REPORT 6
(1215/52/IM)

DRAFT DEVELOPMENT CONTRIBUTIONS POLICY: REPORT OF THE DEVELOPMENT CONTRIBUTIONS SUBCOMMITTEE

1. Purpose of report

To report amendments arising from the Development Contributions Subcommittee's consideration of the review of the Development Contributions Policy and to seek the Committee's agreement to recommend to Council to consult on the draft policy as part of the LTCCP process.

2. Executive summary

The Development Contributions Policy is a revenue policy that enables the Council to fund capital expenditure for growth related costs of reserves, network infrastructure and community infrastructure through charges on development.

At its meetings in December 2008 and February 2009, the Development Contributions Subcommittee agreed to a set of revisions to the Development Contributions Policy, including the establishment of an open spaces acquisition programme to be fully funded by Development Contributions and the inclusion of the following additional infrastructure in the Policy:

- Sports fields (synthetic turf surfaces)
- Cemeteries
- Johnsonville Town Centre
- Adelaide Road project
- An open spaces acquisition programme.

These changes are set out in detail in section 4.1.

The attached draft Developments Contribution Policy reflects the Subcommittee's decisions and the conclusion of further work by officers that recommends that:

- the growth-related development costs of the Adelaide Road project should be allocated to both the local catchment and the city wide growth community on the assumption that half of the overall benefit is to the local community and the other half of the benefit is to the citywide community.

- the growth-related development costs of the Johnsonville Town Centre project should be allocated solely to the local catchment on the assumption that developers (and the existing community) in the Johnsonville Town Centre derive the principal benefit from the development, including the economic benefits derived from increased business from the wider city community.

A summary of the key changes is attached at Appendix 2 for the information of Councillors.

3. Recommendations

Officers recommend that the Committee:

1. *Receive the information.*

2. *Agree to the recommendations of the Development Contributions Subcommittee to:*

   a. *introduce a minor dwelling provision to reflect the lower impact on infrastructure of smaller residential units and to better accommodate projected occupancy trends (Single bedroom dwellings will be charged development contributions at 0.7 Equivalent housing units (EHUs))*
   b. *amend the non-residential development contributions formula to reflect recent trends towards more intensive space utilisation (EHU equivalence will reduce from 65 sq m gross floor area (GFA) to 55 sq m)*
   c. *amend the development contributions calculation for storm-water for multi-storey development from "total EHUs" to "the greatest number of EHUs on any floor"*
   d. *develop clearer guidelines and policy to support self assessments and special assessments*
   e. *introduce a set of revised water supply catchments to more accurately reflect the network nature of water supply*

3. *Agree to the recommendations of the Development Contributions Subcommittee that development contributions be applied as a funding tool for:*
   a. *sports fields (Synthetic Turf Surfaces)*
   b. *cemeteries*
   c. *roading and associated amenities infrastructure for the Adelaide Road Precinct*
   d. *roading and associated amenities infrastructure for the Johnsonville Town Centre*
   e. *an open spaces acquisition programme 0f $3.725m to purchase land of city-wide benefit.*

4. *Note that consideration is being given to recovering a component of the cost of Indoor Community Sports Centre courts through residential development contributions, should the current targeted rate be removed or if further courts are to be developed.*

5. *Agree to amend the Development Contributions Policy in relation to local purpose reserves (local playgrounds and community playgrounds) to explicitly distinguish between land and infrastructure by providing that land may be vested (given in kind) – but that developments on land must be explicitly funded through development contributions for construction by the Council.*

6. *Note that capital expenditure will be included in the 2009/19 LTCCP in 2018/19 to reflect the costs of anticipated local purpose reserves construction.*

7. *Agree the growth related development costs of the Adelaide Road project should be allocated, in equal parts, to both the local catchment and the city wide growth community on the assumption that the local community, in total, derives equal benefit to the growth community, in total.*

8. *Agree the growth related development costs of the Johnsonville Town Centre project should be allocated solely to the local catchment on the assumption that developers in the Johnsonville Town Centre derive the principal benefit from the development, including the economic benefits derived from increased business from the wider city community.*

9. *Agree to recommend to Council the revised Development Contributions Policy, attached as Appendix 1, for consultation as part of the draft 2009/19 LTCCP.*

10. *Agree to delegate to the Chief Executive Officer, and the Portfolio Leader, Urban Development and Transport, authority to incorporate the development contributions implications of any further capital expenditure decisions made in the context of the LTCCP deliberations and other minor amendments that may be required into the draft policy to be reported to Council, prior to public consultation.*

4. Background

4.1 Context

The Development Contributions Policy is a revenue policy that enables the Council to fund some of its planned capital expenditure for extending the capacity of certain types of its infrastructure assets. The Local Government Act 2002 (LGA 02) limits the application of development contributions to recovering the growth related costs of reserves, network infrastructure and community infrastructure.

