

Development Contributions Policy

Contents

INTRODUCTION

PART 1: OPERATIONAL POLICY

PART 2: SUBSTANTIVE POLICY

APPENDIX A - TABLES

APPENDIX B - METHODOLOGY

APPENDIX 2

1 Introduction

1.1 What are development contributions?

1.1.1 A development contributions policy provides the Council with a method to obtain contributions to fund infrastructure required as a result of growth.

1.1.2 Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets of increased capacity and as a consequence the Council incurs capital expenditure to provide appropriately for network infrastructure, community infrastructure or reserves. In addition the Council may require development contributions to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

1.2 Application of development contributions

1.2.1 This Development Contributions Policy (**Policy**) provides for the Council to impose development contributions to fund growth related capital expenditure on:

- Network infrastructure, (ie water supply, wastewater, stormwater, transport and roading)
- Reserves
- Community infrastructure

1.2.2 The Council will not require development contributions where:

- It has imposed a condition on a resource consent in relation to the same development for the same purpose under section 108(2)(a) of the Resource Management Act 1991; or
- The developer will fund or otherwise provide for the same local network infrastructure, community infrastructure or reserve in agreement with the Council (and citywide fees will still apply); or
- The Council has received, or will receive, funding from a third party.

APPENDIX 2

1.3 Relationship with financial contributions in the District Plan

- 1.3.1 This Policy is distinct from and in addition to the provisions in the District Plan that provide the Council with discretion to require financial contributions under the Resource Management Act 1991.
- 1.3.2 The Council will use this Policy where a development contribution is payable for a particular purpose within a catchment and for all citywide contributions.
- 1.3.3 However, where a development results in the Council incurring capital expenditure that is not covered by this policy, the Council may impose a financial contribution as a condition of resource consent under section 3.4.5 of the District Plan which states that:
- “Where a proposed development creates the need for increased capacity or upgrades to infrastructure at the point of connection (in terms of traffic, stormwater, sewers, or water) the Council may require a payment towards the cost of necessary works. The Council will set a payment on the basis of what is believed to be a fair and appropriate proportion of the costs that should be borne by the developer (up to 100%)”.*
- 1.3.4 The Council will also continue to impose financial contributions on any development to which this Policy does not apply. (See section 7.3 for a summary of the District Plan financial contributions).

1.4 Effective date

- 1.4.1 The Council first adopted a Development Contributions Policy on 28 June 2005. Amendments to the policy were approved on 28 June 2006, 27 June 2007 [and xx June 2009].
- 1.4.2 Any application for resource consent, building consent or service connection received by the Council on or after 1 July 2005 is required to pay the development contribution payable under this Policy, or its subsequent amendments. This requirement is subject to the exception in paragraph 4.3.
- 1.4.3 For more information on the effective date, transitional provisions, and what to do if amendments are made to a proposal for which a resource consent was applied for before 1 July 2005, see section 4.

1.5 How to find your way around this Policy

- 1.5.1 This Policy is in two parts:
- Part 1:* The operational policy - this sets out what development contributions are payable, when they are assessed, and when they need to be paid etc (see sections 2 to 6).
- Part 2:* The substantive policy - this sets out the legislative framework, the process followed by the Council, the methodology followed to make the

APPENDIX 2

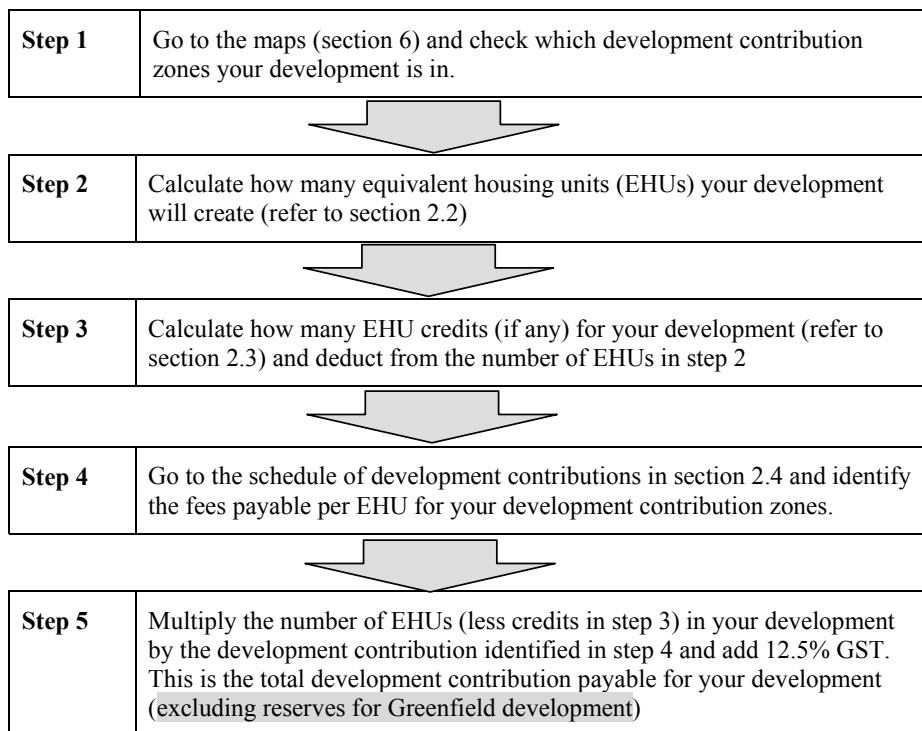
decision to use development contributions to fund growth related capital expenditure and the relevant capital expenditure figures (see sections 7 to 12).

PART 1: OPERATIONAL POLICY

2 Application of this Policy

How to calculate your development contribution (an online development contributions calculator can be accessed on the Council's website at <http://www.wellington.govt.nz/services/buildserv/development/calculator.php>)

2.1



Note: Contact the Council to determine the reserves payable for Greenfield development.

2.2 How to calculate the number of EHUs

2.2.1 Development contributions are payable for the number of EHUs created by each development. EHUs are applied as follows:

Type of development:	EHU assessment based on:
Residential development	<ul style="list-style-type: none">▪ 1 EHU per household unit▪ 0.7 EHU per one-bedroom household unit

APPENDIX 2

Fee simple subdivision	▪ 1 EHU per allotment
Non residential development	▪ 1 EHU for every 55m ² of gross floor area (gfa)

2.3 EHU credits for existing development

- 2.3.1 In some cases, credits may be used to reduce the development contribution payable. Credits will be expressed in EHUs. Credits will not be refunded, and can only be used for developments on the same site and for the same activity in respect of which they were granted. Credits cannot be used to reduce the number of units of demand to less than zero.
- 2.3.2 A credit is given for the number of EHUs assessed for the development or use existing at the time the application is assessed for the development contribution payable, to recognise situations where existing structures on the site or uses on the site mean that the development being assessed will not contribute to growth to the extent that the assessed number of units of demand implies.
- 2.3.3 Any self-assessment or special assessment under section 2.5.5 must include a determination of any credits for the development. In other cases the Council will, at the same time as any assessment of development contributions is made, calculate any credits for the development by applying the same criteria for ordinary EHUs under this Policy.
- 2.3.4 Examples where credits will arise are:

Type of existing original development:	Nature of credit:
Infill residential fee simple subdivision of existing allotment into 3 fee simple allotments	▪ 1 EHU credit for the original allotment - development contributions payable on 2 EHUs
Residential development of a CBD site with an existing 550m ² gfa commercial building into 100 unit title apartments	▪ 10 EHU credit (ie 550m ² / 55m ² gfa) unless an assessment is undertaken
Additional bedroom added to a one-bedroom household unit	▪ 0.7 EHU credit – development contribution payable on 0.3 EHU
Additional household unit on an existing allotment with one existing house (with or without subdivision)	▪ 1 EHU credit for the existing household unit - development contribution payable for the additional household unit
Development of four fee simple lots in the Northern Growth area for a 10,000m ² gfa commercial storage facility	▪ 4 EHU credits for the existing allotments – development contributions payable for the balance of the facility (10,000 / 55 m ² gfa)

2.4 Schedule of development contributions

- 2.4.1 The schedule of development contributions refers to areas A to P (general catchment zones) and Q to T (specific inner city reserves and roading catchments)

APPENDIX 2

zones that are **additional to** the general zones) . These refer to geographically defined development contribution areas. Maps of the different development contributions catchment zones are shown in section 6.

APPENDIX 2

2.4.2 All fees in the schedule are GST exclusive.

Map Zone	City Wide (\$ per EHU) *		Catchment Specific Infrastructure (\$ per EHU)				Total	
	Residential	Non-Residential	Water Supply	Waste Water	Roading	Reserves **	Residential	Non Residential
A Roseneath	\$4,036	\$2,094	\$1,750	\$1,185	\$0	\$0	\$6,971	\$5,029
B Karori	\$4,036	\$2,094	\$1,586	\$2,440	\$0	\$0	\$8,062	\$6,120
C Beacon Hill	\$4,036	\$2,094	\$0	\$1,185	\$0	\$0	\$5,221	\$3,279
D Brooklyn – Frobisher	\$4,036	\$2,094	\$1,158	\$1,185	\$0	\$0	\$6,379	\$4,437
E Kelburn	\$4,036	\$2,094	\$1,049	\$1,185	\$0	\$0	\$6,431	\$4,484
F Johnsonville-Onslow	\$4,036	\$2,094	\$1,049	\$1,185	\$0	\$0	\$6,270	\$4,328
G Ngaio	\$4,036	\$2,094	\$1,024	\$1,185	\$0	\$0	\$6,224	\$4,303
H Maldive	\$4,036	\$2,094	\$0	\$1,185	\$0	\$0	\$5,221	\$3,279
I Churton-Stebbings	\$3,717	\$1,775	\$2,939	\$722	\$3,559	\$0	\$10,937	\$8,995
J Grenada-Lincolnshire	\$3,717	\$1,775	\$4,082	\$722	\$1,528	\$295	\$10,343	\$8,401
K Maupuia	\$4,036	\$2,094	\$0	\$1,185	\$0	\$0	\$5,221	\$3,279
L Newlands	\$4,036	\$2,094	\$852	\$722	\$0	\$0	\$5,610	\$3,668
M Melrose	\$4,036	\$2,094	\$1,693	\$1,185	\$0	\$0	\$6,914	\$4,972
N Central & Coastal	\$4,036	\$2,094	\$806	\$1,185	\$0	\$0	\$6,026	\$4,085
O Tawa	\$4,036	\$2,094	\$1,126	\$722	\$0	\$0	\$5,884	\$3,942
P Wadestown	\$4,036	\$2,094	\$1,409	\$1,185	\$0	\$0	\$6,630	\$4,688
Rural***	\$3,357	\$1,416					\$3,357	\$1,146

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APPENDIX 2

Additional fee components for inner city reserves								
Q Inner city Residential (Reserves)					\$1,988		\$1,988	
Q Inner city Non - Residential (Reserves)					\$249			\$249
Additional fee components for roading and associated infrastructure								
R Johnsonville					\$909		\$909	\$909
S Adelaide Road					\$1,788		\$1,788	\$1,788
T Pipitea Precinct					\$1,396		\$1,396	\$1,396

Comment [PJ1]: Note: This figure was mis-aligned in published draft

* The community infrastructure (\$1,535) and open spaces acquisition (\$408) components of the citywide fee do not apply to non residential developments

The stormwater component of the citywide fee (\$141 per EHU) is only applicable to the greatest number of EHUs on any floor in non residential or multi-unit residential developments. For example, a three storey residential development with three two bedroom units on each floor would be liable for \$423 for stormwater.

