paid.

2.15.2 **Section 2.15.1** shall not apply to any lot or development for which a contribution has been required and has not yet been paid.

2.15.3 The Council may require a development contribution to be paid for any existing legally established lot or activity, which is to be connected for the first time to either the water supply network or the wastewater network, as the case may be, where no development contribution or other such payment for these services can be shown to have been previously made and:

a) the connection generates a demand for water supply or wastewater infrastructure; and
b) the connection (either alone or cumulatively with other connections) requires new or additional water supply and wastewater assets or assets of increased capacity which has already or will cause the Council to incur expenditure; and
c) there is no alternative source of funding for those assets.

2.15.4 The Council may require a development contribution to be paid for any existing legally established lot, that has previously been prevented from being developed by any open space covenant or by any other restriction registered against the title of the lot and that covenant or restriction has been removed.

2.15.5 **Sections 2.15.1, 2.15.2, 2.15.3** and **2.15.4** shall apply to any lot or development that:

a) was already legally established at the date on which this Policy first became operative, that is on 1 October 2004, other than in the case of a development contribution payable for water supply and wastewater services where a credit will not apply to any existing lot or development not already connected to either the water supply network or the wastewater network as the case may be and for which no development contribution can be shown to have been previously paid;
b) has been legally established since the date on which this Policy first became operative and for which a development contribution has been paid.

Exemptions on Network and Community Infrastructure

2.16.1 Pursuant to section 197 of the Act, which excludes the pipes and lines of network utility operators from the definition of "development", the Council will not seek development contributions for the installation or expansion of network utility infrastructure, including pipes, lines and installations, roads, water supply, wastewater and stormwater collection and management systems.

2.16.2 In addition to the exemption provided in **Section 2.16.1,** development contributions shall not be required on any development that provides or supports the provision of Council network infrastructure, community infrastructure, or the purchase or development of reserve land.

Best Available Knowledge

2.17.1 The estimates of capital expenditure in this Policy, for all activities, are in keeping with the long term plan and are based on the best available knowledge of projects, their costs, their staging and timing and other related information, at the time of adoption of this Policy.

2.17.2 The absence of particular information on any asset or work at any given time, shall not be deemed to be reason for not requiring development contributions under this Policy.

Financial Policy

2.18.1 Previous headworks policies have no effect and no development contributions shall be sought under those policies.

2.18.2 The project cost amounts used in calculating development contributions under this Policy will be those in the Council's financial statements, which include adjustments for inflation and there will be no provisions in this Policy for an annual increase for inflation.

2.18.3 Interest on borrowings to provide additional capacity in infrastructure, to accommodate development, will be determined and included in the calculation of the development contributions by:

a) in each catchment and for each activity determining the opening balance of loans raised for additional capacity in each year, and adding further borrowing forecast (which will equate to the net cost of capital works less forecast contributions) during the year, to provide the principal sum owing;

b) calculating interest on the principal sum owing using the "real" rates of interest to be arrived at by taking the budgeted rate of interest in the Ten Year Plan, less the "inflation factor". The "inflation factor" will be the forecast movement in the Consumer Price Index (CPI) for the year in question. The forecast movement in the CPI for the year in question is the CPI forecast released as part of the Reserve Bank Monetary Policy Statement in March each year and this will apply to the following Council financial year;

c) applying interest calculated in (b) above, as simple interest, to contributions budgeted to be received in that year, in the proportion to which they bear to the principal sum owing.

2.18.4 The Council will not introduce an adjustment to the development contribution amounts, to take account of any possible long term cross subsidy from rates paid by new ratepayers to fund part of the interest on borrowings for works to deal with any service level deficiencies being experienced by existing ratepayers.

2.18.5 Depreciation of capital expenditure related to growth will be funded through rates on existing and new development, and not capitalised and collected through development contributions and a depreciation adjustment will not be included in the calculation of development contributions to offset any possible cross-subsidy between existing and new ratepayers.

Practical Application

Requirement for Development Contribution

3.1.1 Upon granting:

a) a resource consent under the Resource Management Act 1991;
b) a building consent under the Building Act 2004;
c) an authorisation for a service connection; or
d) a certificate of acceptance

the Council shall determine whether the activity to which the consent or authorisation relates is a "development" under the Act, which:

a) has the effect of requiring new or additional assets or assets of increased capacity (including assets which may already have been provided by the Council in anticipation of development);
b) as a consequence requires (or has required) the Council to incur capital expenditure to provide appropriately for those assets; and
c) that capital expenditure is not otherwise funded or provided for.

3.1.2 In accordance with sections 2.1.4 and 2.1.5, upon determining that the activity is a development, the Council may require development contributions for:

a) reserves;
b) network infrastructure, comprising roads, water supply, wastewater and stormwater infrastructure;
c) community infrastructure, comprising land (including land to be acquired by the Council) or the development of assets on land owned or controlled by the Council to provide public amenities including but not limited to community centres and halls, swimming pools, public conveniences, harbour facilities, wharves, boat ramps, libraries, cemeteries, solid waste and parks and reserves..

3.1.3 The Council shall calculate the development contribution payable at the time of lodgement of the application for consent or authorisation.

3.1.4 The grantee of consent or authorisation shall pay the development contribution calculated:

(a) in the case of a land use consent, by no later than the activity commencing;
(b) in the case of a subdivision consent, before a section 224 completion certificate is issued
(c) in the case of a building consent, before the first building inspection takes place;
(d) in the case of a service connection, before the service connection is made; and

(e) in the case of a certificate of acceptance, upon the granting of the certificate of acceptance.

3.1.5 In the case of a resource consent for land use, where a building consent has not yet been granted for the development:

(a) a contribution assessment shall be issued by the Council at the time of granting the resource consent and the Council shall advise the applicant that the resource consent shall not be exercised and building work may not be carried out until the development contributions payable under this Policy have been paid;
(b) at the time the first building consent is issued, and upon invoicing the applicant for the processing of the building consent, the Council shall advise the applicant that any development contributions payable shall be paid prior to the commencement of works;
(c) the Council shall issue an invoice for payment of the development contribution:

(i) in accordance with (b) above when the building consent is granted; or
(ii) at the request of the applicant prior to building work commencing; or
(iii) upon payment of the development contribution being received; or
(iv) when a building inspection has been recorded; or
(v) when a Certificate of Acceptance has been issued.

3.1.6 Where building work commences prior to the payment of the development contribution the Council may withhold a code compliance certificate as authorised by the Act.

3.1.7 Where a certificate of acceptance has been applied for, the Council will withhold the issue of the certificate until payment of development contributions has been received as authorised by the Act.

Amount of Total Development Contribution

3.2.1 Development contributions are assessed according to the number of "Units of Demand" the activity represents. For example, the Policy considers any new dwelling or any new residential lot, business lot (of $1000m^2$ or more) or rural lot created in a subdivision to be one additional “Unit of Demand” for services.

The Units of Demand applicable to various activities are set out in **Section 3.3.**

3.2.2 The total development contribution payable when granting any resource or building consent, certificate of acceptance or service connection authorisation, shall be the sum of the development contribution payable for each activity, calculated as:

$[(a) \times [\Sigma(n) - \Sigma(x)]] + GST$

Where:

(a) = the applicable development contribution per Unit of Demand determined from ***Appendix B***.