A Development Contributions Policy has particular significance for the Council as it permits the use of funding that is not rates-based for capital expenditure.

Income received from development contributions is dependent on development actually occurring, so the extent and timing of capital expenditure to be funded by development contributions will ultimately be determined by the extent and timing of future developments. Short to medium term planning assumptions are made more difficult by the current uncertain economic climate. There are already signs of developments slowing, so care will need to be taken to monitor and respond to any variations from the predicted rates of future development.

At its meeting of 16 December 2008 the Development Contributions Subcommittee agreed to the following set of specific amendments:

- introducing a minor dwelling provision to reflect the lower impact on infrastructure of smaller residential units and to better accommodate projected occupancy trends (Single bedroom dwellings will be charged development contributions at 0.7 Equivalent housing units (EHUs))

- amending the non-residential development contributions formula to reflect recent trends towards more intensive space utilisation (The formula for calculating EHUs will reduce from 65 sq m gross floor area (GFA) per EHU to 55 sq m per EHU)

- amending the development contributions calculation for storm-water for multi-storey development from “total EHUs” to “the greatest number of EHUs on any floor”

- developing clearer guidelines and policy to support self assessments and special assessments

- introducing a set of revised water supply catchments to more accurately reflect the network nature of water supply.

The Subcommittee agreed to recommend the following further revisions to the Development Contributions Policy on 24 February 2009:

- the establishment of an open spaces acquisition programme to be fully funded by Development Contributions
- the inclusion of the following additional infrastructure in the Policy:
    i. Sports fields (Synthetic Turf Surfaces)
    ii. Cemeteries
    iii. Johnsonville Town Centre
    iv. Adelaide Road Project.
- to amend the Policy in relation to local purpose reserves (local playgrounds and community playgrounds) to explicitly distinguish between land and infrastructure by providing that land may be vested (given in kind) – but that developments on land must be explicitly funded through development contributions for construction by the Council.

5. Discussion

5.1 Review of capital expenditure

The Development Contributions Subcommittee has examined projects with a capital expenditure component to more clearly separate capital expenditure for:

- renewals (asset replacement)
- upgrades (new or 'extended' assets) to:
    - enhance levels of service
    - to respond to existing demand
    - to respond to increase in demand resulting from population and employment growth.

Development contribution levies have been revised to reflect the growth components of the capital spend which respond to increase in demand resulting from population and employment growth.

The development contributions financial model has been updated to take into account:

- capital expenditure for the three new out-years added to the calculation timeframe since the last LTCCP/ policy revision (2016/17 to 2018/19).
- inflation
- changes to work programmes (budgets and timing)
- addition of capital expenditure not previously attracting development contributions (Appendix 2 summarises the LGA 2002 considerations underlying the inclusion of additional capital expenditure recommended for inclusion in the 2009/19 LTCCP)
- other funding for capital expenditure, including subsidies (principally from NZ Transport Authority (NZTA))
- potential impacts of the economic slowdown on revenue streams.

The Subcommittee has also reviewed the policy to assess the merits of including the cost of capital (interest) during construction in the asset value and whether this could be recovered from development contributions. The Council does not currently include the cost of borrowing (during construction) in the value of its assets. It is therefore not appropriate to include this in the cost to be recovered from development contributions.

Non-financial variables review

Other non financial factors that impact on the calculation of development contribution levies have also been reviewed. These include:

- growth projections for Wellington, measured in EHUs
- assumptions in the development contributions model
- the treatment of private agreements in the model.

Growth Projections

Projected EHUs have been revised taking into account Statistics NZ predictions of Wellington's population growth over the period of the LTCCP (9.7%)[1] and 2008 modelling of projected growth of equivalent full time jobs (11.1%)[2]. Revenue stream projections have been discounted to reflect the anticipated downturn in developments in the current economic climate. It should be noted there is a lag between changes in developer behaviour and revenue realised, due to the long lead times involved in property development.

Private Agreements

The policy currently allows for private agreements to enable the receipt of non-cash development contributions (vested assets) such as land, or built infrastructure.

It is important that there are clear policies and processes in place to manage the treatment of non-cash assets to minimise any potential risks.

The Subcommittee agreed the Policy be amended to specify that, where land is provided by a developer through a private agreement (in lieu of development contributions), the developer will, in addition, normally be required to pay development contributions to enable the Council to develop the reserve land (e.g. build a playground).

The Subcommittee agreed that the costs and financial benefits of a private agreement should be recorded in the LTCCP budget. Effectively this will recognise the cost and the revenue from the vested asset. These will be equal amounts and there will be no impact on cashflow.

5.2 Development contributions for open spaces

The Development Contributions Subcommittee has reviewed the framework for development contributions for open spaces.