** Excluding greenfield development

***Water, stormwater and wastewater contributions will also apply to rural developments where it is practicable to connect to those services

Greenfield development

* See paragraph 12.2.12 and Appendix B6.1.2 – B6.1.5 for the development contribution for reserves for any greenfield development.

2.5 Additional information on assessing the development contribution payable

When the Council will not require a development contribution

2.5.1 Under the Local Government Act the Council is unable to require a development contribution for a reserve, network infrastructure or community infrastructure if, and to the extent that:

- It has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- The developer will fund or otherwise provide for the same local reserve, network infrastructure or community infrastructure in agreement with the Council (and citywide fees will still apply); or
- The Council has received or will receive funding from a third party.

Development where there is no practical connection

2.5.2 For developments where there is no practical connection to water supply or wastewater reticulation systems, the Council will reduce the amount of the contribution payable by the relevant fee (or fees) payable in that catchment as follows:

- Water – citywide and catchment
- Wastewater – citywide and catchment

2.5.3 If a development is subsequently connected to the water and/or wastewater reticulation systems, the following will be payable prior to the connection:

- The applicable additional citywide contribution; and
- The relevant catchment area development contribution.

New connections

2.5.4 Where an existing development that was not connected to the city water or wastewater network as at 1 July 2005 subsequently does connect, the development contribution that apply to the relevant water supply or wastewater catchment must be paid prior to the service being connected.

APPENDIX 2

Assessment process for non residential development

2.5.5 The non residential unit of demand (55m² gfa per EHU) may be departed from in the following circumstances:

Self-assessment

2.5.5.1 An applicant may apply for a self-assessment of the number of EHUs payable for a particular development as follows:

- (a) Application must be made in writing before any development contributions payment in respect of the development becomes due.
- (b) The assessment must relate to all matters for which development contributions are payable under this Policy.
- (c) The onus is on the applicant to prove (on the balance of probabilities) that the actual increased demand created by the development is different from that assessed by applying the non residential unit of demand in paragraph 2.21. Actual increased demand means the demand created by the most intensive non residential use(s) likely to become established in the development within 10 years from the date of application.
- (d) The Council may determine an application made under this section at its discretion. In doing so the Council must take into account everything presented to it by way of the written application, and may take into account any other matter(s) it considers relevant.
- (e) Any application must be accompanied by the fee payable to recover the Council's actual and reasonable costs of determining the application.

Special assessment

2.5.5.2 If the Council believes on reasonable grounds that the increased demand for any matter assessed for a particular development by applying the non residential unit of demand in paragraph 2.2.1 is less than the actual increased demand created by the development, it may require a special assessment to determine the number of EHUs as follows:

- (a) A special assessment must be initiated before any development contributions payment in respect of the development becomes due.
- (b) The assessment must relate to all matters for which development contributions are payable under this Policy.

APPENDIX 2

- (c) The Council may request information from the applicant to establish the actual increased demand.
- (d) The Council must bear its own costs.
- (e) Everything the Council intends to take into account when making a special assessment must be provided to the applicant for a written reply at least 14 days before the assessment is determined.
- (f) The Council may determine a special assessment made under this part at its discretion. In doing so the Council must take into account everything presented to it by way of a written reply, and may take into account any other matter(s) it considers relevant.

Assessment guidelines

- 2.5.5.3. Without limiting the Council's discretion, when determining an application for either a self-assessment or a special assessment initiated by Council, the Council will be guided by the following:

Infrastructure Type	Usage Measure per EHU
Water supply	780 litres per day excluding storage
Wastewater	390 litres per day
Stormwater	Runoff co-efficient not exceeding 0.7
Traffic and roading	10 private vehicle trips per day
Reserves	600m ² of allotment area

Private development agreements

- 2.5.6 The Council may enter into a private agreement with a developer. The agreement must clearly record why an agreement is being used, record the basis of the cost sharing when the infrastructure will be provided and, in particular, whether there is any variation from the Council's policy that new development should pay 100 percent of growth related capital expenditure.
- 2.5.7 Any proposal as part of a private agreement that a new development should pay less than 100 percent of growth related capital expenditure will be dealt with as if it were an application for remission under this Policy.

2.6 Remission and postponement

- 2.6.1 The Council may remit or postpone payment of development contributions at its complete discretion. The Council will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of the Council will not be regarded as creating precedent or expectations.

APPENDIX 2

- 2.6.2 Remissions will only be granted by resolution of the Council (or a Committee or Subcommittee acting under delegated authority).
- 2.6.3 An application for remission must be made before any development contributions payment is made to the Council. The Council will not allow remissions retrospectively.
- 2.6.4 An application must be made in writing and set out the reasons for the request.

2.7 Refunds

- 2.7.1 Refunds will be made in accordance with sections 209 and 210 of the Local Government Act 2002, including any amendments made to those provisions at the time of making a refund.

3 Assessment and payment

This part of this Policy sets out when development contributions will be required (ie assessed by the Council) and when payment is required.

3.1 Requirement

- 3.1.1 For every development, the Council has the discretion to require a development contribution under section 198 of the Local Government Act 2002 when:
 - 3.1.1.1 Resource consent is granted under the Resource Management Act 1991 for a development within the Wellington City district; or
 - 3.1.1.2 Building consent is granted under the Building Act 2004 for building work situated in the Wellington City district (including the grant of a certificate of acceptance); or
 - 3.1.1.3 Authorisation for a service connection is granted.

3.2 When the Council will require a development contribution

- 3.2.1 The following sets out when the Council will assess developments for development contributions. The Council retains the discretion to change its approach (subject to compliance with section 198 of the Local Government Act 2002) from time to time.
- 3.2.2 The amount of the development contribution payable will be calculated under the schedule of development contributions in this Policy that applies at the date of the assessment.

Subdivision of land (excluding unit title development)

- 3.2.3 Development contributions required in respect of a resource consent being granted under the Resource Management Act 1991 for the fee simple subdivision of land, will be assessed when the subdivision consent is granted.

APPENDIX 2

- 3.2.4 Where subdivision consent provides for its implementation in stages, the Council will apportion any development contribution assessed between each stage at its sole discretion.

Building consent

- 3.2.5 The Council will assess all developments requiring a building consent when the building consent is granted.

Land use consent or unit title development

- 3.2.6 Unless no building consent is required, developments requiring a land use consent or subdivision consent for a unit title development will **not** be assessed for development contributions at the time of consent being granted under the Resource Management Act 1991.

Service connection

- 3.2.7 Developments requiring a service connection, for which development contributions have not been assessed and/or paid, will be assessed at the time of the application for service connection.

Changes to development

- 3.2.8 Any development contribution may (at the Council's sole discretion) be reassessed following any change that results in an increased demand (eg increased EHUs).

Payment

- 3.2.9 All development contributions required by the Council must be paid prior to the Council issuing a code of compliance certificate, a section 224(c) certificate, a consent for a service connection or giving effect to a land use consent (as the case may be).
- 3.2.10 The Council at its sole discretion will accept a bank bond or surety to secure payment of any development contributions more than \$50,000. If the Council exercises its discretion to accept a bond or surety, the bonded sum will have an interest component, and the developer must meet the Council's costs for preparing the bond.

3.3 Powers of the Council if development contributions are not paid

- 3.3.1 Until a development contribution required in relation to a development have been paid, the Council may:
- 3.3.1.1 In the case of a development contribution assessed on subdivision, withhold a certificate under section 224(c) of the Resource Management Act 1991.

APPENDIX 2

- 3.3.1.2 In the case of development contributions assessed on building consent, withhold a code compliance certificate under section 95 of the Building Act 2004.
- 3.3.1.3 In the case of development contributions assessed on an authorisation for a service connection, withhold a service connection to the development.
- 3.3.1.4 In the case of development contributions assessed on a land use consent application, prevent the commencement of resource consent under the Resource Management Act 1991.
- 3.3.1.5 In the case where a development has been undertaken without a building consent, not process an application for certificate of acceptance for building work already done.

Security

- 3.3.2 The Council may register any development contributions under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contributions were required, as provided for in section 208 of the Local Government Act 2002.

4 Transitional provisions

4.1 Effective date

- 4.1.1 Any application for resource consent or building consent or application for service connection received by the Council on or after 1 July 2005 will be required to pay any development contributions payable under this Policy. This requirement is subject to the exception in paragraph 4.3 below.

4.2 Amendments

- 4.2.1 If :
 - An application for resource consent that was lodged prior to 1 July 2005 is amended; or
 - An application is made to amend a condition of resource consent (where the application for that resource consent was lodged prior to 30 June 2005)

and the amendment results in an increase in the total EHU assessment from that which would have been applicable (had this Policy been applied to the development) then this Policy will apply to the increase in EHUs for the total development.

4.3 Transitional provision for developments that applied for resource consent prior to 1 July 2005

APPENDIX 2

4.3.1 Subject to the proviso below, development contributions will not be required on any resource consent, building consent, or service connection where the applicant can satisfy the Council that all of the following conditions are met:

- (a) The Council has already granted resource consent for the development, (and the application for that resource consent was lodged prior to 30 June 2005)
- (b) The subsequent application for resource consent, building consent or service connection is:
 - o For the identical development as the activity authorised in the resource consent in (a) above; and
 - o Is applied for in order to give effect to the resource consent in (a) above.
- (c) One of the following apply:
 - o There was no jurisdiction to impose a financial contribution under the District Plan when the resource consent application lodged prior to 1 July 2005 was granted; or
 - o If there was jurisdiction to impose a financial contribution under the District Plan when the resource consent application lodged prior to 1 July 2005 was granted, either (i) there is a specific decision of the Council not to impose a financial contribution; or (ii) if a condition of consent has been imposed on the development under section 108(2)(a) of the Resource Management Act 1991 requiring a financial contribution to be paid, and the condition has been satisfied in full.
- (d) The subsequent application for resource consent, building consent or service connection is received by the Council within five years of the date that the resource consent received prior to 1 July 2005 was granted, or the resource consent received prior to 1 July 2005 has been given effect to.

Proviso: even where section 4.3.1 otherwise applies, if a subsequent application results in an increase in EHUs, development contributions will be payable in accordance with section 4.2.1 above.

4.3.2 For the purposes of 4.1.1 and 4.3.1, if an application lodged prior to 1 July 2005 was rejected under s88(3) of the Resource Management 1991 or s48(1) of the Building Act 2004, it is deemed not to have been received by the Council prior to 1 July 2005.

Exemption from the application of this Policy

4.3.3 The Council's own developments are exempt from being liable to pay development contributions. For the avoidance of doubt, this exemption does not

APPENDIX 2

apply to Council organisations, Council-controlled organisations or Council controlled trading organisations.

5 Definitions

In this Policy:

Actual increased demand means the demand created by the most intensive non residential use(s) likely to become established in the development within 10 years from the date of the application.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991, and **'lot'** has the same meaning.

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

Community infrastructure means:

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

Development means:

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

Development contribution means a contribution:

- (a) provided for in this Policy; and
- (b) calculated in accordance with the methodology.

