
REPORT 3
(1215/52/IM)

**Report of the Development Contributions Subcommittee
Meeting of Monday 20 February 2006**

**Members: Mayor Prendergast, Councillors Foster (Chair), Armstrong,
Goulden, Ruben and Shaw.**

THE SUBCOMMITTEE RECOMMENDS:

1. **ITEM 005/06DC DEVELOPMENT CONTRIBUTIONS POLICY -
AMENDMENTS**
(1215/52/05/IM) (REPORT 1)

THAT the Strategy and Policy Committee:

1. *That, after taking into consideration the community outcomes, that development contributions are confirmed as being the primary funding tool to be used for funding capital expenditure resulting from growth for water, wastewater, stormwater, roads, transport and reserves.*
2. *Recommend to Council that the Development Contributions Policy is amended (as shown in Appendix 1) to address the implementation issues in the paper to the Development Contributions Subcommittee of 20 February 2006 regarding:*
 - a. *Greenfields development/ subdivision*
 - b. *The transitional provision dealing with proposals for which the application for resource consent was lodged prior to 1 July 2005 (including the provision dealing with amendments)*
 - c. *The exercise of the power to require and assess the development contribution payable*
 - d. *Application of the financial contribution regime*
 - e. *The definition of equivalent household unit ('EHU') as it applies to residential or non-residential development*
 - f. *Minor typographical errors.*

3. *Note that the draft Development Contributions Policy, including the minor mapping improvements, will not be finalised until the Council has agreed the capital expenditure budgets to be included in the draft 2006/07 LTCCP, when the actual schedules of development contributions payable and maps will be amended to incorporate the relevant capital expenditure.*
4. *Note that the Development Contributions Policy will be included in the draft 2006/07 LTCCP, but that the Development Contributions Subcommittee will hear submissions on the Development Contributions Policy and report its deliberations and recommendations to the Strategy and Policy Committee.*
5. *Recommend to Council that it delegates the Chief Executive Officer, in consultation with the Chair of the Development Contributions Subcommittee, the authority to:*
 - a. *make any minor editorial changes that may be required to the draft policy in the LTCCP; and*
 - b. *reflect the Development Contributions Policy in the summary of information for the LTCCP.*
6. *Note that the activity review will provide the basis for further work to be undertaken on identifying the growth related capital expenditure for community infrastructure (e.g. libraries, recreational centres, community centres, etc), local purpose reserves and that as part of the activity review officers will report on the appropriate funding options and choices for those activities.*

Andy Foster
Chair

Summary of proposed amendments to the Development Contributions Policy (effective date 1 July 2005) as recommended by the Development Contributions Subcommittee following its meeting on 20 February 2006

Note: the Development Contributions Policy, with amendments, will be consulted on as part of the 2006/07 LTCCP.

Note: amendments are shown as tracked changes in the Policy attached.

<p>Update policy to reflect community outcomes</p>	<p>Since adopting the Development Contributions Policy ('DC Policy') at the end of the 2004/05 financial year, the Council has undertaken its community outcomes process. The DC Policy is proposed to be amended to reflect the community outcomes (see section 3.1 attached).</p>
<p>Greenfield development</p>	<p>The amendments proposed in the DC Policy are to clarify both Schedule 9.3 (where it is not clear that the development contribution for greenfield development applies to all catchments) and the definition of greenfield development.</p> <p>The proposed amended definition retains the reference to 'new residential areas' from the current definition, but removes the reference to 'infill development'. It also makes it clear (through reference to specific areas of land as zoned in the District Plan) that development of specific areas will constitute greenfield development.</p>
<p>Transitional Provision</p>	<p>Paragraph 7.2.3 of the DC Policy currently provides a transitional regime where if subsequent consents are sought for a development for which a resource consent application was lodged prior to 1 July 2005 (ie the date that the DC Policy came into effect) development contributions are not payable. It is proposed that paragraph 7.2.3 of the DC Policy is amended to clarify the operation of the clause (see clause 7.11.3 of the attached DC Policy). The amendments do not extend or limit the application of the transitional provision, however, will assist with the application of the transitional provision, and the understanding of it by applicants.</p> <p>The clause dealing with amendments is also clarified (see new paragraph 7.11.2).</p>

<p>Assessment regime</p>	<p>A number of issues have arisen with the current assessment regime during the first 7-8 months of operation of the DC Policy.</p> <p>The new proposed assessment regime is set out at paragraphs 7.1-7.7 of the attached Policy. It also covers timing for the requirement of payment, and Council's remedies if development contributions are not paid. Whilst these have been reworded for clarification, there are no substantive changes to the current DC Policy.</p>
<p>Financial contribution regime</p>	<p>A minor amendment is proposed to paragraph 1.4 of the current DC Policy which sets out the relationship of development contributions with financial contributions imposed under the District Plan. The amendment clarifies that Council will also continue to impose financial contributions on any development to which the DC Policy does not apply.</p>
<p>Equivalent household unit ('EHU') definition</p>	<p>Minor amendments are proposed to this definition to clarify the assessment of demand arising from any application.</p>
<p>Minor amendments and mapping improvements</p>	<p>The attached DC Policy shows the following other proposed amendments:</p> <ul style="list-style-type: none"> • Clause 2.2.7.3 - add 'including storage'. • Clause 2.2.7.3 - replace '780' with '390'. • Clause B2.1.1 - remove '\$' from the EHU figure.