Open space acquisition
One component of the proposed framework is the establishment of an open space acquisition programme to be funded solely through residential development contributions for city-wide acquisitions.

Residential growth impacts the city's needs for reserve land in a number of ways including altering the ratio of hectares of green belt per head of population. While the existing population derives some benefit from additional open space, this benefit is offset by the increased utilisation of existing reserve land by the 'growth population'. It would be difficult to mount a case for purchasing open

[1] Projections produced by Statistics New Zealand (February 2009)
[2] MERA, WTSM Demographic Projections Report, 2006 Base Run for GWRC (2008)

space land to offset population growth through rates, given there is no indication that current levels of provision are inadequate.[3]

The open space land acquisition programme will provide for the purchase of open space of city-wide benefit with ecological, landscape and/or recreational value. In some instances, land acquired in the context of greenfield developments operates as a city-wide strategic asset and should therefore be funded from city-wide contributions. Under the proposed approach, growth related city-wide acquisitions would be funded through a city-wide residential development contribution which would encompass both greenfield sites, and in-fill sites. Legal advice supports this approach.

The Subcommittee agreed to the inclusion of provision of $3.725m in the LTCCP to purchase open space land - on the basis that the land is necessary for growth. While the provision will not specifically identify individual parcels of land, the provision has been estimated based on assessment of likely purchases already identified.

The acquisition and development of this network would be paid for through a city-wide residential development contribution, to be funded as follows:

1. Council and the developer agree on the amount of, and valuation for the open space and any improvements, such as tracks
2. Council pays for the land plus improvements from city-wide development contributions
3. Council carries out any works required such as tracks and fencing.

Local purpose reserves (local playgrounds and community playgrounds)
The framework has also established a set of clear operating principles for the identification of suburban open space requirements (to be charged on a catchment basis) and green belt requirements (to be funded on a city-wide basis), and for establishing and implementing private agreements. Specific amendments recommended are to:

- amend the current policy to explicitly distinguish between land and infrastructure
- provide that land may be vested (given in kind) – but that developments on land must be explicitly funded through development contribution levies for development by Council
- include capital expenditure for the construction of local and community parks in the LTCCP to be funded by development contributions in the relevant local catchments (as discussed in 5.1, above).

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[3] An indication of adequacy of provision may be found in residents' ratings of ease of access to their local park or other green open space: 90% of Wellington residents surveyed said it was easy to access a local park or other green space. Comparable figures for other centres were Auckland 88%, Christchurch 95%, Dunedin 92%.

5.3 Development contributions for sports fields (synthetic turf surfaces)

Sports fields operate as a city-wide network. As Wellington City has limited options to expand the sports field network, the focus has been on increasing the capacity of existing fields through investment in synthetic turf surfaces.[4]

It is appropriate to fund a portion of the additional infrastructure through a city-wide residential development contribution, as the 'growth population' will derive significant benefit from the increased capacity provided.

Based on the proportion of the population participating in sport, the 'growth population' over the ten years from 2009 is estimated to utilise approximately 45% of the planned synthetic turf sports fields provided for in the LTCCP, at a cost of $4.050m. This is estimated to require a $560 development contribution per residential EHU.

5.4 Development contributions for Cemeteries

Both the Cemeteries Management Plan (2003) and the Cemeteries Asset Management Plan 2008/09 identify a number of capital expenditure projects at Makara and Karori.

Capital expenditure of $1,160,000 has been identified over the next 10 years on projects to increase the capacity of the cemetery facilities and amenities. These include new headstone beams, fencing, pathways, roads, landscaping, a natural burial site and a public toilet at Makara Cemetery, and a new ash interment area at Karori Cemetery. These projects should be partially funded from development contributions to reflect the additional demand that growth places on cemetery infrastructure (estimated at 9.6% of the total cost - $111,360). This would generate a city-wide residential development contribution component of $12 per residential EHU.

5.5 Development contributions for Centre Developments (Adelaide Road and Johnsonville Town Centre)

Both the Adelaide Road and Johnsonville Town Centre developments have significant growth components. Initial recommendations to the Development Contributions Subcommittee were based on the assumption all growth related costs should be allocated to developments within the development precincts. The Subcommittee asked officers to reconsider whether any of the growth related costs should be allocated to the wider growth community.

Adelaide Road: Development contributions originally proposed for Adelaide Road were calculated on the basis of allocating the proportion of total capital expenditure related to growth to developers within the Adelaide Road development precinct.

An alternative approach has been developed by the Subcommittee that recognises that, while many of the key outcomes for Adelaide Road are locally

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[4] Sports Field Summary Asset Management Plan 2009 - 2010

focused (such as providing for more high-quality residential growth, recognising and protecting employment opportunities while enabling a transition to suitable 'new economy' activities and strengthening the local community) there is also a strong emphasis on improving the Adelaide Road transport corridor for multiple forms of transport.