Development Contribution Policy means this Policy on development contributions included in the Council's long term council community plan (LTCCP) under section 102(4) (d) of the Local Government Act 2002.

Equivalent Household Unit ('EHU') means:

Type of development:	EHU assessment based on:
Residential development	▪ 1 EHU per household unit (other than a one-bedroom household unit)
Fee simple subdivision	▪ 1 EHU per allotment
Non residential development	▪ 1 EHU for every 55m ² of gfa

APPENDIX 2

Greenfield development means: a proposal that creates new residential or rural residential areas, and without limiting this definition in anyway, includes residential or rural residential development on land that was zoned rural, or open space. It also includes land that was zoned residential within the land areas to which appendices 12 to 14 and 16 to 22 apply in the operative District Plan as at 1 July 2005.¹ For the avoidance of doubt, developments falling within this definition are also required to pay citywide and catchment based (ie local) reserves.

Gross floor area (gfa) is the sum of all floors of all buildings on a site, measured from the face of exterior walls, or from the centre lines of walls separating two buildings. In particular, gross floor area includes:

- lobbies at each floor
- floor space in interior balconies and mezzanines
- all other floor space not specifically excluded.

The gross floor area of a building shall not include:

- elevator shafts and stairwells
- uncovered stairways
- floor space in terraces(open or roofed), external balconies, breezeways, porches
- areas used for vehicle parking and vehicle circulation, lift towers and machinery rooms
- switchboard areas / plant rooms.

Household unit means a home or residence that is a self-contained unit includes kitchen and bathroom facilities of any nature and is physically separated, or capable of being separated, from any other household unit.

Methodology means the methodology for calculating development contributions set out in schedule 13 to the Local Government Act 2002.

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

Network utility operator has the meaning given to it by section 166 of the Resource Management Act 1991.

Non residential development means any development that falls outside the definition of residential development in this policy.

One-bedroom household unit means a household unit that has not more than two rooms excluding a kitchen, laundry, bathroom, toilet or any room used solely as an entranceway, passageway or garage . This includes studio apartments.

Residential development means the development of premises for any domestic or related purpose for use by persons living in the premises alone or in family and /or non-family groups (whether any person is subject to care, supervision or not),

¹ For example, if land to be developed was zoned rural in the District Plan as of 1 July 2005 the subdivision will be treated under the Development Contributions policy as a 'Greenfield development'.

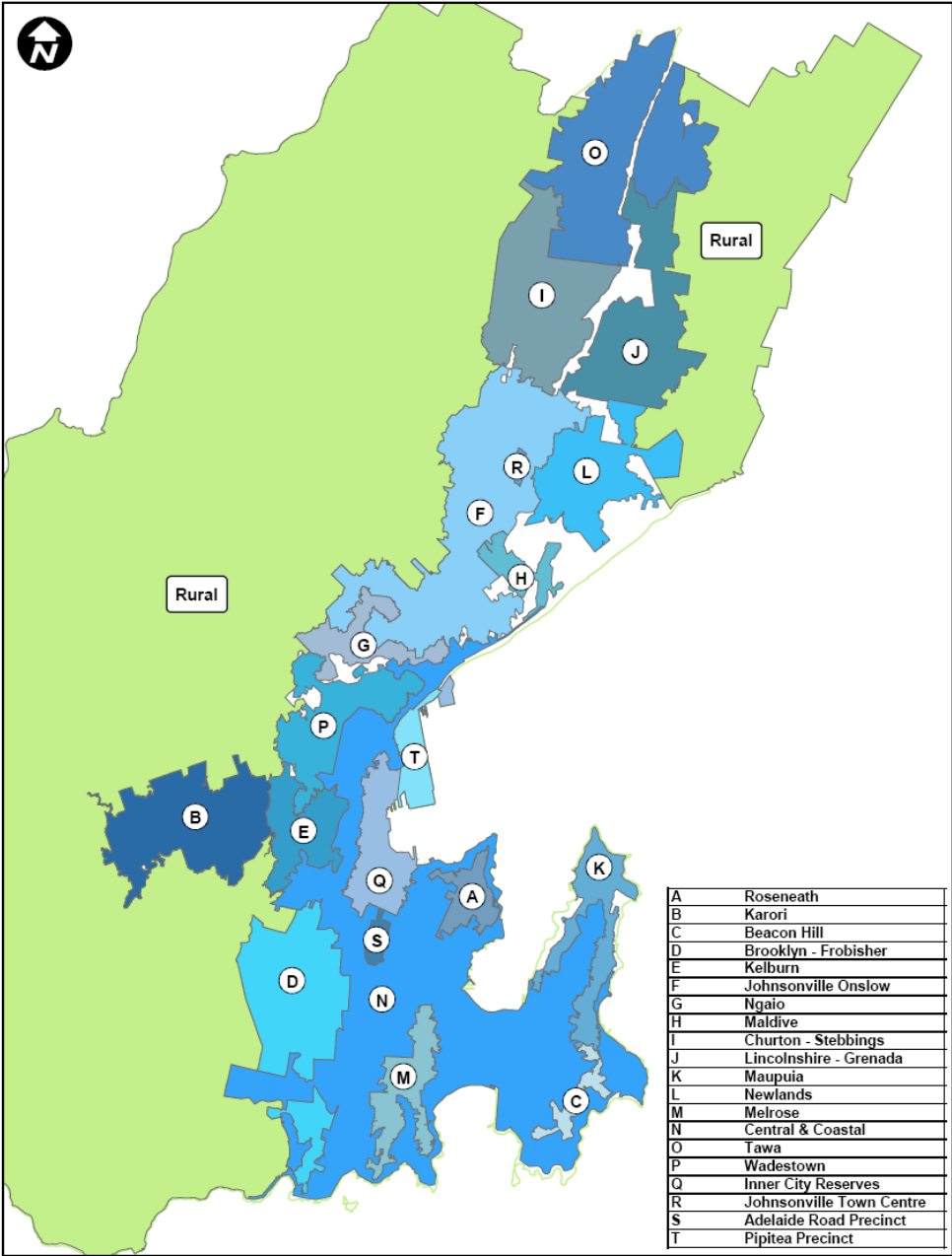
APPENDIX 2

and residential activity has the same meaning. For the avoidance of doubt, residential development does not include:

- work from home, hotels, motels, camping grounds, motor camps or other premises where residential accommodation for five or more travellers is offered at a daily tariff; or
- rest homes, hostel accommodation or similar premises that provide shared or communal facilities (and residential activity, and use, has the same meaning).

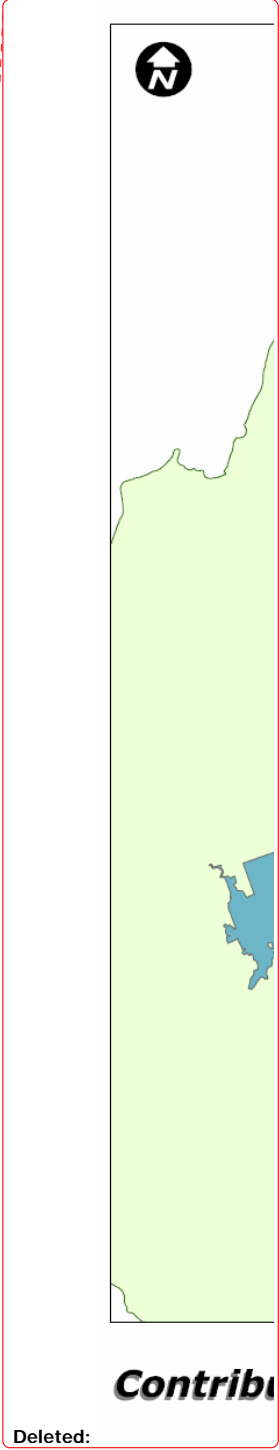
Service connection means a physical connection to a service provided by, or on behalf of, the Council.

6 Maps of development contributions catchment areas

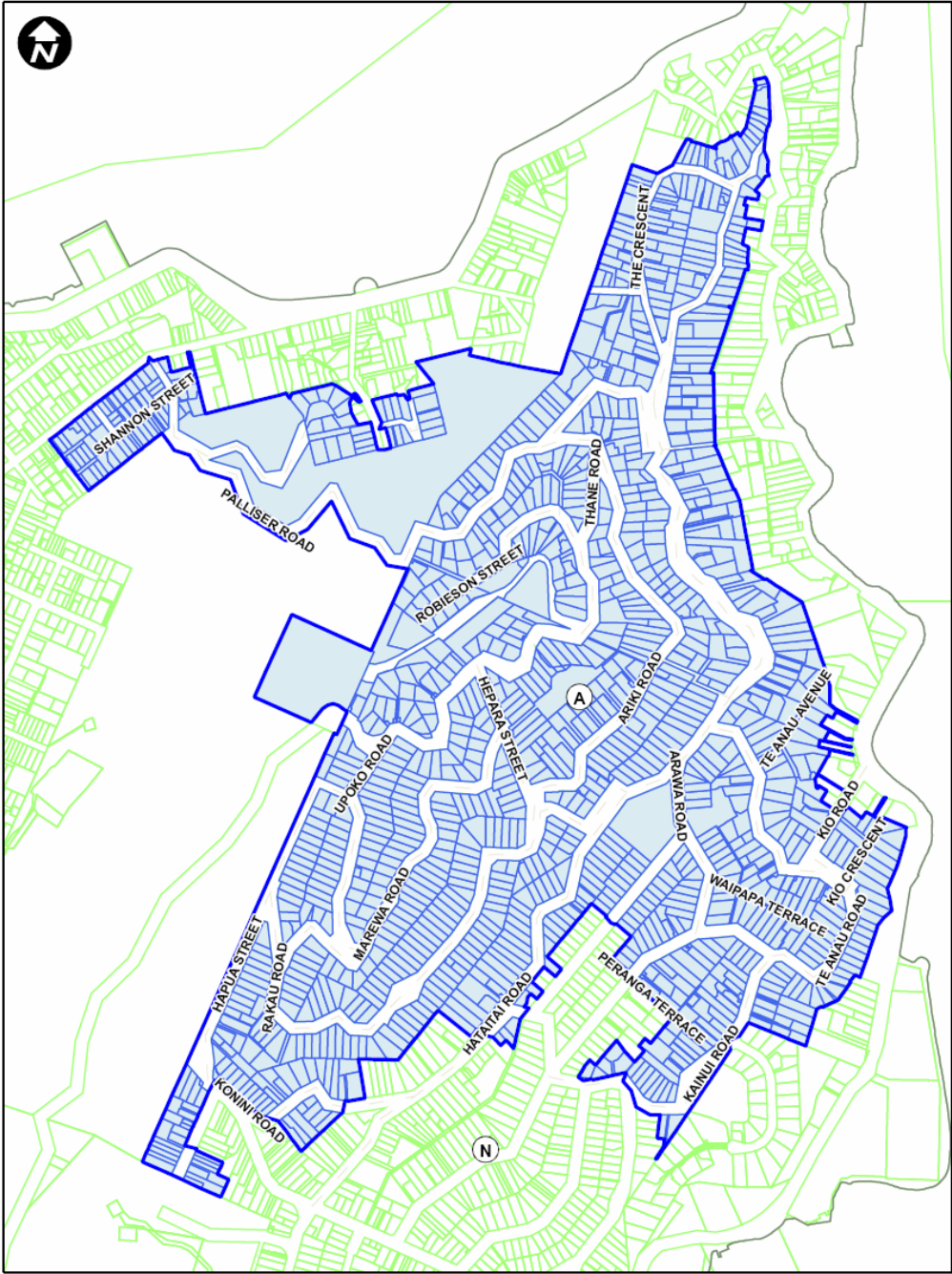


Contribution Zones

Council Staff will work out the exact amount payable when your development is assessed and can assist you to calculate what may be payable on a planned development if you need that information in advance to help with your planning. More detailed maps are available in the policy.