Σ = the sum of the terms inside the brackets.

(n) = for each lot at the completion of the consent or authorisation application, the total Lot Units of Demand OR the total Activity Units of Demand, whichever is the greater.

(x) = for each lot in existence (or for which a section 224 Resource Management Act 1991 certificate has been issued), prior to the date of the consent or authorisation application, the total Lot Units of Demand OR the total Activity Units of Demand for the existing development OR the total Activity Units of Demand for any previous legally established development located on the lot no more than ten years prior to the date of lodgment of the application, whichever is the greater.

3.2.3 In determining the value (a) in **Section 3.2.1**, the Council will:

a) identify the catchment area in which the development falls, using ***Appendix E***
b) identify the development contribution per Unit of Demand for each Council infrastructure type applicable to that catchment area using ***Appendix B***.

Determination of Units of Demand

3.3.1 In accordance with Schedule 13 of the Act, the additional capacity (AC) component of capital expenditure associated with new development in any activity catchment will be allocated equally between the numbers of new Units of Demand expected to occur in that catchment during the Development Contributions Calculation Period.

3.3.2 The Council has determined that Units of Demand generated by different land use types shall be those reflected in **Table 1**.

3.3.3 Demand for services may be necessitated by the creation of new lots that are required to be serviced in advance of their occupation. Demand for services may also be generated by the use and development of lots including the intensification or expansion of uses on those lots.

Table 1
Units of Demand generated by subdivision and development

Lot Unit of Demand	Units of Demand
One residential or rural lot	1.0
One mixed use residential/ commercial lot	1.0
One commercial or industrial lot with an area of less than $1000m^2$	Lot area divided by $1000m^2$
One commercial or industrial lot with an area of $1000m^2$ or more	1.0
For the purposes of calculating water supply and wastewater development contributions ONLY, any existing legally established lot not connected to either the water supply network or the wastewater network or any proposed lot not to be connected to either the water	0

supply network or the wastewater network as the case may be	
Any lot designated as a reserve under the Reserves Act 1977	0
One lot: ▪ wholly covenanted in perpetuity as provided for by section 22 of the Queen Elizabeth the Second National Trust Act 1977; ▪ the title of which prevents any form of development on the lot	0
Activity Unit of Demand	**Units of Demand**
One dwelling unit	1.0
One minor unit	0.5
One retirement unit	0.5 except district transportation 0.3
One commercial accommodation unit including any hotel, motel or building for residential use of **two or more** bedrooms per unit	1.0
One commercial accommodation unit including any hotel, motel or building for residential use of **one or less** bedrooms per unit	0.5
• Retirement unit room • Commercial accommodation unit room including any hotel or motel unit room • School or camp dormitory room normally accommodating more than 3 persons	The number of persons accommodated in the room divided by 6.
One self-contained cabin or site for a permanent caravan, campervan, etc, containing own water and/or wastewater facilities	For water and wastewater, 0.73 units of demand. For all other services, 0.39 units of demand.
One cabin that is not self-contained	For water and wastewater, 0.4745 units of demand. For all other services, 0.39 units of demand.
One campsite for a tent, caravan, campervan, etc, not independently supplied with water or wastewater facilities	For water and wastewater, 0.4745 units of demand. For all other services, 0.17 units of demand.
One commercial or industrial unit including the commercial part of any activity but excluding any part that comprises commercial accommodation units	For transportation, water supply, sewerage, stormwater and solid waste infrastructure only, the gross business area of the activity multiplied by the applicable unit of demand factors in this table.
Any other activity not specified above (including farm buildings)	For transportation, water supply, sewerage, stormwater and solid waste infrastructure only, the gross floor area of the activity multiplied by the applicable unit of demand factors in this table.
For the purposes of calculating water supply and wastewater development contributions ONLY, any existing legally established development not connected to either the water supply network or the wastewater network or any proposed development not to be connected to either the water supply network or the wastewater network as the case may be	0
Network infrastructure, including pipes, lines and installations, roads,	0

water supply, wastewater and stormwater collection and management systems	
Any Council development providing or supporting the provision of network or community infrastructure	0
Unit of Demand Factors	
Transportation	0.0020 per m^2
Water supply	0.0017 per m^2
Sewerage	0.0017 per m^2
Stormwater and solid waste	0.0010 per m^2

3.3.4 The different Units of Demand generated by a unit of commercial or industrial activity as compared with a unit of residential activity, arise mainly from the scale of activity. This Policy uses lot size in the case of subdivision and gross business area in the case of business development as a proxy for assessing the different Units of Demand on services, likely to be generated respectively by residential and business activity.

3.3.5 Further, this Policy assumes that as well as the scale of activity, business activity has the potential to place different demands on services as compared to residential activity, as a result of the nature of the activity (e.g. as a result of higher and heavier traffic volumes). This Policy incorporates multipliers (Unit of Demand Factors) that are intended to take account of the potentially different effect of business activity on service infrastructure.

3.3.6 The assumptions used in this Policy to derive the Units of Demand Factors for business in **Table 1** are described in ***Appendix D***.

Information Requirements

3.4.1 The applicant for any consent and authorisation listed under **Section 3.1.1**, shall provide all information necessary for the Council to calculate the amount of a development contribution including, in the case of commercial or industrial development, the gross business area of the development.

3.4.2 The applicant shall be responsible for providing proof of the legal establishment of existing Units of Demand under **Section 3.2**.

Special Assessments

3.5.1 Developments that have special features, which mean their demands on the Council's infrastructure are not well represented through the assessment procedure set out in this policy and by the Units of Demand in **Table 1**, may be subject to a special assessment at the discretion of an authorised officer.

3.5.2 Examples of activities which special assessments will be applied are petrol stations.

3.5.3 In carrying out a special assessment, the Council will use (and may require an applicant to provide) such information as it considers necessary to more accurately represent the Units of Demand generated by a development.

Private Developer Agreements

3.6.1 The Council may enter into a development agreement for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in accordance with the Act.

3.6.2 A development agreement will not be used to provide a discount on any development contributions assessed on a development, but may be used to provide flexibility as to the manner and timing of the payment of the assessed contributions.

3.6.3 A development agreement must clearly state the departures from the standard processes and calculations under this Policy, and the reasons for these departures.

3.6.4 In deciding whether to enter into any development agreement and the terms of that agreement, the Council shall take into account the requirements of its Procurement Policy.

3.6.5 In making decisions and declining or entering into private development agreements, the Council will conduct its business in an open, transparent and democratically accountable manner and ensure prudent stewardship of its resources in the interests of the District. The Council will manage its financial dealings prudently and in a manner that promotes the current and future interests of the community.

3.6.6 Accounting treatment of transactions included in development agreements will be in accordance with those under **Section 3.7** (vested assets).

Credits for Work Done or Land Vested

3.7.1 The Council shall apply to a development contribution calculated under **Section 3.2**, a credit equal to the actual and reasonable costs of works (including the value of any land to be vested) incurred by the applicant on behalf of and by prior agreement with the Council, which prevents the Council from having to undertake capital expenditure identified in the calculation of development contributions under this Policy.

3.7.2 Subject to **Section 2.12.5**, in the event that the credit payable under **Section 3.7.1**:

a) is less than or equal to the amount of development contribution otherwise payable, then the amount of the contribution shall be reduced by the amount of the credit;
b) is greater than the amount of development contribution otherwise payable, then a refund will be payable by the Council upon granting any consent or authorisation.