The Subcommittee proposes that, for the purposes of calculating development contributions, the benefits to the local community should be regarded as equivalent, in aggregate, to the benefits to the wider community. It is also proposed that the benefits to the wider community should be assessed on a citywide basis, rather than allocate the wider costs to the communities south of Adelaide Road for two key reasons:

- there are key citywide destinations south of Adelaide Road, in particular the hospital. All of Wellington will benefit from quicker Ambulance access (deriving from a wider road with bus lanes)
- Allocating the costs on a city wide basis is consistent with the approach to other similar roading projects such as Waterloo Quay.

The planned growth of 1,550 people equates to 600 EHUs. Total expenditure on the project is $6.813m. After discounting the 50% NZ Transport Authority subsidy on 50% of project costs (ie 25% subsidy component) the total expenditure is $5,109,900.

Proposed development contributions for developments within the development precinct have been calculated as follows. Taking into account the existing population of 2,125 people (825 EHU equivalents), the 'growth population' will ultimately account for 42% of total population. Based on an allocation of 42% of half the total expenditure (excluding the NZTA subsidy) the amount to be recovered from within the development area is $2,554,940. This implies a $1,788 development contribution per EHU within the Adelaide Road development area.

The $2,554,940 balance of the cost of the project can be regarded as accommodating the needs of the wider community, including the ten percent of that community comprising growth. Allocating ten per cent of these costs to the growth community on a city wide basis is consistent with the general approach to development contributions for roading infrastructure as outlined in 12.1.11 and 12.1.12 of the current Development Contributions Policy. This would add $16.80 to the city wide levy.

Johnsonville Town Centre: Development contributions proposed for the Johnsonville precinct are based on the Johnsonville Town Centre Plan and have been calculated based on the proportion of total capital expenditure related to growth, taking into account the 50% New Zealand Transport Authority (NZTA) subsidy.

The estimated 80,000 sq m (additional) gross floor area (gfa) created by the development over 20 years equates to 1364 EHUs, using the proposed 55 sq m gfa non-residential equivalency. Fifty percent of the capital expenditure is estimated to be servicing growth. Consequently, once the NZTA subsidy has been taken into account, 25% of the $4.96m total project cost ($1.24m) should be recovered through development contributions. The estimated development contribution to recover the growth component is $909 per EHU within the proposed Johnsonville Town Centre precinct.

The Subcommittee recommends leaving the Johnsonville Town Centre as solely catchment based. While other communities will clearly derive a benefit, the Town Centre plan is primarily concerned with managing growth in the Town Centre, from which the existing Town Centre community and future developers will derive the principal benefit. While Johnsonville Town Centre will become a more attractive retail and business destination, increased activity will translate directly to economic benefits for those in the Town Centre. Johnsonville is not a key access route to the same extent as Adelaide Road. Alternatives that do not involve going through the Town Centre are available to many in the wider catchment, and some of the growth community in the Northern Growth area are already paying for improved alternative access to major transport routes specifically through development contributions.

5.6 Indoor Community Sports Centre (ICSC)

Funding provision for the ICSC currently includes a targeted rate to fund four of the 12 courts. The proposed removal of the targeted rate has potential development contribution implications because although the eight courts funded by general rates are primarily regarded as meeting latent demand, and enhancing Wellington's capacity to attract national sporting events, additional courts may provide some capacity to accommodate population growth. No significant work has been undertaken to assess and quantify this component as the targeted rate precluded collection of development contributions.

The Committee is asked to note that consideration is being given to recovering a component of the cost of Indoor Community Sports Centre courts through residential development contributions, should the current targeted rate be removed or if further courts are to be developed.

5.7 Overall impact on levels of development contributions

The changes recommended buy the Subcommittee would result in an approximately 38% increase in city-wide development contributions per residential EHU (from $2,901 to $4,005). Changes to catchment-specific levies will lead to varying levels of change in the overall development contribution across Wellington.

The following appendices set out the detailed policy changes:

- Appendix 1: Draft Development Contributions Policy
- Appendix 2: Summary of key text changes to the Development Contributions Policy
- Appendix 3: Summary of Local Government Act 2002 considerations underlying the proposed inclusion of additional capital expenditure in the Development Contributions Policy

5.8 Communication and consultation

If agreed by SPC, the proposed changes to the Development Contributions Policy will form part of the draft 2009/19 LTCCP to be consulted upon in April and May 2009. Submissions on the proposed amendments to the Development Contributions Policy will be heard in the context of the LTCCP special consultative procedure and a revised policy will be reported to the Strategy and Policy Committee by June 2009.

6. Conclusion

The review of Development Contributions Policy will ensure the cost of growth is accurately and fairly allocated to the growth community, consistent with Local Government Act (2002) requirements.