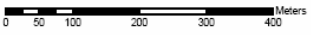


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DATA STATEMENT
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 Land Information NZ
 (Source: WAKATU MATU)
 Crown Copyright reserved.
 Accuracy to address: +/-3m

Other data has been
 compiled from a
 variety of sources and
 its accuracy may vary

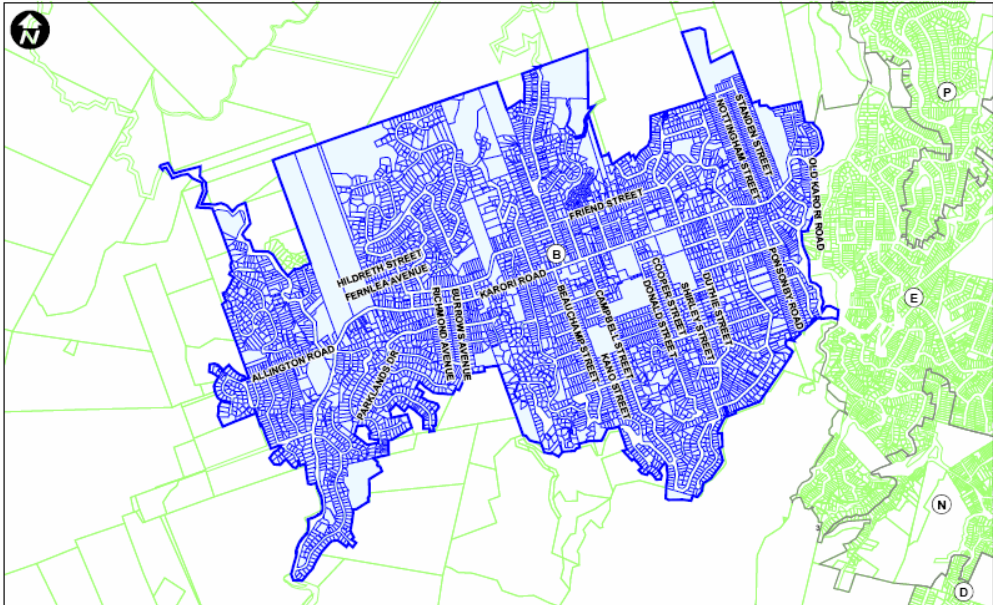
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DATA STATEMENT

Planning Information:
 Date of Information: 1/1/2011
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Other Data Sources:
 Information from:
 Various sources and
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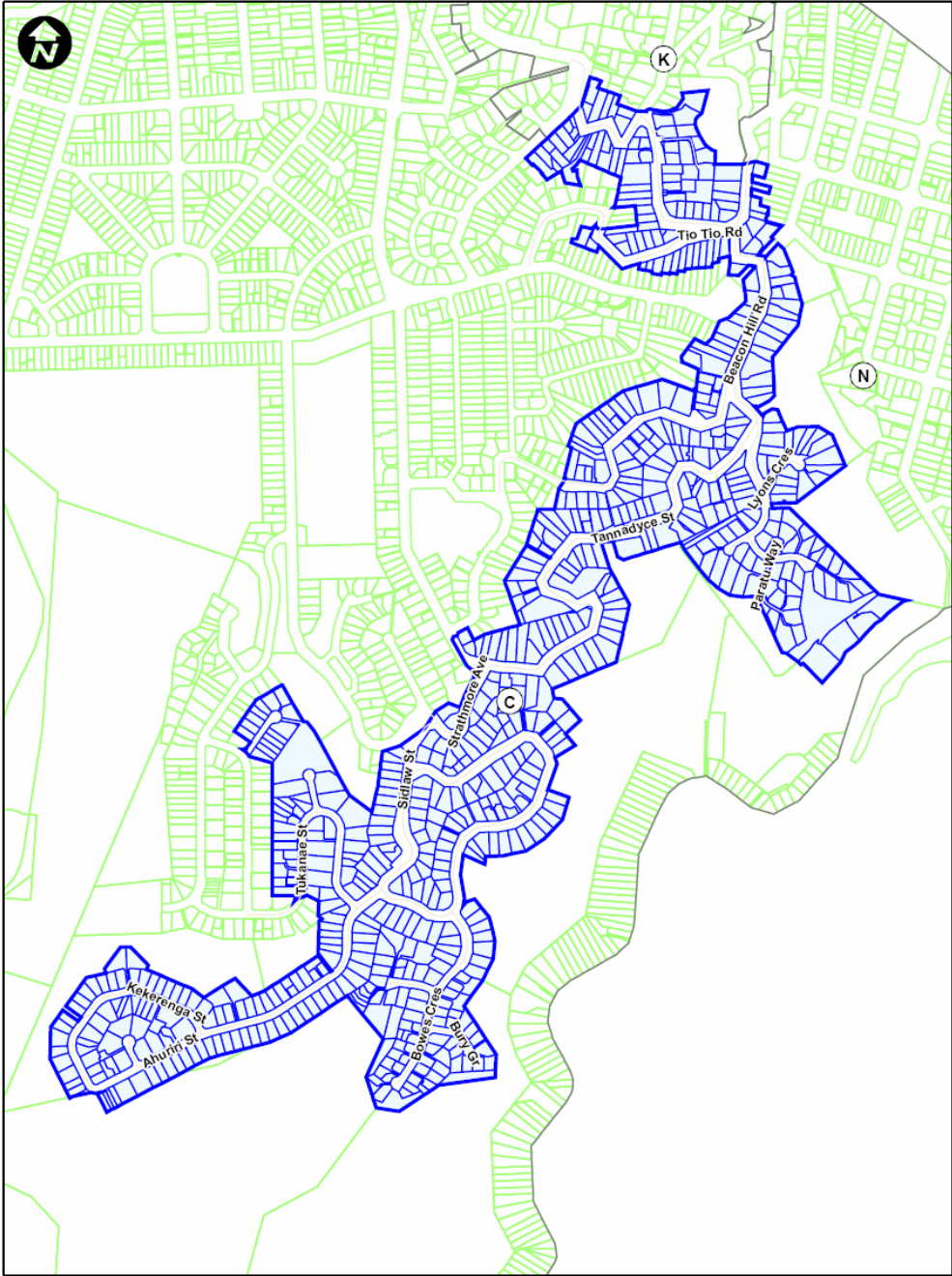
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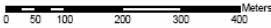
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Absolutely
Positively
 No Nuts or Bolts
Wellington
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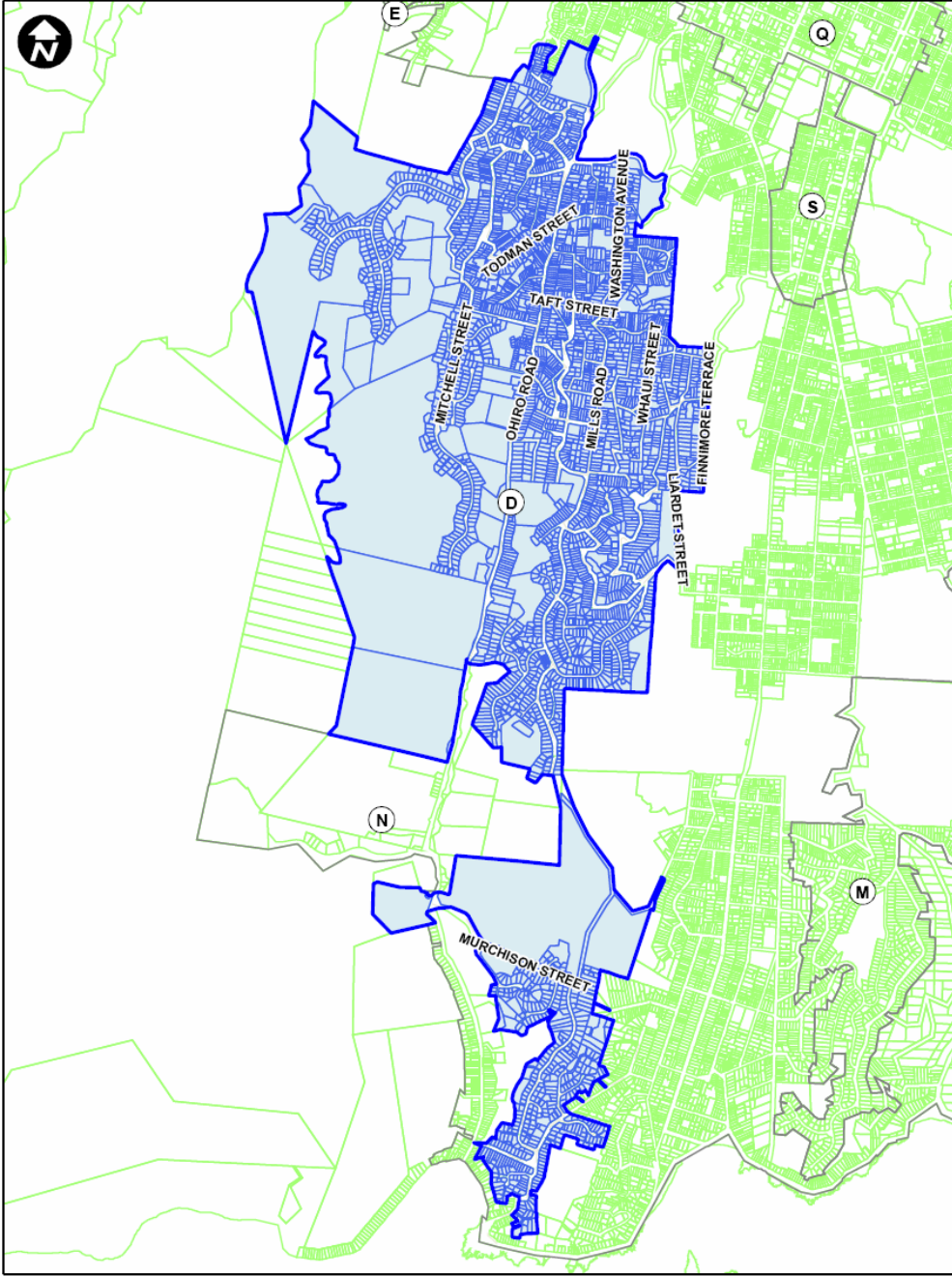


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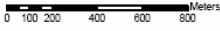