3.7.3 Where

a) assets are vested in or expenditure is made to Council by a developer; and

b) this contribution to Council can be proven to reduce the need for Council to provide an asset within its capital works programme; or

c) a development agreement has been entered into under **Section 3.6** of this policy between Council and the developer providing land or works in exchange for development contributions on infrastructure;

a credit will be provided against the development contribution deemed payable by that developer (as assessed in accordance with the procedures in this Policy).

The credit will reflect either the market value of the assets provided or the actual physical contribution made by the developer. The market value of any vested assets will be determined by Council (in conjunction with its external valuer).

3.7.4 If a development agreement is entered into for a developer to provide network infrastructure, community infrastructure or reserves (land or development) in a catchment other than that in which their development is located, the Council will ensure that the value of the works or land will be credited against the relevant activity or activities in the catchment for which development contributions were required.

Reconsideration under section 199A(1) of the Act of Development Contributions Assessed

3.8.1 An applicant who is required to make a development contribution may request a reconsideration of the requirement if they believe that:

(a) the development contribution was incorrectly calculated or assessed under this Policy; or

(b) this Policy was incorrectly applied; or

(c) the information used to assess the development against this Policy, or the way the information was recorded or used, was incomplete or contained errors.

3.8.2 A request for reconsideration must be provided in writing to the Council within 10 working days of the applicant or their agent receiving notice from the Council of the development contributions that the Council requires.

3.8.3 If an applicant considers the assessment breaches **Section 2.12.3** which sets out the maximum reserve contribution that may be collected, they may provide within 20 working days of the applicant or agent receiving notice of the development contributions requirement a valuation obtained at their expense to support their request for reconsideration**.** The valuation provided must be determined no more than 90 days prior to the request for reconsideration.

3.8.3 The Council will check the development contributions assessment made against the grounds for reconsideration made by the applicant and will, within 15 working days, advise in writing the outcome of the reconsideration to the applicant who has lodged the reconsideration request.

3.8.4 The Council delegates to its Chief Financial Officer the responsibility for overseeing reconsideration requests. The Chief Financial Officer will ensure that the reconsideration is not undertaken by the staff member who carried out the initial assessment.

3.8.5 The Council will not accept an application for a reconsideration if an objection to the development contribution requirement has already been lodged under **Section 3.10** of this Policy.

Review of Development Contributions Payable on a Development

3.9.1 The Council will, at the request of an applicant, when considering an application for consent or authorisation for development, consider whether a reduction of a development contribution is appropriate and may require a lesser development contribution than that normally calculated.

3.9.2 Any applicant who is required to make a development contribution at the time a consent or authorisation for development is granted, may formally request the Council to review the development contributions required. Any such request shall be made in writing no later than 15 working days after the Council has advised in writing of the development contributions required, or such longer time as the Council may allow, setting out the reasons for the review.

3.9.3 In considering requests for review of development contributions, the Council will take into account:

(a) the extent to which the value and nature of works proposed by the applicant reduces the need for works or the purchase of land proposed by the Council in its capital works programme;

(b) the extent to which the nature of the development reduces the need for works or purchase of land proposed by the Council in its capital works programme.

3.9.4 The Council will waive or reduce the reserve contribution required where:

(a) an oversupply of reserve land already exists in the general locality of the subdivision or development; or

(b) the Council does not intend to or is unlikely to incur costs in acquiring reserve land in the general locality within the Development Contributions Calculation Period.

3.9.5 In considering an application by a non-profit organisation for consent or authorisation for development, the Council may reduce or waive a development contribution where it considers there is a fair and reasonable justification for doing so and this results in a clear benefit created towards social, economic, environmental or cultural well-being within the district community.

3.9.6 Prior to accepting any request for review, the Council may require the applicant to provide specific details of the manner in which its proposals will reduce the need for works or purchase of land proposed by the Council in its capital works programme.

3.9.7 In undertaking the review of the development contribution the Council or a Committee or staff member of the Council so delegated:

(a) shall, as soon as reasonably practicable, consider the request;

(b) may determine whether to hold a hearing for the purposes of the review and if it does so, hold that hearing within 90 days of receipt of the request and give at least 5 working days' notice to the applicant, of the date, time and place of the hearing;

(c) may at its discretion uphold, reduce, postpone or waive the original amount of development contribution required and shall advise the person in writing of its decision within 10 working days of making that decision;

(d) may charge such fee as determined in its annual schedule of fees, to consider the request.

3.9.8 In making any decision under **Section 3.9.7**, the Council shall be satisfied that:

(a) the value and nature of works proposed by the applicant or the nature of the development reduces the need for works or the purchase of land proposed by the Council in its capital works programme to a similar extent to that by which the contribution is sought to be reduced; and/or

(b) there is an oversupply of reserves in the area or the Council does not intend to acquire reserve land in the area (in relation to reserve contributions only); or

(c) waiving or reducing development contributions on a proposed development by a non-profit organisation will provide a public benefit in accordance with **Section 3.9.5**.

3.9.9 A waiver or reduction of development contributions granted to a non-profit organisation on the basis of benefit to the community does not eliminate the need for the infrastructure required to service that development. Where a waiver or reduction is granted on this basis, the Council will fund the cost of the contributions assessed from ratepayer funds collected for social development. Where the benefit is to the local community, the funding will be drawn from community rates. Where a benefit is considered to be provided to the wider District, funding will be obtained from rates collected District-wide.

Right to Object to Independent Commissioner

3.10.1 A person who requested a reconsideration under section 199A(1) of the Act who is required to make a development contribution may lodge an objection to the development contributions assessed to an independent commissioner in accordance with the Act.

Refunds of Development Contributions

3.11.1 The Council will refund development contributions in accordance with the requirements of the Act. In doing so, the Council shall retain a development contribution taken for a specific reserve purpose for a period of 20 years commencing the date upon which the contribution was made, as provided for by the Act.

Statement on GST

3.12.1 Any development contribution referred to in this Policy and any development contribution required in the form of money pursuant to this Policy is exclusive of Goods and Services Tax. GST is payable on all development contributions except any interest component required under **Section 2.17.5**.

Audit

This Policy shall not be subject to any audit procedures other than those included in the Act.

Methodology for Cost Allocation

The calculation of the separate portions of the cost of any project between that for improving levels of service or providing additional service life to existing households and businesses, (the ERP Costs) and that for providing additional capacity to accommodate new development of households and businesses (the AC Cost), as required by **Section 2.10.1**, shall be carried out using the following methodology.

Listing Projects and Information Required

5.1.1 Every project in the capital works programme of the long term plan shall be listed.

5.1.2 Where possible, distinct stages of a project or distinct parts of a project shall be listed as separate projects and separate calculations carried out for each.

5.1.3 The Council may include in the calculation of development contributions, capital expenditure projects carried out in anticipation of development since 1 July 2000.

5.1.4 Each project in the capital works programme shall be categorised as one of the following project types:

a) *Existing shortfall or renewal project* – a project intended to deal only with shortfalls in levels of service to existing households and businesses or to provide for the renewal or replacement of an asset. The cost of the project shall be allocated to ERP Costs only.

b) *Additional capacity project* - a project intended to provide additional capacity to service new and future households and businesses. The cost of the project shall be allocated to AC Costs only.
c) *Combined project* – a project intended to deal with shortfalls in existing levels of service, renewal or replacement of existing assets and to provide capacity for further growth. The cost of the project shall be allocated between ERP Costs and AC Costs using the methodology in this section.