Report Author: *Councillor Foster, Chair, Development Contributions Subcommittee*

Supporting Information
1)Strategic Fit / Strategic Outcome *This policy supports the Council's infrastructure needs by revising the Development Contributions Policy to ensure it remains fair to both ratepayers and the development community*
2) LTCCP/Annual Plan reference and long term financial impact *The Development Contributions Policy forms part of the LTCCP. Revisions to the Policy will support the funding of growth-related infrastructure as outlined in the 2009/19 LTCCP.*
3) Treaty of Waitangi considerations *The proposal has no specific Treaty of Waitangi implication.*
4) Decision-Making *The decisions sought in this report are not significant.*
5) Consultation **a)General Consultation** *Consultation will be conducted in the context of the LTCCP special consultative procedure.* **b) Consultation with Maori** *No issues of concern specifically to Maori have been identified. Generic requirements to consult with Maori will be met through the LTCCP special consultative procedure.*
6) Legal Implications *DLA Phillips Fox have provided advice on specific legal issues and in relation to the general policy approach.*
7) Consistency with existing policy *The recommendations are consistent with core principles of the existing Development Contributions Policy.*

APPENDIX 2

Key text changes to Development Contributions Policy

Policy Ref	Change
1.2.1	Add reference to community infrastructure
1.2.2	Remove statement that development contributions are not payable for community infrastructure
2.1	Add reference and link to online DC calculator on WCC website
2.2.1 and 2.3.4	Introduce revised non-residential formula and minor dwelling provision to tables (and grammatical corrections)
2.4.2	Revised schedule to reflect new catchment zones and levies, changes to stormwater calculation for multi unit residential dwellings and non-residential developments. Deleted reference to indication of average development contribution for greenfield reserves to reflect revised policy approach
2.5.5.3	Amend reference to water supply guideline from "including" to "excluding"
2.5.7	Reference removed to situations where Council would see private agreements removed to better reflect policy position that infrastructure development on land is paid for through monetary contributions
5	Revised EHU definition to reflect revised non-residential formula and minor dwelling provision and add definition of one-bedroom household unit
6	Introduce new water and roading (Adelaide Road and Johnsonville) catchments and maps
7.1	Revised growth calculations and EHU estimates
7.2	Revised section on application of EHUs as units of demand to reflect revised non-residential formula and minor dwelling provision
9.3.1	Introduce references to community infrastructure and references to non residential developments to discussion of distribution of benefits
9.4.1	Note citywide fees are appropriate when infrastructure (eg sports fields) act as a network
10.3.2	Correct cross-reference to para 10.1
11.1.2	Amend table to reflect changes to EHU calculations of units of demand
11.2.7	Amend financial assumptions to reference current dollars and allowance made for inflation
12.1.1	Amend text to reflect inclusion of community infrastructure
12.1.13 to 12.1.15	Amend text to reflect inclusion of sports fields and cemeteries and to more clearly reflect inclusion of swimming pools in current policy
12.2.5	Introduction of reference to Adelaide Road and Johnsonville catchments for roading and associated infrastructure. Shifting discussion of Pipitea precinct to this section.
12.2.6 to 12.2.7	Introduction of revised water supply catchments
Appendix A Tables 1 - 4	Tables amended to reflect updated budgets, additional capital expenditure, allowances for inflation, revised and additional catchments, revised growth assumptions and revised EHU calculations
B2.1.1	Revised table of city wide development contribution calculations to reflect updated budgets, additional capital expenditure (including open spaces acquisition, synthetic turf sports fields, cemeteries), allowances for inflation,

APPENDIX 2

B3.1.1	Revised water supply table to reflect new catchments, revised growth assumptions and revised EHU calculations
B5.1.1	Revised roading and associated infrastructure tables for the Northern Growth area and Pipitea precinct to reflect changes to capex and growth components.
B5.1.2	Text and tables setting out rationale and catchment based calculations for Adelaide Road and Johnsonville, and city wide calculations for the city wide component of Adelaide Road
B6.1.1	Revised tables and calculation formula for inner city reserves to reflect changes to capex
B6.1.2 to B6.1.4	Text supporting revised approach to local purpose provision to ensure Council is DC funded to build infrastructure when required
B6.1.6 to B6.1.7	Rationale for introduction of open space acquisition provisions

APPENDIX 3

Local Government Act 2002 considerations underlying the proposed inclusion of additional capital expenditure in the Development Contributions Policy