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D: Brooklyn - Frobisher

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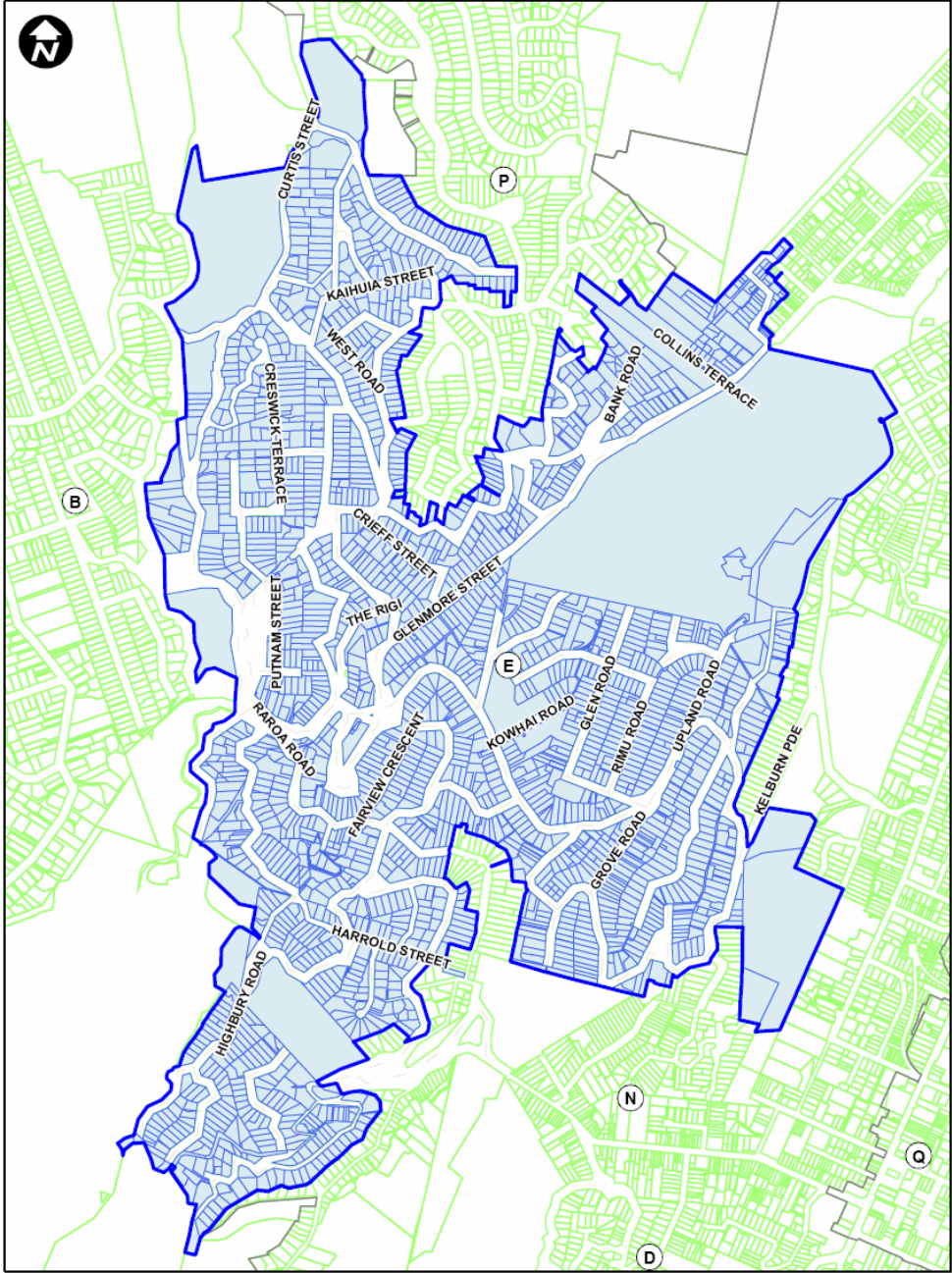
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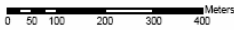
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E: Kelburn

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DATA STATEMENT

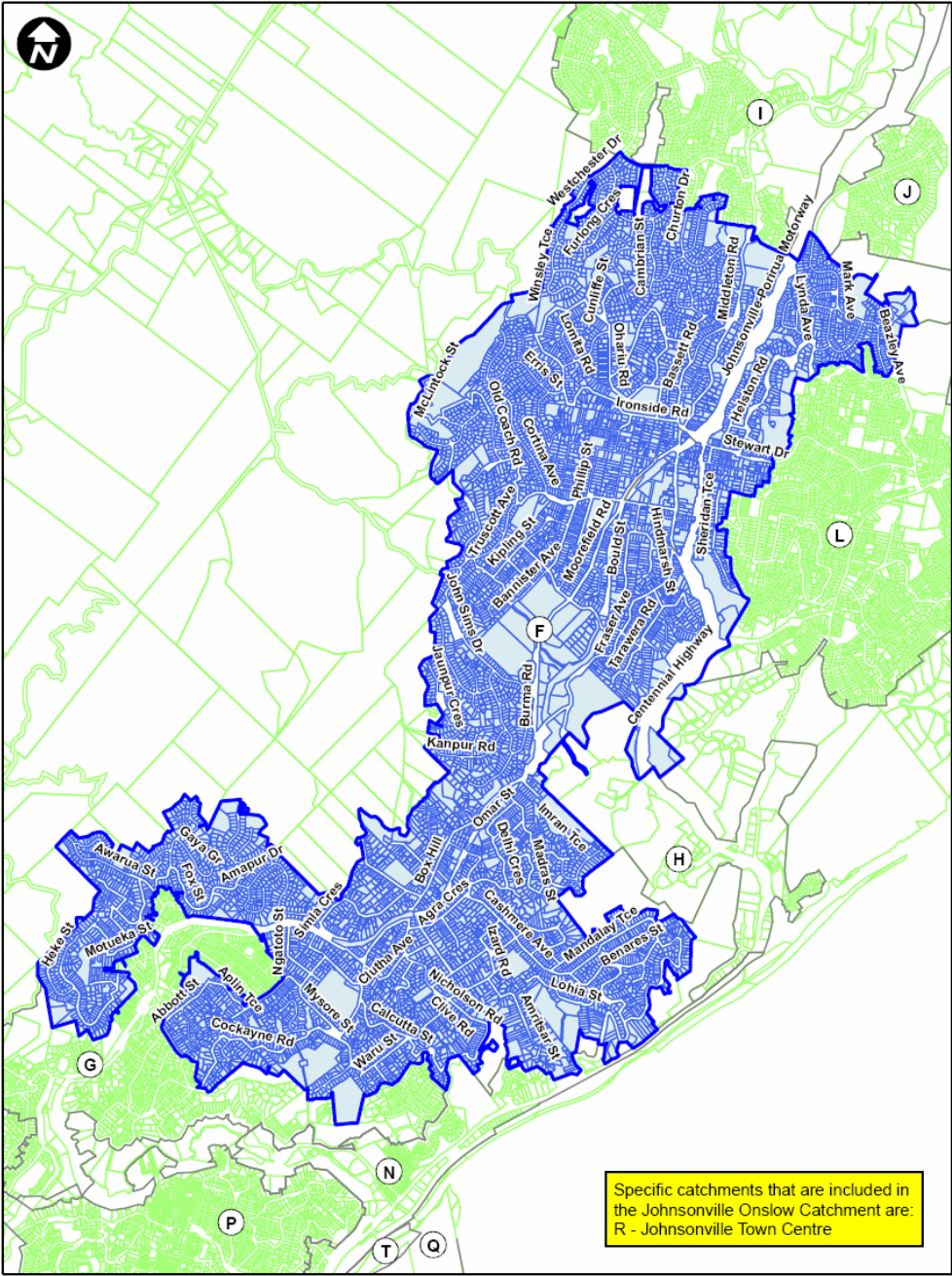
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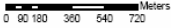
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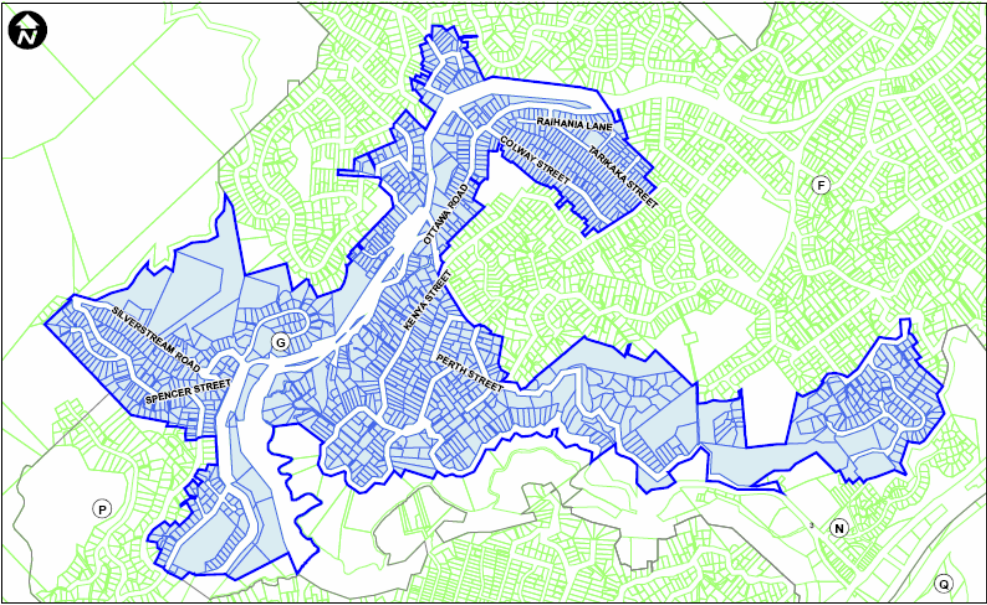
F: Johnsonville - Onslow

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APPENDIX 2



DATE: 12/10/2017
DRAWN BY: [redacted]
CHECKED BY: [redacted]
APPROVED BY: [redacted]
REVISIONS: [redacted]

DATE: 12/10/2017
DRAWN BY: [redacted]
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REVISIONS: [redacted]