5.1.5 The *total project cost* of each project shall be listed.

5.1.6 The amount of any *subsidy or grant* toward the project from any other source of funding shall be deducted from the *total project costs* to give the *net project cost*.

5.1.7 For each combined project the following information shall be provided or calculated:

a) the reasons for carrying out the project;
b) the reason for the service level deficiency, replacement or renewal;
c) the year in which the project was/will be carried out, the year in which project capacity started or will start being consumed and the total capacity of the project so that the year in which the total capacity of the project will be reached can be calculated;
d) the *remaining service life (RSL)* of the asset serving existing *rating charges*;
e) the *economic life (EL)* that the combined project will give existing *rating charges*;
f) the *AC units of demand* being the number of additional new and future households and businesses stated as *rating charges,* that the *combined project* will provide capacity for.

Cost Allocation of Combined Projects

5.2.1 The Unit of Demand approach shall be carried out as follows:

(a) the cost of the project less any subsidies (from NZTA, or other third party) received or expected to be received is calculated to determine the Net Project Cost.
(b) the number of *ERP units of demand* for the project is calculated as the number of *rating charges* at the project commencement year (unless this was prior to 1 July 2008. Where this is the case the number of rating charges at 1 July 2008 are used);
(c) the *total units of demand* for the project is the *ERP units of demand* plus the *AC units of demand, which is equal to the capacity of the project*;
(d) the *ERP Cost* is calculated as the Net Project Cost divided by the total units of demand multiplied by the *ERP units of demand;*
(e) the *AC Cost* is calculated as the *net project cost* less the *ERP Cost or the* Net Project Cost divided by the total units of demand multiplied by the AC *units of demand*.

AC Cost allocation Between New and Future Rating Charges

5.3.1 The following information for each *combined project and each additional capacity project,* shall be used to fairly attribute *AC cost* between *new and future rating charges*:

a) the year in which capacity of the project started or will start to be taken up;

b) the year in which the capacity of the project is expected to be reached or 40 years from the date of adoption of this policy whichever is the earlier.

5.3.2 The *AC Cost* of the project shall be divided between *new rating charges (N)* arriving in the catchment in the long term plan period and *future rating charges (F)* arriving after the end of the long term plan period, as follows:

a) the *AC Cost to F* is the *AC Cost* determined in **Section 5.2** above multiplied by the years of capacity take up after the long term plan period divided by total years of capacity take up;
b) the *AC Cost to N* is the *AC Cost* less the *AC Cost to F; and*
c) the AC Cost per AC Unit of Demand remains the same for N as for F as prescribed under the Act.

5.3.3 Only the *AC Cost* to *N* shall be used in the calculation of development contributions

Growth Projection Methodology

Calculation of Development Contributions

Development contribution amounts originate from the 10-year capital costs in the long term plan.

Council calculates in accordance with **Section 5.0** that part of total capital expenditure in the 10-year programme that is related to new development and growth. It then divides this expenditure by the amount of development (measured in new units of demand) that is expected to take place. Development projections are measured as rating units. Annual rating unit estimates to 2045 are provided for each catchment by applying expected percentage rating unit growth rates to the known numbers of rating units at the start of the long term plan period.

Only the resulting additional capacity (AC) costs are taken into account. They are totalled for the catchment and that total expenditure is divided between all new and future units of demand expected to consume the additional capacity or otherwise benefit from that expenditure. Put simply:

Contribution amount ($) per Unit of Demand =

Total AC capital expenditure ($) for catchment divided by the:

Number of new and future units of demand expected in the catchment

6.1 In order to calculate the amount of development to which the growth related portion of capital expenditure (AC Costs) for infrastructure will be attributed, catchment projections of new and future units of demand for services in the period 2015-2045 are required.

6.2 The Council maintains a detailed rating database that provides the numbers of rating units for different activities in all areas of the District.

6.3 The numbers of rating units provide a close correlation with numbers of lots in the District and the number of multiple units of activity on any lot where this is the case. They are therefore considered to provide a reasonably sound measure of units of demand for services.

6.4 Notwithstanding that projections are based on rating units this shall not exempt any development that is currently an existing rating unit from paying a development contribution under this policy.

6.5 Assumptions have been made as to the expected annual increase in the numbers of rating units and hence units of demand for services out to 2045,, in all areas of benefit, using District and area growth rates for rating units.

6.6 Development in each catchment will be monitored. The Council may adjust its projections of units of demand for the area of service upward or downward and may reduce or increase (as the case may be) growth related capital expenditure for the area accordingly.

APPENDIX A - Definitions

The definitions of terms contained in the Council's Generally Accepted Accounting Practice (GAAP) and in the Glossary of Terms Used in the Long Term Plan, shall apply to any term not defined below.

AC cost:
the cost for providing additional capacity in reserves and community and network infrastructure to service the development of new households and businesses, to be expressed as the AC Cost.

Activity unit of demand:
the demand for Council infrastructure generated by development activity other than subdivision.

Additional capacity project or AC project:
a capital project in the Long Term Plan intended only to provide additional capacity in reserves and community and network infrastructure to service new and future households and businesses.

Additional service life or ASL:
the number of years of service at the service standard, in addition to the remaining service life, that a new asset will give existing households and businesses.

Area of service:
see "catchment"

Bedroom:
a room used for sleeping, normally accommodating no more than 3 persons.

Catchment:
the whole or any part of the District, set out in Appendix E, which will be served by a particular public service or infrastructure type.

Combined project or AC/ERP project:
a project in the Long Term Plan intended to deal with shortfalls in levels of service to existing households and businesses by bringing assets up to the service standard and/or by providing additional service life and to provide capacity for further growth.

Community facilities:
has the meaning given to it in section 197 of the Local Government Act 2002**.** At time of the draft Policy being prepared, the definition is "reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199" of the Act.

Community infrastructure:
has the meaning given to it in section 197 of the Local Government Act 2002 (which at time of the draft Policy being prepared comprised community centres and halls, play equipment on neighbourhood reserves and public conveniences) for projects commenced on or after 8 August 2014; and for projects substantially progressed prior to this date including swimming pools, airfields, solid waste, harbour facilities, wharves, boat ramps, libraries, cemeteries, and parks and reserves.

Development:
has the meaning given to it in section 197 of the Local Government Act 2002. At time of the draft Policy being prepared, the definition is:

"(a) any subdivision, building (as defined in Section 8 of the Building Act 2004), land use or work 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 Contributions Calculation Period:
the period commencing 1 July 2000 and ending on a date when the capacity of growth related projects are reached (Expectations are that this will be a twenty year period, but may vary for certain projects), or such date as the Council may determine under any review of this Policy.

Dwelling Unit:
any building or group of buildings or any part of those buildings, used or intended to be used solely or principally for residential purposes and occupied or intended to be occupied by not more than one household.

Farm Buildings:
structures designed for farming and agricultural practices, including but not limited to the growing and harvesting of crops or trees and raising livestock and small animals.