LGA Reference	Synthetic turf sportsfields: Analysis
The community outcomes to which the activity primarily contributes 101 (3) (a) (i)	Sportsfields contribute positively to community outcomes. In particular: • Wellington's communities will have ready access to multi-use indoor and outdoor facilities and spaces • Wellingtonians will enjoy recreation and be amongst the most active in New Zealand • Wellington City and its amenities will be accessible to all Wellingtonians. Growth in demand due to population growth is inevitable and the ability of the activity to contribute to community outcomes will diminish unless capacity concerns are catered for.
Distribution of benefits 101 (3) (a) (ii)	The benefits primarily accrue to people who use the facilities. Broader social and health benefits derive from accessibility to such facilities. Because sportsfields operate as a citywide network, benefits accrue to the whole community, rather than communities in specific catchments. New synthetic turf sportsfields provide additional capacity to the entire sportsfields network. The growth community will benefit from investment in synthetic turf sportsfields to the extent of their total use of the sportsfield network (ie the total capacity they will utilise). This represents a significant proportion (45%) of the total additional capacity which the new synthetic turf surfaces will create.
Period in/ over which benefits are expected to occur 101 (3) (a) (iii)	Increasing capacity will, initially significantly improve accessibility to residents living in the city at the time the work is completed, however the overall benefit in terms of optimal/ intended levels of accessibility will be sustained over a much longer period of time as the new capacity is intended to manage the cumulative pressure of sustained population growth.
Demand drivers/ exacerbators 101 (3) (a) (iv)	Regional sports organisations and Sports Wellington have identified the need for increased capacity in order to maintain access to sports opportunities. The community expects the Council to plan and cater for the effects of growth on community facilities (including both population growth and growth in participation).
Who should pay? 101 (3) (a) (v)	Capital expenditures are generally met from borrowing. Council has the option of funding such borrowing from ratepayers over time or from developers. The council believes it would be unfair to fund capacity related investments from ratepayers, as they are not driving the demand for new capacity. The Council believes it is fair and reasonable for costs of investment in new capacity to be borne by the intended beneficiaries of the new capacity and development contributions provisions in the Local Government Act 2002 provide for a mechanism for this. As the primary benefits of the growth component of synthetic turf sportsfields accrue to new residents, it is appropriate to recover this investment through citywide development contributions from new residents.

	Non- residential development should not be subject to development contributions for the component of synthetic turf sportsfield investment servicing population growth.
Overall impact of allocation of liability for revenue on community well beings? 101 (3) (b)	The allocation of liability for funding the investment avoids imposing economic hardship on ratepayers and provides certainty for developers, while ensuring the social benefits will continue to occur by maintaining optimal accessibility in a community that is expected to grow.
Determination	That after allowing adjustments for any aspects of investment that provide an increased level of service or respond to existing demand, there is no demonstrable case supporting departure from the key funding principle that development contributions shall fund 100% of growth related capital expenditure.

LGA Reference	**Cemeteries: Analysis**
The community outcomes to which the activity primarily contributes 101 (3) (a) (i)	Facilities for burial and cremation contribute positively to community outcomes. In particular: • Wellington City and its amenities will be accessible to all Wellingtonians. • Wellingtonians will be healthy and experience a high quality of life. Growth in demand due to population growth is inevitable and the ability of the activity to contribute to community outcomes will diminish unless capacity concerns are catered for.
Distribution of benefits 101 (3) (a) (ii)	The benefits are distributed across both existing and growth components of the residential population, according to their respective impact on overall death rates.
Period in/ over which benefits are expected to occur 101 (3) (a) (iii)	Benefits will occur over the full term of the LTCCP
Demand drivers/ exacerbators 101 (3) (a) (iv)	The levels of investment are driven by an assessment of projected demand, with reference to predicted death rates, including death rates attributable to growth, and relative use of various internment options.
Who should pay? 101 (3) (a) (v)	Capital expenditures are generally met from borrowing. Council has the option of funding such borrowing from ratepayers over time or from developers. The council believes it would be unfair to fund growth-related capacity investments from ratepayers, as they are not driving the demand for new capacity. The Council believes it is fair and reasonable for costs of investment in new capacity to be borne by the intended beneficiaries of the

	new capacity and development contributions provisions in the Local Government Act 2002 provide for a mechanism for this. Non- residential development should not be subject to development contributions for the component of cemeteries investment servicing population growth.
Overall impact of allocation of liability for revenue on community well beings? 101 (3) (b)	The allocation of liability for funding the investment avoids imposing economic hardship on ratepayers and provides certainty for developers, while ensuring the social benefits will continue to occur by maintaining optimal accessibility in a community that is expected to grow.
Determination	That after allowing adjustments for any aspects of investment that provide an increased level of service there is no demonstrable case supporting departure from the key funding principle that development contributions shall fund 100% of growth related capital expenditure.