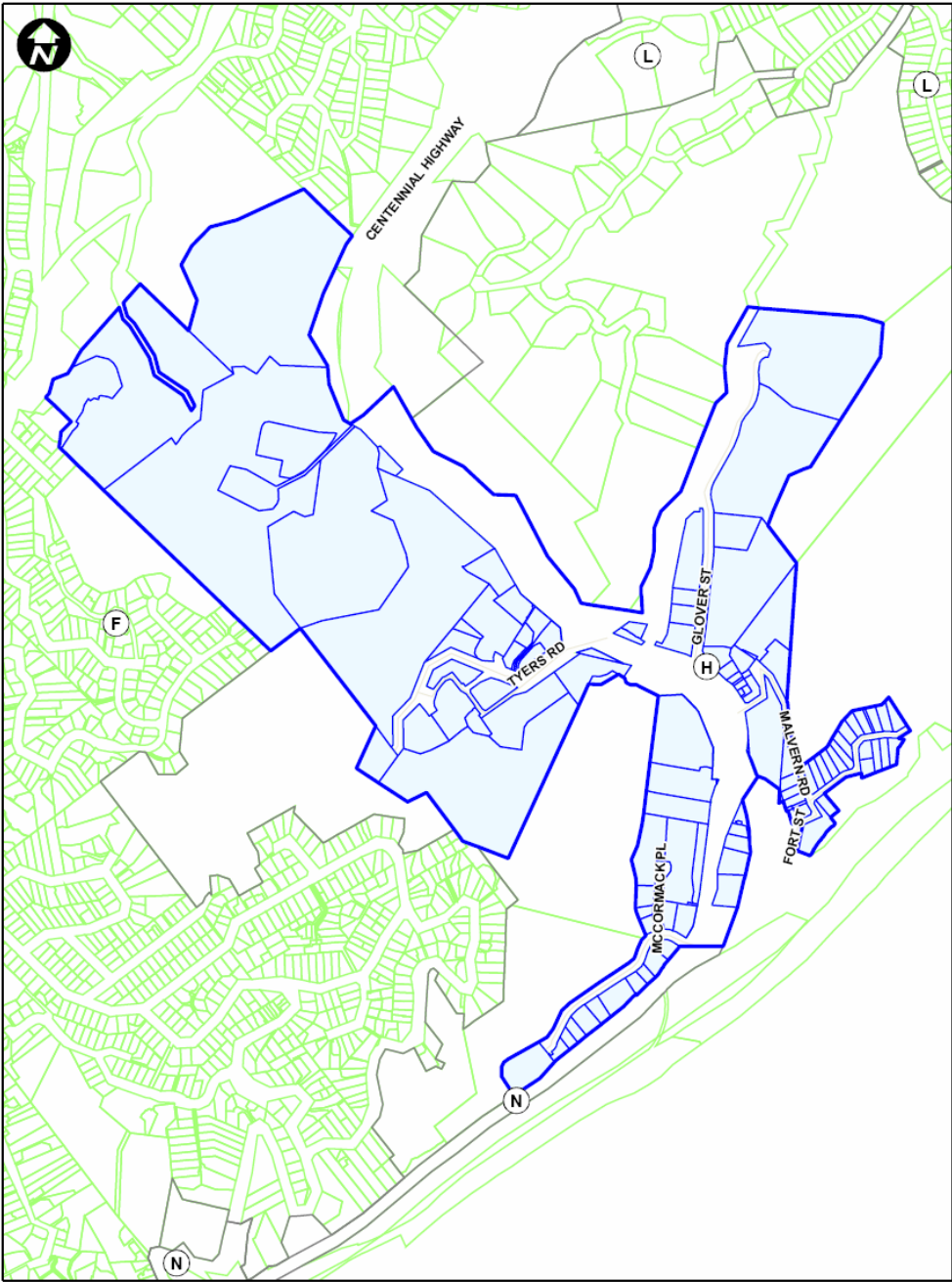
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APPROVED BY: [redacted]
REVISIONS: [redacted]

G: Ngaio

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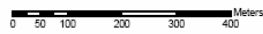
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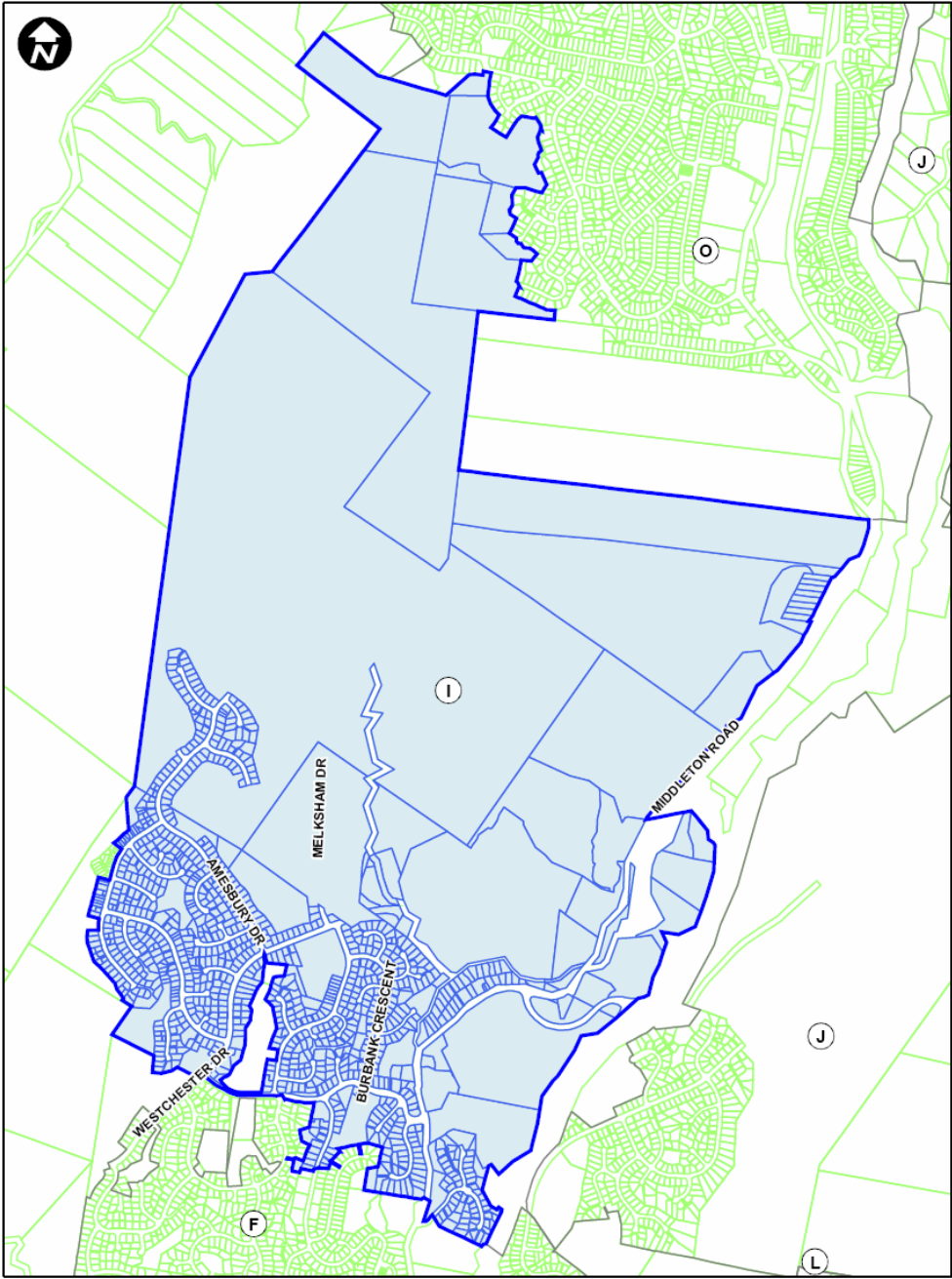
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H: Maldive

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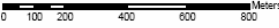
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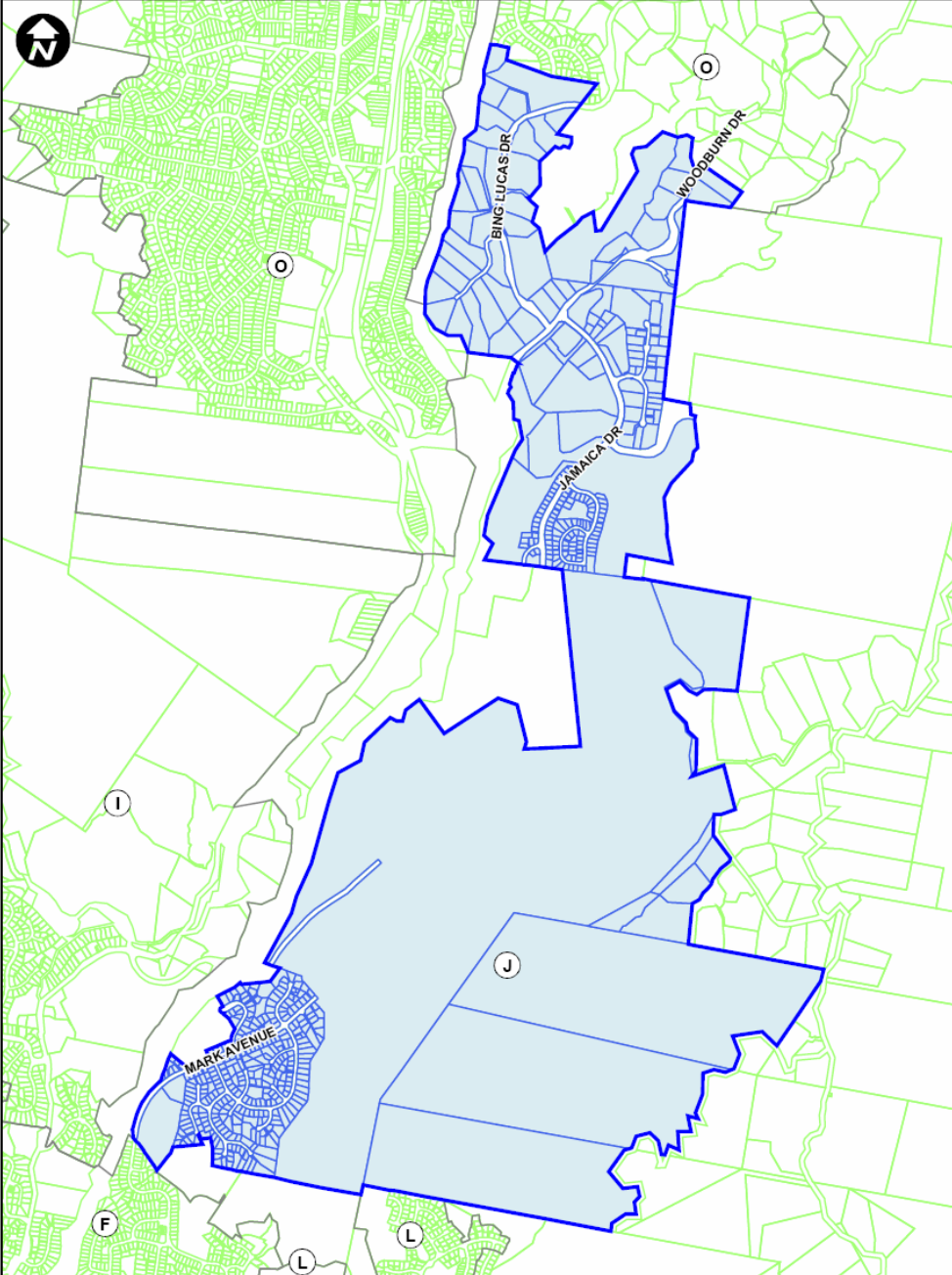
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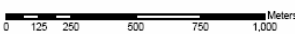