Gross Business Area:

(a) the gross floor area of any building measured from the outer faces of the exterior walls; plus

(b) the area of any part of the lot used solely or principally for the storage, sale, display or servicing of goods or the provision of services on the lot.

The “gross business area” will exclude permanently designated vehicle parking, manoeuvring, loading and landscaping areas, the conversion of which to another use would require resource consent.

The “gross business area” will also exclude the area of network infrastructure including pipes, lines and installations, roads, water supply, wastewater and stormwater collection and management systems, but will include the area of buildings occupied by network service providers, including offices, workshops, warehouses and any outside areas used for carrying out their normal business.

The "gross business area" does not include the areas of any lot used solely for primary production such as mineral or aggregate extraction sites.

Gross Floor Area:

the gross floor area of any building measured from the outer faces of the exterior walls but not including permanently designated vehicle parking, manoeuvring, loading and landscaping areas, the conversion of which to another use would require resource consent.

The "gross floor area" does not include the areas of any lot used solely for primary production such as, forest areas, land used for cropping and for grazing livestock.

The "gross floor area" also does not include any area of a lot used to provide or support the provision of Council infrastructure.

ERP cost:

the cost of improving levels of service to existing households and businesses by bringing assets up to the service standard and/or by providing additional service life.

Improved level of service project or ERP project:

a capital project in the Long Term Plan intended only to deal with shortfalls in levels of service to existing households and businesses by bringing assets up to the service standard and/or by providing additional service life.

Legally established:

for the purposes of this Policy, means :

- any lot for which a title has been issued, or for which a section 224 Resource Management Act 1991 certificate has been issued;
- any building granted Building Consent/Permit prior to 31 March 2005;
- any building granted a Building Consent since 31 March 2005 and a Code Compliance Certificate;
- any building for which a Certificate of Acceptance has been issued; or
- any development that has been granted a land use consent.

Lot:

any land and/or building capable of being disposed of separately.

Lot unit of demand:

the demand for Council infrastructure generated by the creation of lots through subdivision.

Neighbourhood Reserve:

reserve land that is primarily provided for use by local communities for casual recreation, play, relaxation, community activity, links to other areas, or quiet open space.

Parks and Reserves development contributions:

contributions collected for projects providing infrastructure on reserves where such projects which were completed or for which substantial progress or effort had been made toward completion prior to 8 August 2014.

Remaining Service Life (RSL) of an asset:

the number of years before an asset serving existing households and businesses will require replacement or substantial renewal in order to maintain the service standard.

Reserve Contributions:

funding for a programme of reserve land purchases and development of any kind that enables a reserve to be used for its intended purpose.

Residential Activity:

the use of land or buildings as permanent or temporary accommodation such as a dwelling, commercial accommodation, retirement unit and school or camp dormitory.

Retirement Unit:

any residential unit in a retirement village where retirement village has the meaning specified in section 6 of The Retirement Villages Act 2003.

Service Standard:

a level of service for any network infrastructure, community infrastructure or reserves set by the Council having due regard to one or more of *the following factors:*

a) demand data based on market research;
b) widely accepted and documented engineering or other minimum standards;
c) politically endorsed service levels based on community consultation;
d) safety standards mandated by local or central government;
e) environmental standards mandated by local or central government including those in the Council's District Plan;
f) existing service levels, where these are recognised by all concerned parties to be adequate but have no formal ratification;
g) efficiency considerations where service standards must take account of engineering and economic efficiency requirements which require a long term approach to optimality.

Surplus Capacity:

Infrastructure provided prior to the adoption of the Development Contributions Policy in October 2004, for and in advance of new development anticipated to occur at a future time.

Unit:

any independent unit capable of being used separately and independently of any other unit whether or not it is dependent on common or shared facilities of any kind.

Unit of demand:

a unit of measurement by which the relative demand for Council infrastructure, generated by different types of development activity, (existing or proposed) can be assessed. A unit of demand may be expressed as a lot unit of demand or an activity unit of demand.

APPENDIX B - Schedule of development contributions payable by area – excluding reserves contributions

Development Contributions Payable (including GST) For the year ending 30 June 2016

Catchment	District Roading	District Community Infrastructure	Solid Waste	Comnty Roading	Parks & Reserves	Halls	Harbours	Swimming Pools	Libraries	Cemeteries	Public Conveniences	Airfields	Water	Waste-water	Storm-water	TOTAL
Hahei	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	2,465	2,500	0	9,101.45
Matarangi	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	100	422	488	5,146.35
Whitianga	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	2,221	8,102	757	15,214.91
Whangapoua	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Cooks Beach	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	1,137	0	5,272.72
Opito Bay	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Kuaotunu Wes	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Kuaotunu	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Hot Water Bea	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Tairua	1,518	83	13	1,390	415	141	0	0	0	0	0	0	2,084	9,483	864	15,992.40
Pauanui	1,518	83	13	1,390	415	141	0	0	0	0	0	0	1,227	9,483	32	14,302.91
Thames	1,518	83	13	235	100	0	0	0	217	0	38	117	163	606	1,960	5,050.51
Matatoki	1,518	83	13	235	100	0	0	0	217	0	38	117	6,676	0	0	8,997.52
Thames Valley	1,518	83	13	235	100	0	0	0	217	0	38	117	4,152	0	0	6,473.31
Whangamata	1,518	83	13	1,468	13	275	0	0	0	0	0	0	2,796	8,486	323	14,977.52
Onemana	1,518	83	13	1,468	13	275	0	0	0	0	0	0	0	0	0	3,371.75
Coromandel	1,518	83	13	397	1,276	0	0	0	0	0	0	0	0	4,333	77	7,698.59
Oamaru Bay	1,518	83	13	397	1,276	0	0	0	0	0	0	0	0	0	0	3,287.97
Rural Mercury	1,518	83	13	1,049	1,086	75	21	0	0	130	161	0	0	0	0	4,135.89
Rural Tairua P	1,518	83	13	1,390	415	141	0	0	0	0	0	0	0	0	0	3,561.01
Rural Thames	1,518	83	13	235	100	0	0	0	217	0	38	117	0	0	0	2,321.68
Rural Whanga	1,518	83	13	1,468	13	275	0	0	0	0	0	0	0	0	0	3,371.75
Rural Coromar	1,518	83	13	397	1,276	0	0	0	0	0	0	0	0	0	0	3,287.97

Development Contributions Payable (including GST)
For the year ending 30 June 2017