LGA Reference	Johnsonville Town Centre (roading and associated infrastructure): Analysis
The community outcomes to which the activity primarily contributes 101 (3) (a) (i)	The Johnsonville Town Centre Plan will contribute positively to community outcomes. In particular: • Wellington's urban form , and flexible approach to land use planning in the central city, centres and industrial areas, will contribute to economic growth and prosperity. • Wellington will have a contained urban form, with intensification in appropriate areas and mixed land use, structured around a vibrant central city, key suburban centres and major transport corridors. • Wellington will be easy to get around, pedestrian-friendly and offer quality transport choices on a highly interconnected public transport and street system. Growth in demand due to population growth is inevitable and the ability of the activity to contribute to community outcomes will diminish unless capacity concerns are catered for.
Distribution of benefits 101 (3) (a) (ii)	The benefits of the Johnsonville Town Centre Development will primarily accrue to the current and future businesses and residents in the Johnsonville Town Centre. Visitors to the Town Centre and commuters will also benefit. Many of these secondary benefits will translate directly to economic and other benefits to businesses in the Town Centre. Benefits will accrue to the Town Centre's growth population (residents and businesses) in direct proportion to their share of the EHUs, relative to the existing Town Centre population.
Period in/ over which benefits are expected to occur 101 (3) (a) (iii)	Benefits will occur over the full term of the development.
Demand	The key focus of the Johnsonville Town Centre Plan is to facilitate and

drivers/ exacerbators 101 (3) (a) (iv)	manage growth.
Who should pay? 101 (3) (a) (v)	Capital expenditures are generally met from borrowing. Council has the option of funding such borrowing from ratepayers over time or from developers. The Council believes it would be unfair to fund the population growth component of capacity related investments from ratepayers, as they are not driving the demand for new capacity. The Council believes it is fair and reasonable for costs of investment in new capacity to be borne by the intended beneficiaries of the new capacity and development contributions provisions in the Local Government Act 2002 provide for a mechanism for this. Within the development contributions policy, the Council can use catchment zones in recognition of the distribution of benefits. The Council proposes a new Johnsonville Town Centre catchment be established to represent the area deriving the principal benefits from the increased capital expenditure.
Overall impact of allocation of liability for revenue on community well beings? 101 (3) (b)	The allocation of liability for funding the investment avoids imposing economic hardship on ratepayers and provides certainty for developers, while ensuring the social benefits will continue to occur by maintaining optimal accessibility in a community that is expected to grow.
Determination	That after allowing any adjustments for increased levels of service, existing unmet demnd and NZTA subsidies there is no demonstrable case supporting departure from the key funding principle that development contributions for the Johnsonville Town Centre development should fund 100% of growth related capital expenditure. The growth component of the capital expenditure will be recovered by applying development contributions to a newly defined Johnsonville Town Centre catchment zone.

LGA Reference	**Adelaide Road (roading and associated infrastructure): Analysis**
The community outcomes to which the activity primarily contributes 101 (3) (a) (i)	The Adelaide Road development will contribute positively to community outcomes. In particular: • Wellington’s urban form , and flexible approach to land use planning in the central city, centres and industrial areas, will contribute to economic growth and prosperity • Wellington will have a contained urban form, with intensification in appropriate areas and mixed land use, structured around a vibrant central city, key suburban centres and major transport corridors. • Wellington will be easy to get around, pedestrian-friendly and offer quality transport choices on a highly interconnected public transport and street system. Growth in demand due to population growth is inevitable and the ability of the activity to contribute to community outcomes will diminish unless capacity concerns are catered for.
Distribution of	While many of the key outcomes for Adelaide Road are locally focused

benefits 101 (3) (a) (ii)	(such as providing for more high-quality residential growth, recognising and protecting employment opportunities while enabling a transition to suitable 'new economy' activities and strengthening the local community) there is also a strong emphasis on improving the Adelaide Road transport corridor for multiple forms of transport. The Council has determined that, for the purposes of calculating development contributions, the total benefit to the local community should be regarded as equivalent to the total benefits to the wider community. The benefits to the wider growth community have been assessed on a citywide basis for two key reasons: • There are key citywide destinations south of Adelaide Road, in particular the hospital. All of Wellington will benefit, for example, from quicker ambulance access to Wellington Hospital • Allocating the costs on a city wide basis is consistent with the approach to other similar roading projects. Benefits will accrue to Adelaide Road's growth population (residents and businesses) in direct proportion to their share of the EHUs, relative to the existing population.
Period in/ over which benefits are expected to occur 101 (3) (a) (iii)	Increasing capacity will, initially significantly improve the environment of existing and new residents and businesses in the Adelaide Road area. Increased capacity will also provide transport improvements to residents living in the city at the time the work is completed, however the overall benefit in terms of optimal/ intended levels of accessibility will be sustained over a much longer period of time as the new capacity is intended to manage the cumulative pressure of sustained growth of the communities population over the medium term.
Demand drivers/ exacerbators 101 (3) (a) (iv)	While the Adelaide Road area has significant potential for further intensification and redevelopment, previous development in the area has been ad-hoc, resulting in poor urban form and a low level of 'amenity' and sense of place. The Adelaide Road development, taking into account the link between land use and transport, is an opportunity to put in place mechanisms to deal with the complex issues facing the area. In addition, as Adelaide Road is an important part of the city's transport network, improvements to the area, particularly the capacity of the transport corridor and the efficiency of public transport, will have significant benefits for the both the existing community and the growth community.
Who should pay? 101 (3) (a) (v)	Capital expenditures are generally met from borrowing. Council has the option of funding such borrowing from ratepayers over time or from developers. The Council believes it would be unfair to fund the population growth component of capacity related investments from ratepayers, as they are not driving the demand for new capacity. The Council believes it is fair and reasonable for costs of investment in new capacity to be borne by the intended beneficiaries of the new capacity and development contributions provisions in the Local Government Act 2002 provide for a mechanism for this. There are four distinct communities who will benefit from the investment in Adelaide Road: • The existing local community