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J: Lincolnshire - Grenada

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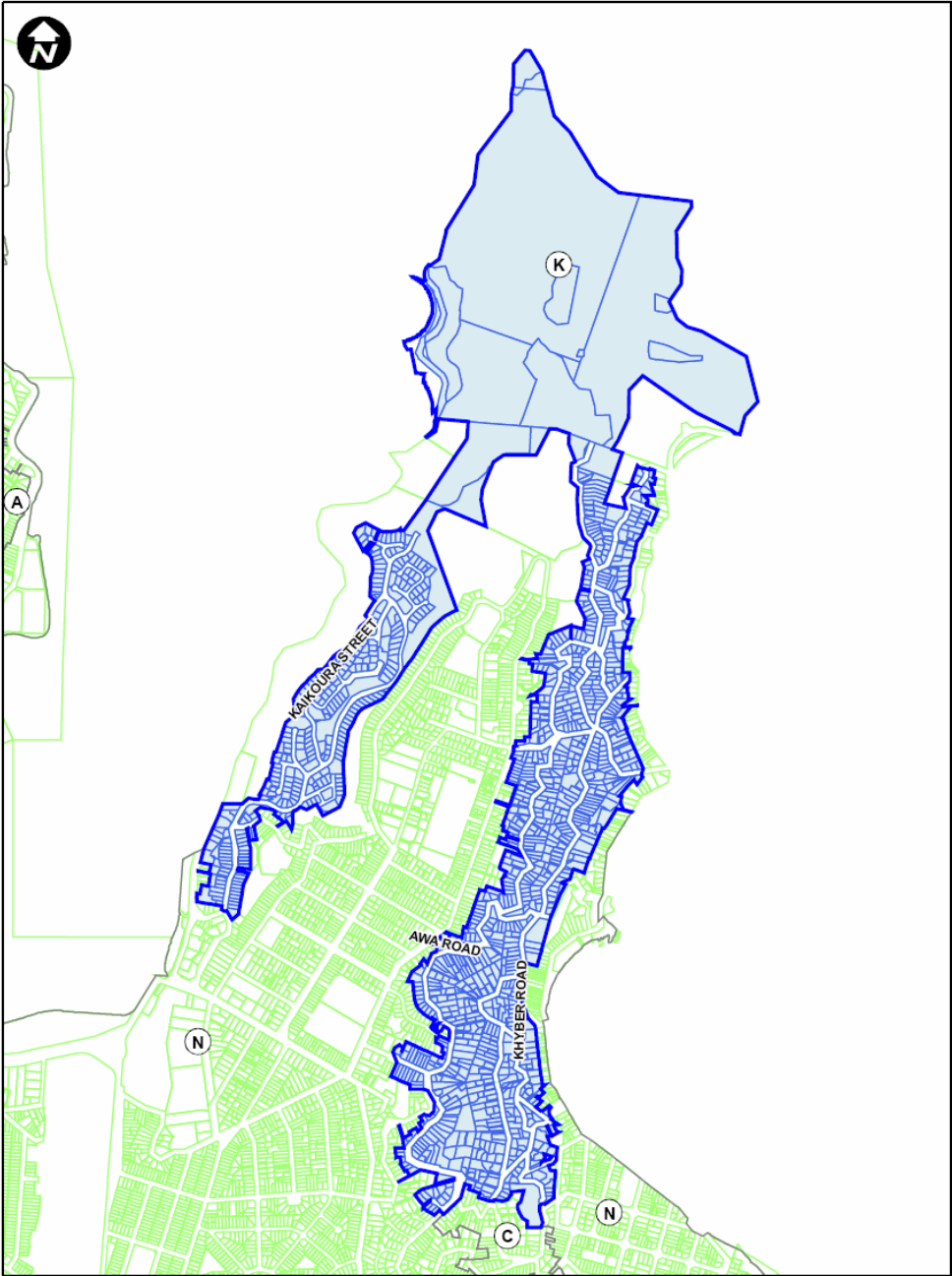
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DATA STATEMENT

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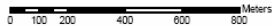
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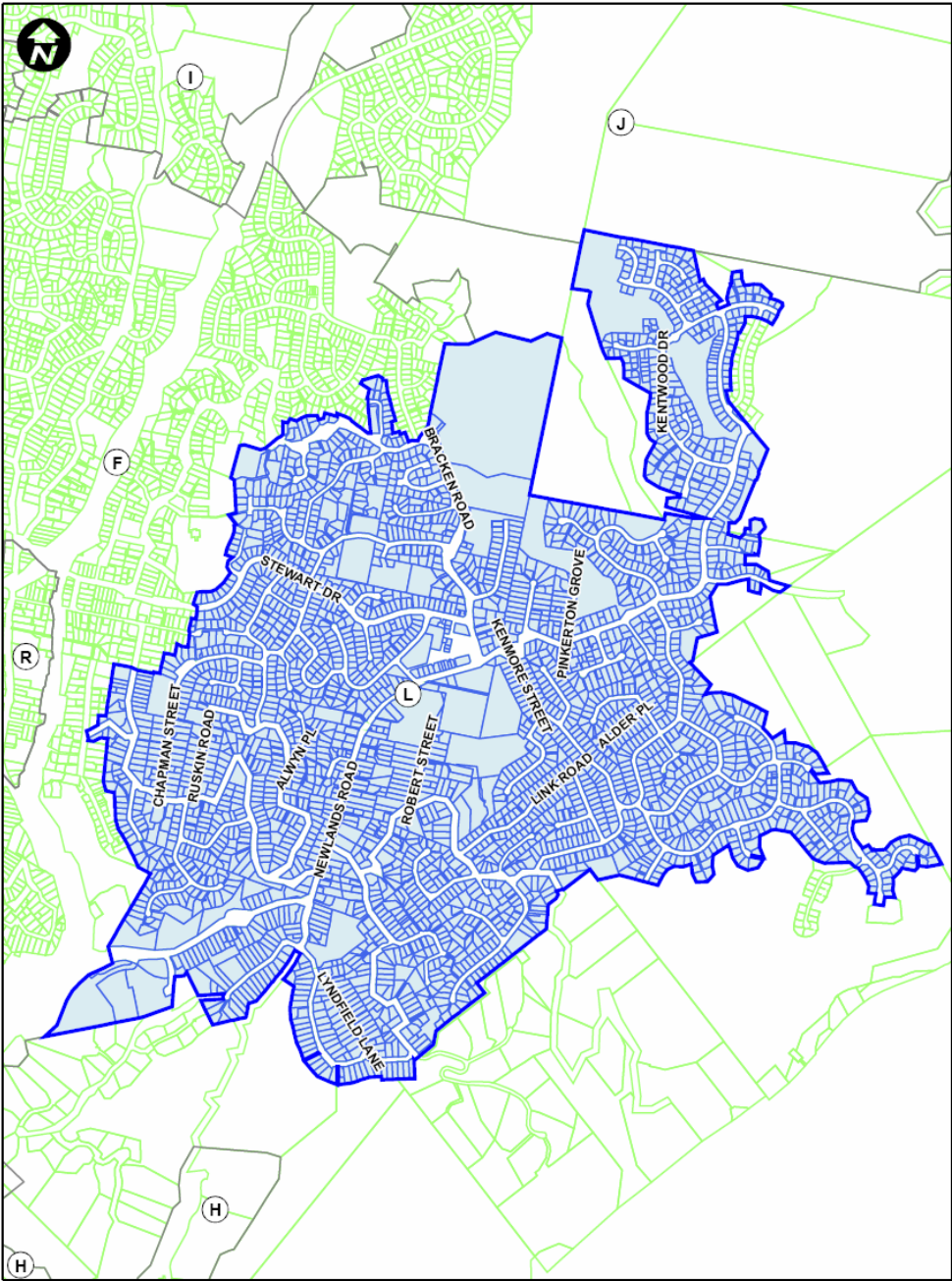
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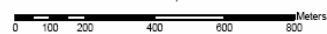


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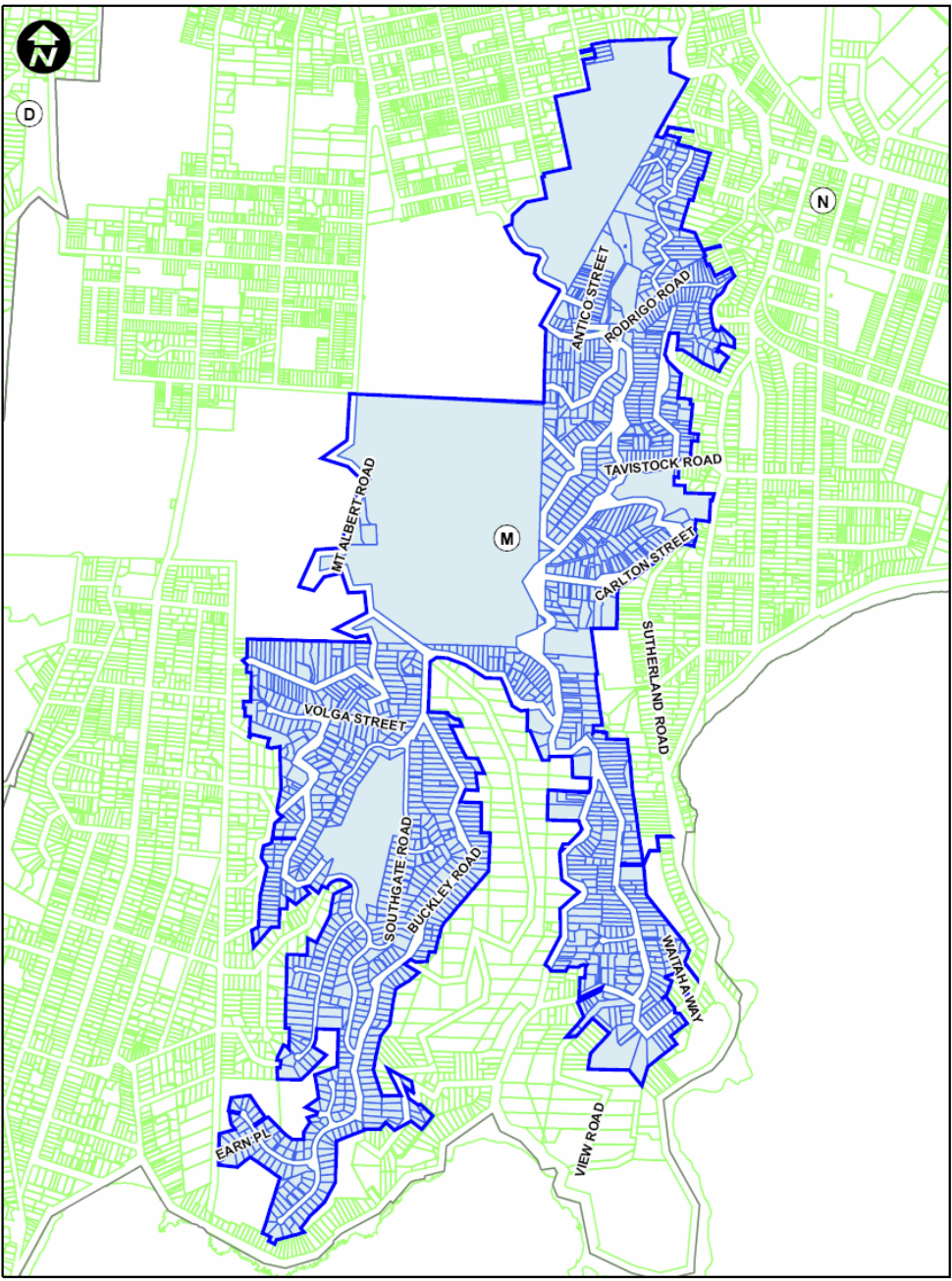
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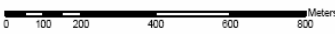


DATA STATEMENT
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 2018/19/20/21
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M: Melrose