Catchment	District Roading	District Community Infrastructure	Solid Waste	Comnty Roading	Parks & Reserves	Halls	Harbours	Swimming Pools	Libraries	Cemeteries	Public Conveniences	Airfields	Water	Waste-water	Storm-water	TOTAL
Hahei	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	2,465	2,624	0	9,358.91
Matarangi	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	100	426	519	5,315.04
Whitianga	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	2,221	8,267	784	15,541.32
Whangapoua	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Cooks Beach	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	1,231	0	5,500.37
Opito Bay	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Kuaotunu Wes	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Kuaotunu	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Hot Water Bea	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Tairua	1,556	91	13	1,413	430	147	0	0	0	0	165	0	2,084	9,781	936	16,450.77
Pauanui	1,556	91	13	1,413	430	147	0	0	0	0	165	0	1,227	9,781	33	14,690.02
Thames	1,556	91	13	241	106	0	0	0	225	0	165	126	163	632	2,031	5,224.57
Matatoki	1,556	91	13	241	106	0	0	0	225	0	165	126	6,676	0	0	9,073.79
Thames Valley	1,556	91	13	241	106	0	0	0	225	0	165	126	4,152	0	0	6,549.59
Whangamata	1,556	91	13	1,544	13	324	0	0	0	0	165	0	2,796	8,795	341	15,473.55
Onemana	1,556	91	13	1,544	13	324	0	0	0	0	165	0	0	0	0	3,540.85
Coromandel	1,556	91	13	407	1,323	0	0	0	0	0	165	0	0	4,513	83	7,987.12
Oamaru Bay	1,556	91	13	407	1,323	0	0	0	0	0	165	0	0	0	0	3,390.47
Rural Mercury	1,556	91	13	1,049	1,164	75	22	0	0	135	165	0	0	0	0	4,269.57
Rural Tairua Pa	1,556	91	13	1,413	430	147	0	0	0	0	165	0	0	0	0	3,649.39
Rural Thames	1,556	91	13	241	106	0	0	0	225	0	165	126	0	0	0	2,397.95
Rural Whangai	1,556	91	13	1,544	13	324	0	0	0	0	165	0	0	0	0	3,540.85
Rural Coromar	1,556	91	13	407	1,323	0	0	0	0	0	165	0	0	0	0	3,390.47

Development Contributions Payable (including GST)
For the year ending 30 June 2018

Catchment	District Roading	District Community Infrastructure	Solid Waste	Comnty Roading	Parks & Reserves	Halls	Harbours	Swimming Pools	Libraries	Cemeteries	Public Conveniences	Airfields	Water	Waste-water	Storm-water	TOTAL
Hahei	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	2,465	2,740	0	9,609.08
Matarangi	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	100	436	548	5,489.15
Whitianga	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	2,221	8,416	810	15,850.57
Whangapoua	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Cooks Beach	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	1,319	0	5,722.97
Opito Bay	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Kuaotunu Wes	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Kuaotunu	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Hot Water Bea	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Tairua	1,592	98	13	1,434	399	151	0	0	0	0	0	0	2,084	10,061	1,003	16,835.85
Pauanui	1,592	98	13	1,434	399	151	0	0	0	0	0	0	1,227	10,061	33	15,008.60
Thames	1,592	98	13	247	111	0	0	0	232	0	42	135	163	657	2,097	5,388.12
Matatoki	1,592	98	13	247	111	0	0	0	232	0	42	135	6,676	0	0	9,146.51
Thames Valley	1,592	98	13	247	111	0	0	0	232	0	42	135	4,152	0	0	6,622.31
Whangamata	1,592	98	13	1,614	13	370	0	0	0	0	0	0	2,796	9,081	358	15,936.53
Onemana	1,592	98	13	1,614	13	370	0	0	0	0	0	0	0	0	0	3,700.70
Coromandel	1,592	98	13	418	1,366	0	0	0	0	0	0	0	0	4,681	89	8,256.57
Oamaru Bay	1,592	98	13	418	1,366	0	0	0	0	0	0	0	0	0	0	3,486.90
Rural Mercury	1,592	98	13	1,055	1,238	75	23	0	0	139	171	0	0	0	0	4,404.04
Rural Tairua Pa	1,592	98	13	1,434	399	151	0	0	0	0	0	0	0	0	0	3,687.67
Rural Thames	1,592	98	13	247	111	0	0	0	232	0	42	135	0	0	0	2,470.67
Rural Whanga	1,592	98	13	1,614	13	370	0	0	0	0	0	0	0	0	0	3,700.70
Rural Coromar	1,592	98	13	418	1,366	0	0	0	0	0	0	0	0	0	0	3,486.90

APPENDIX C – Sources of funding

	District Roading	District Community Infrastructure	Solid Waste	Local Roading	Local Community Infrastructure	Water Supply	Wastewater	Stormwater	Reserves	Total
Total Cost of Capital Works Projects	$ 142,310,445	$ 29,600,397	$ 4,478,859	$ 31,954,778	$ 65,555,180	$ 45,565,225	$ 120,354,307	$ 32,758,963	$ -	$ 472,578,154
Cost of Capital Works Projects - Historic	$ 61,444,766	$ 12,761,077	$ 2,085,683	$ 15,459,048	$ 35,225,169	$ 27,995,759	$ 97,364,411	$ 19,992,137	$ -	$ 272,328,050
Cost of Capital Works Projects - Projected	$ 80,865,679	$ 16,839,320	$ 2,393,176	$ 16,495,730	$ 30,330,011	$ 17,569,466	$ 22,989,896	$ 12,766,826	$ -	$ 200,250,104
Other Sources of Funding	$ 51,397,380	$ -	$ -	$ 1,574,876	$ -	$ -	$ -	$ -	$ -	$ 52,972,256
Other Sources of Funding - Historic	$ 14,755,792	$ -	$ -	$ 41,453	$ -	$ -	$ -	$ -	$ -	$ 14,797,245
Other Sources of Funding - Projected	$ 36,641,589	$ -	$ -	$ 1,533,423	$ -	$ -	$ -	$ -	$ -	$ 38,175,011
Total Existing Rateable Properties Component	$ 82,419,254	$ 29,085,478	$ 4,424,735	$ 26,058,942	$ 58,275,877	$ 39,473,285	$ 101,572,263	$ 29,252,457	$ -	$ 370,562,292
Total Existing Rateable Properties Component -Historic	$ 42,444,664	$ 12,246,158	$ 2,031,559	$ 13,308,870	$ 28,565,423	$ 21,903,819	$ 82,575,995	$ 16,485,631	$ -	$ 219,562,119
Total Existing Rateable Properties Component - Projected	$ 39,974,590	$ 16,839,320	$ 2,393,176	$ 12,750,073	$ 29,710,454	$ 17,569,466	$ 18,996,268	$ 12,766,826	$ -	$ 151,000,173
Total ILOS Component	$ 49,071,332	$ 15,764,926	$ 2,631,898	$ 24,240,037	$ 40,305,310	$ 27,784,400	$ 87,666,618	$ 22,158,781	$ -	$ 269,623,303
Total ILOS Component -Historic	$ 42,444,664	$ 12,246,158	$ 2,031,559	$ 13,308,870	$ 28,565,423	$ 21,903,819	$ 82,575,995	$ 16,485,631	$ -	$ 219,562,119
Total ILOS Component - Projected	$ 6,626,668	$ 3,518,768	$ 600,340	$ 10,931,167	$ 11,739,887	$ 5,880,581	$ 5,090,624	$ 5,673,150	$ -	$ 50,061,185
Total RENEWAL Component	$ 33,347,922	$ 13,320,552	$ 1,792,836	$ 1,818,905	$ 17,970,567	$ 11,688,885	$ 13,905,645	$ 7,093,676	$ -	$ 100,938,988
Total RENEWAL Component - Historic	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total RENEWAL Component - Projected	$ 33,347,922	$ 13,320,552	$ 1,792,836	$ 1,818,905	$ 17,970,567	$ 11,688,885	$ 13,905,645	$ 7,093,676	$ -	$ 100,938,988
Total Capital Expenditure for Growth (To be funded by Development Contributions)	$ 8,493,810	$ 514,919	$ 54,124	$ 4,320,960	$ 7,279,303	$ 6,091,940	$ 18,782,044	$ 3,506,506	$ -	$ 49,043,605
Total Capital Expenditure for Growth (To be funded by Development Contributions) - Historic	$ 4,244,311	$ 514,919	$ 54,124	$ 2,108,725	$ 6,659,746	$ 5,825,728	$ 14,788,416	$ 3,506,506	$ -	$ 37,702,475
Total Capital Expenditure for Growth (To be funded by Development Contributions) - Projected	$ 4,249,500	$ (0)	$ (0)	$ 2,212,235	$ 619,557	$ 0	$ 3,993,628	$ -	$ -	$ 11,074,919
Total Capital Expenditure for Growth (To be funded by Development Contributions from N)	$ 3,179,060	$ 210,258	$ 29,277	$ 1,834,580	$ 2,864,068	$ 2,909,436	$ 7,028,058	$ 2,147,920	$ -	$ 20,202,657
Total Capital Expenditure for Growth (To be funded by Development Contributions from F)	$ 1,663,434	$ 93,695	$ 12,905	$ 1,174,837	$ 1,405,402	$ 1,217,159	$ 4,676,708	$ 420,477	$ -	$ 10,664,616
Total Capital Expenditure for Growth (To be funded by Development Contributions post F)	$ 3,651,316	$ 210,966	$ 11,943	$ 1,311,543	$ 3,009,833	$ 1,965,345	$ 7,077,278	$ 938,109	$ -	$ 18,176,332