	• The local growth community • The existing citywide community • The citywide growth community. The existing and future local communities will together derive half the benefit of the development. Consequently, the benefit to the local growth community can be assessed based on the share of the total local community they will represent, once the project reaches full capacity, multiplied by the half the total project costs after NZTA subsidies have been allowed for. The existing and future citywide communities will together also derive half the benefit of the development. Consequently, the benefit to the city growth community can be assessed based on the share of the total citywide community they will represent, once the project reaches full capacity, multiplied by the half the total project costs after NZTA subsidies have been allowed for. Within the development contributions policy, the Council can use catchment zones in recognition of the distribution of benefits. The Council proposes a new Adelaide Road catchment be established to represent the area deriving the localised benefits from the increased capital expenditure.
Overall impact of allocation of liability for revenue on community well beings? 101 (3) (b)	The allocation of liability for funding the investment avoids imposing economic hardship on ratepayers and provides certainty for developers, while ensuring the social benefits will continue to occur by maintaining optimal accessibility in a community that is expected to grow.
Determination	That after allowing adjustments for any aspects of investment that provide an increased level of service, subsidies and existing demand, there is no demonstrable case supporting departure from the key funding principle that development contributions shall fund 100% of growth related capital expenditure.

LGA Reference	Open spaces land acquisition: Analysis
The community outcomes to which the activity primarily contributes 101 (3) (a) (i)	Open spaces contribute positively to community outcomes. In particular: • Wellingtonians will protect and have access to public green open spaces and the coast. • Wellington will promote the sustainable management of the environment, and support increased opportunities for the exercise of kaitiakitanga or environmental guardianship Growth in demand due to population growth is inevitable and the ability of the activity to contribute to community outcomes will diminish unless capacity concerns are catered for.
Distribution of benefits	The ‘growth population’ will benefit from reserve land acquisition as this will provide additional capacity which enables the growth community to enjoy the levels of access to, and enjoyment of, open space available currently to

101 (3) (a) (ii)	the existing population. While the existing population derives some benefit from additional open spaces, this benefit is offset by the increased utilisation of existing reserve land by the 'growth population'.
Period in/ over which benefits are expected to occur 101 (3) (a) (iii)	Increasing capacity will, initially improve accessibility to residents living in the city at the time the land is acquired, however the overall benefit in terms of optimal/ intended levels of accessibility will be sustained over a much longer period of time as the new capacity is intended to manage the cumulative pressure of sustained growth of the communities population.
Demand drivers/ exacerbators 101 (3) (a) (iv)	Residential growth impacts the city's needs for reserve land in a number of ways including altering the ratio of hectares of green belt per head of population. Open spaces acquisition is necessary for growth, primarily to preserve the current ratio of open space to population.
Who should pay? 101 (3) (a) (v)	Capital expenditures are generally met from borrowing. Council has the option of funding such borrowing from ratepayers over time or from developers. The council believes it would be unfair to fund open spaces acquisition-related investments from ratepayers, as they are not driving the demand for new capacity. The Council believes it is fair and reasonable for costs of investment in new capacity to be borne by the intended beneficiaries of the new capacity and development contributions provisions in the Local Government Act 2002 provide for a mechanism for this. As the primary benefits of open space land acquisition accrue to new residents, it is appropriate to recover this investment through citywide development contributions from new residents. Non- residential development should not be subject to development contributions for open space land acquisition.
Overall impact of allocation of liability for revenue on community well beings? 101 (3) (b)	The allocation of liability for funding the investment avoids imposing economic hardship on ratepayers and provides certainty for developers, while ensuring the social benefits will continue to occur by maintaining optimal accessibility in a community that is expected to grow.
Determination	There is no demonstrable case supporting departure from the key funding principle that development contributions should fund 100% of growth related capital expenditure.