APPENDIX D – Demand factors for business development and other activities

Schedule 13(2) of the Act requires the Council to demonstrate in its methodology that it has attributed units of demand to particular developments or types of development on a consistent and equitable basis. It cannot simply assume that a business development or other activity will generate 1 unit of demand for infrastructure, as would a single dwelling unit.

The assumptions for the calculations of business units of demand for transportation, water supply and wastewater are those determined in the Environment Court Consent Order settling the financial contributions appeal in Rodney District Council v Turvey Company Limited and Others.

For the purposes of the Transportation, Community Infrastructure and Solid Waste unit of demand calculations in D.1 and D.3 below, the demand placed on infrastructure by business developments is assumed to bear some relationship to the number of employees measured as Full Time Equivalents (FTE's) on a given business area. It is considered that employee numbers give a reasonable indication of likely trip generation from a business site and the use of community facilities. Trips generated by employees and use of community facilities by employees is then compared to trip generation and resident numbers in the average dwelling (1 Unit of Demand)

While it is accepted that for transportation, customers and suppliers may generate additional trips, and the Units of Demand for business could be raised accordingly, the Court accepted it is not always possible to predict the particular types of business that will locate in catchments. Retail businesses may generate high customer trips numbers while offices, warehouse or storage facilities may generate low customer and supplier trip numbers. The Transportation calculation therefore uses employment as a proxy measure for trip generation on business sites.

The water supply and wastewater calculations in D.2 are based on water consumption data for business premises used in the Rodney case. The stormwater calculation is based comparisons of average gross business area when compared to the area of an average sized dwelling.

The assumption for the stormwater demand factor of business activity in D.3 is based on the gross business area of a development and the assumption that this will act as a measure of the level of development activity occurring which will benefit from and cause the need for additional capacity to be provided in the local stormwater area.

Activities other than residential and business activities can take various forms. The assumption used in this Policy is that the levels of activity and hence the units of demand generated by other activities will be similar to those generated by businesses. The units of demand for other activities will be calculated using the unit of demand factors in D.1 to D.3 multiplied by the gross floor area of the activity and the units of demand will be subject to any review under Sections 3.8 and 3.9.

D.1 Transportation
Assumptions
Average business site size = 1500m2
Gross Business Area is 60% of site - 1000m2
Employees/ha of business = 30 FTE's/ha (FTE (Full Time Equivalent)
Average Household Unit Trip generation = 9 trips per day = 1 Unit of Demand
Sites per net ha = 5 (7500m2 sites, 2500m2 roads)

Gross business area per hectare = 5 X 1000 = 5000m2

Each site of 1500m2 and each 1000m2 of Gross Business Area has = 30/5 FTE's = 6FTE's

Minimum trip generation 3 trips per FTE per day = 18 trips per day

Unit of Demand Factor = 18/9 = 2 per 1000m2 of Gross Business Area OR 0.002 per m^2 of Gross Business Area

D.2 Water and Wastewater

Assumptions

Residential consumption of a dwelling occupied over half the year 180,624 litres per year = 1 Unit of Demand

Average business water consumption 260 litres per year per m2 gross business area

Unit of Demand factor is 0.0014 per m^2 of Gross Business Area.

D.3 Community Infrastructure, Stormwater and Solid Waste

Assumptions

Average household occupancy 2.7 persons

Average business site size = 1500m^2

Gross Business Area is 60% of site - 1000m^2

Employees/ha of business = 30 FTE's/ha (FTE (Full Time Equivalent)

Sites per net ha = 5 (7500m^2 sites, 2500m^2 roads)

Gross business area per hectare = 5 X 1000 = 5000m^2

Each site of 1500m^2 and each 1000m^2 of Gross Business Area has = 30/5 FTE's = 6FTE's

Assumption is that a 1000m^2 of Gross Business Area (6FTE's) will generate the equivalent demand of a single household unit (2.7 persons)

Unit of Demand Factor is 1.0 for 1000m^2 of business area OR 0.0010 per m^2 of business area.

APPENDIX E – Development contribution catchments

Council Infrastructure	Catchment	Development to which Development Contribution applies
District transportation	District	Development anywhere in the District will pay the contribution
Strategic land and buildings	District	Development anywhere in the District will pay the contribution
Public conveniences and cemeteries	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Community transportation	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Parks and reserves	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Harbours	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Community Centres and Halls	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Solid waste	Thames, Mercury Bay, Whangamata, Coromandel and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Libraries	Thames, Mercury Bay and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Airfields	Thames and Tairua /Pauanui community board areas	Development in each community board area will pay the contribution for that area
Swimming pools	Thames community board area	Development in the Thames Community Board Area will pay the contribution for that area
Water supply	Areas served by water supply schemes	Development connecting to a scheme will pay the contribution for that scheme
Wastewater treatment	Areas served by wastewater treatment schemes	Development connecting to a scheme will pay the contribution for that scheme
Stormwater	Areas served by urban stormwater networks	Development in any urban stormwater area

APPENDIX F – Assessment of effects in relation to significant assumptions

Assumption	Level of uncertainty	Potential effects
The rate, level and location of growth will occur as forecast in the rating growth projections accompanying the Long Term Plan	High	Lower than forecast growth will result in a significant under-recovery of development contributions revenue
Capital expenditure will be in accordance with the capital works programme in the Long Term Plan	Moderate	In current circumstances significant changes to the capital programme are unlikely
No significant changes to service standards are expected to occur other than those planned for in the asset management plans	Low	No significant effects anticipated
The level of third party funding (such as New NZ Transport Agency subsidies) will continue at anticipated levels set out in the Long Term Plan	Low	No significant effects anticipated
There will be no significant variations to predicted rates of interest and inflation to those set out in the Long Term Plan	Low	No significant effects anticipated, however periods of high inflation and interest may necessitate revision of the capital works programme due to affordability.
The revenue from rates will be sufficient to meet the operating and maintenance costs of capital expenditure funded by development contributions	Low	No significant effects anticipated

APPENDIX G – Assessment of grouping by geographic area - section 197AB(g) of the Local Government Act 2002

Section 197AB(g) of the Act requires that when calculating and requiring development contributions, the Council groups together developments by geographic areas or by categories of land use. When grouping for development contribution purposes, the Council must:

a) group in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
b) ensure grouping by geographic area avoids grouping across the entire district wherever practical.

1. Grouping by geographic areas or by land use.

The Council has previously grouped for development contribution purposes using geographic areas or “catchments”. The legislation now also allows grouping by land use – in other words, the council may calculate and require different contributions for different types of land use.

After considering the matter, the Council is satisfied that its current method of calculating and requiring contributions for different types of land use by assessing the varying demands that each type place on network infrastructure, community infrastructure and reserves using Table 1 of the development contribution policy, is an appropriate method of grouping by land use. The table applies different demands to different land uses and exempts certain land uses from paying particular contributions.

2. Grouping by geographic areas

Activity	Current geographic area "catchment"	Practical and administrative efficiency s197AB(g)(i)	Fairness and equity s197AB(g)(i)	District wide grouping avoided wherever practical s197AB(g)(ii)	Consideration of factors	Proposed geographic area
District transportation	District	Practically and administratively efficient to operate with a single catchment. Retaining status quo is practical and workable	District transport network is available to whole community. Single geographic area is fair and equitable	Not practical to avoid a district catchment and try and collect different contributions from communities and groups that all use and benefit from the same network	All s197AB(g) factors combine to favour a single district wide geographic grouping	**District**
Public conveniences and cemeteries	District	Practically and administratively efficient to operate as a single network at a district level BUT it would not be unduly complex to use local community board geographic areas. Smaller areas may become more complex and impractical to administer	A single district geographic area may be acceptable **if** levels of service are common across the district. Any variations in levels of service across the district favour separate geographic groupings	It would be practical to avoid a single district wide catchment	There are variations in levels of service across the district. It is practical to administer contributions at a community board level and this grouping is favoured when considering s197AB(g) factors. It becomes more complex to administer smaller groupings e.g. individual urban areas	**Community board areas**

Activity	Current geographic area "catchment"	Practical and administrative efficiency s197AB(g)(i)	Fairness and equity s197AB(g)(i)	District wide grouping avoided wherever practical s197AB(g)(ii)	Consideration of factors	Proposed geographic area
Community transportation	Five community board areas	Reasonably practical and efficient to operate at a community board level. Retaining status quo is practical and workable	There is a good case for separate local community based geographic groupings to ensure fairness and equity if there are significant budgeted capital expenditure differences or levels of service between community board areas	A district wide grouping can be practically avoided.	All s197AB(g) factors combine to favour separate community based groupings	**Community board areas**
Community centres and halls	Five community board areas	As for community transportation	As for community transportation	As for community transportation	As for community transportation	**Community board areas**
Play equipment	New category	As for community transportation	As for community transportation	As for community transportation	As for community transportation	**Community board areas**
Parks and reserves	Five community board areas	As for community transportation	As for community transportation	As for community transportation	As for community transportation	**Community board areas**
Water supply	Areas served by water supply schemes	Each scheme is a closed system – relatively easy to combine any development connecting to each scheme into one group.	Any significant cost differences between schemes can impose an unfair burden on some communities if costs are shared at district or sub-	A district wide grouping can be practically avoided.	All s197AB(g) factors combine to favour separate scheme-by-scheme based groupings	**Water supply scheme**

Activity	Current geographic area "catchment"	Practical and administrative efficiency s197AB(g)(i)	Fairness and equity s197AB(g)(i)	District wide grouping avoided wherever practical s197AB(g)(ii)	Consideration of factors	Proposed geographic area
		Contributions by scheme are simple to administer. Retaining status quo (scheme-by-scheme) is practical and workable	district levels. Price averaging across schemes can create inequities if levels of service vary between schemes. Within each scheme area parties enjoy a common level of service so smaller geographic groupings should not be necessary			
Wastewater treatment	Areas served by wastewater treatment schemes	As for water supply	As for water supply	As for water supply	As for water supply	**Wastewater treatment scheme**

Activity	Current geographic area “catchment”	Practical and administrative efficiency s197AB(g)(i)	Fairness and equity s197AB(g)(i)	District wide grouping avoided wherever practical s197AB(g)(ii)	Consideration of factors	Proposed geographic area
Stormwater	Areas served by urban stormwater networks	Reasonably practical and efficient to use those main urban areas where stormwater service is provided for groupings. Becomes impractical and inefficient to group down to smaller, more localised parts of urban areas	Any significant cost differences between different urban areas can impose an unfair burden on some communities if costs are shared (averaged) at district or sub-district levels. Price averaging across different urban areas can also create inequities if levels of service vary between them	A district wide grouping can be practically avoided	All s197AB(g) factors combine to favour separate geographic groups for each of the urban areas that have the stormwater service	**Main urban areas**
Community infrastructure assets completed or significantly progressed						
Strategic land and buildings	District		Retain status quo until contributions fully recovered			
Harbours	Five community board areas		As above			
Solid waste	Five community board areas		As above			
Libraries	Three community		As above			

Activity	Current geographic area "catchment"	Practical and administrative efficiency s197AB(g)(i)	Fairness and equity s197AB(g)(i)	District wide grouping avoided wherever practical s197AB(g)(ii)	Consideration of factors	Proposed geographic area
	board areas					
Airfields	Two community board areas		As above			
Swimming pools	One community board areas		As above			

SUBMISSION FORM - Thames-Coromandel District Council

Development Contributions Policy

Need help?
If you need any help filling out this submission form, please call us on 07 868 0200 or email customer.services@tcdc.govt.nz

Do it online!
It's easier online - find our online submission form at www.tcdc.govt.nz/ltp

Name			
Email address			
Phone number		Mobile number	
Address			

Public information -please note that submissions are public information and they will be published and be accessible to the public and media as part of the decision making process

Hearings for the Development Contributions Policy will be scheduled for late April

Would you like to speak at a hearing in support of your submission? ☐ **Yes** ☐ **No**

Please make sure you tell us your telephone number and email address to ensure we can contact you to arrange a time for your presentation to Council.

Council is proposing a number of changes to the Development Contributions Policy. There are changes which incorporate legislative changes to the Local Government Act 2002 made in August 2014, as well as proposals which:

- affect the methodology for calculating development contributions
- affect development contribution credits
- include additional requirements for minor units and campground activities.

Please tell us what you think of the proposed changes.

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Proposal commented on:
Reason:

☐ **I agree**
☐ **I do not agree**

Any other comments? Record them below. *Please attach additional pages if necessary.*

Please select the option that best describes you.

☐ I live in the Thames-Coromandel District
☐ I own a property in the Thames-Coromandel District but I live elsewhere in New Zealand
☐ I own a property in the Thames-Coromandel District but I live internationally
☐ I am a visitor to the Thames-Coromandel District
☐ I am submitting on behalf of an organisation/company which is based in the Thames-Coromandel District
☐ I am submitting on behalf of an organisation/company which is not based in the Thames-Coromandel District

Thank you for taking the time to make a submission.