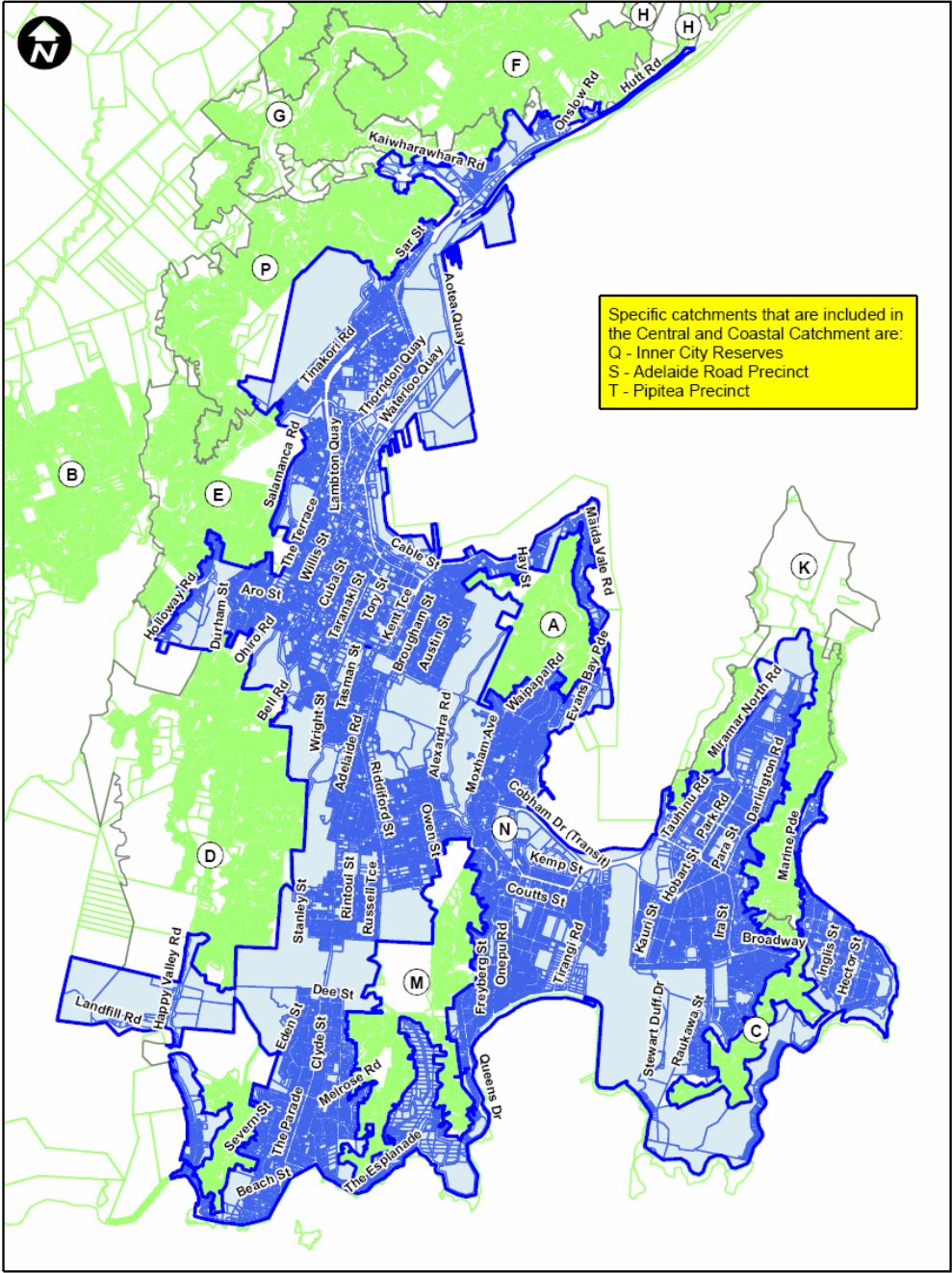
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Specific catchments that are included in the Central and Coastal Catchment are:
 Q - Inner City Reserves
 S - Adelaide Road Precinct
 T - Pipitea Precinct

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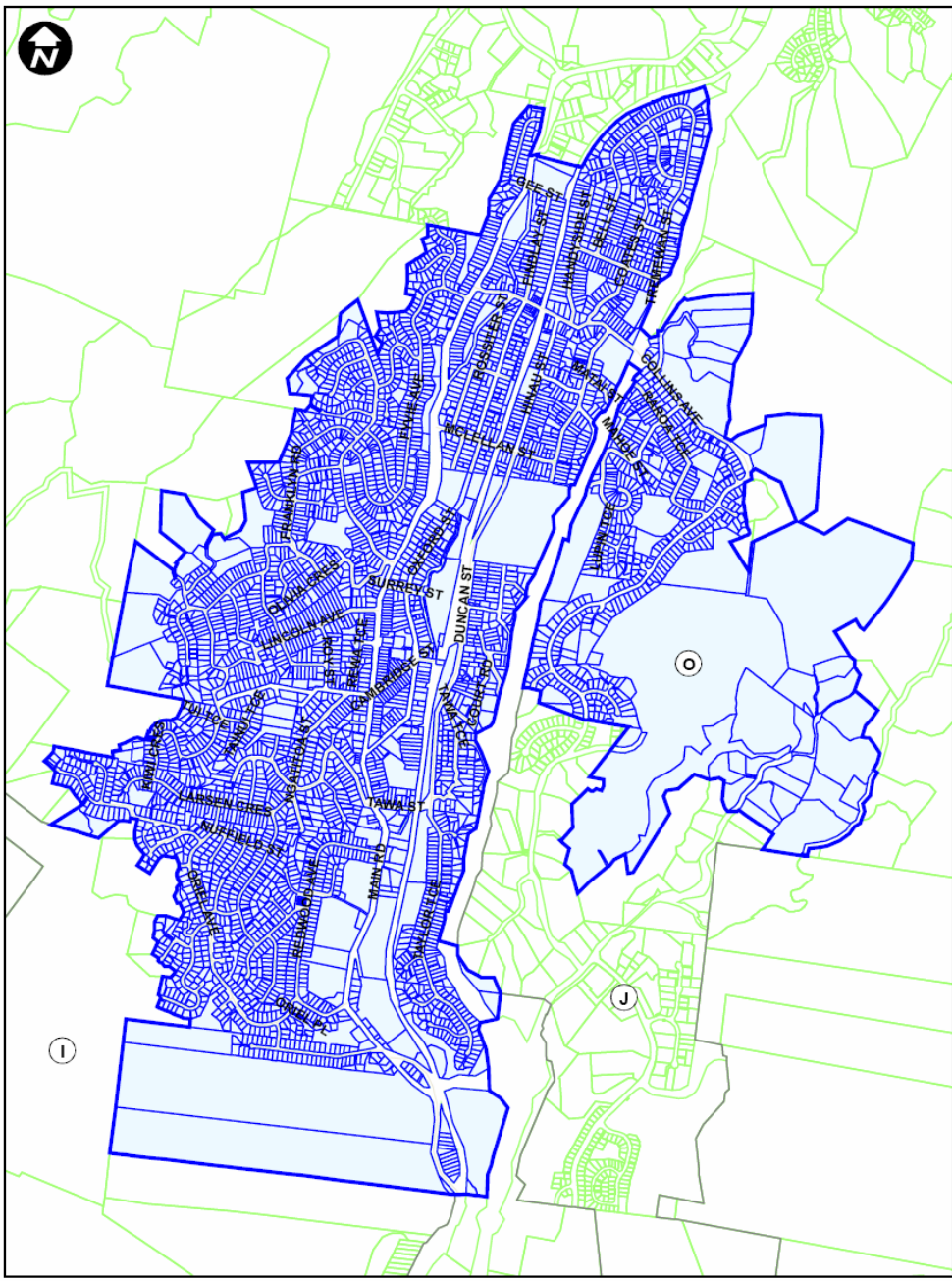
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Source: Orthophotography 1:500
 Date: Mar 2004 (used by
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N: Central & Coastal
 1:45,000
 0 250 500 1,000 1,500 2,000 Meters

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APPENDIX 2



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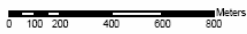
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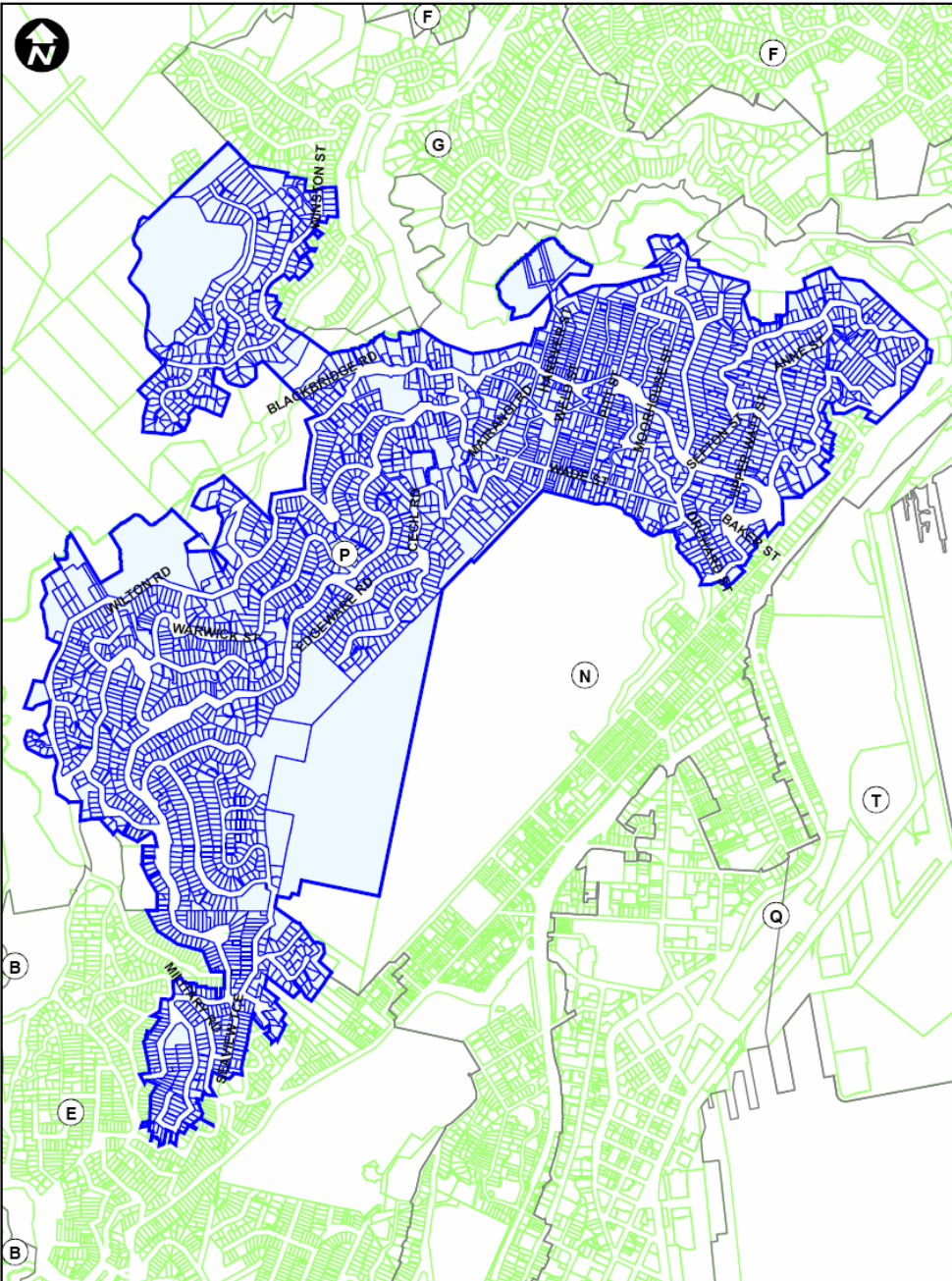
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O: Tawa

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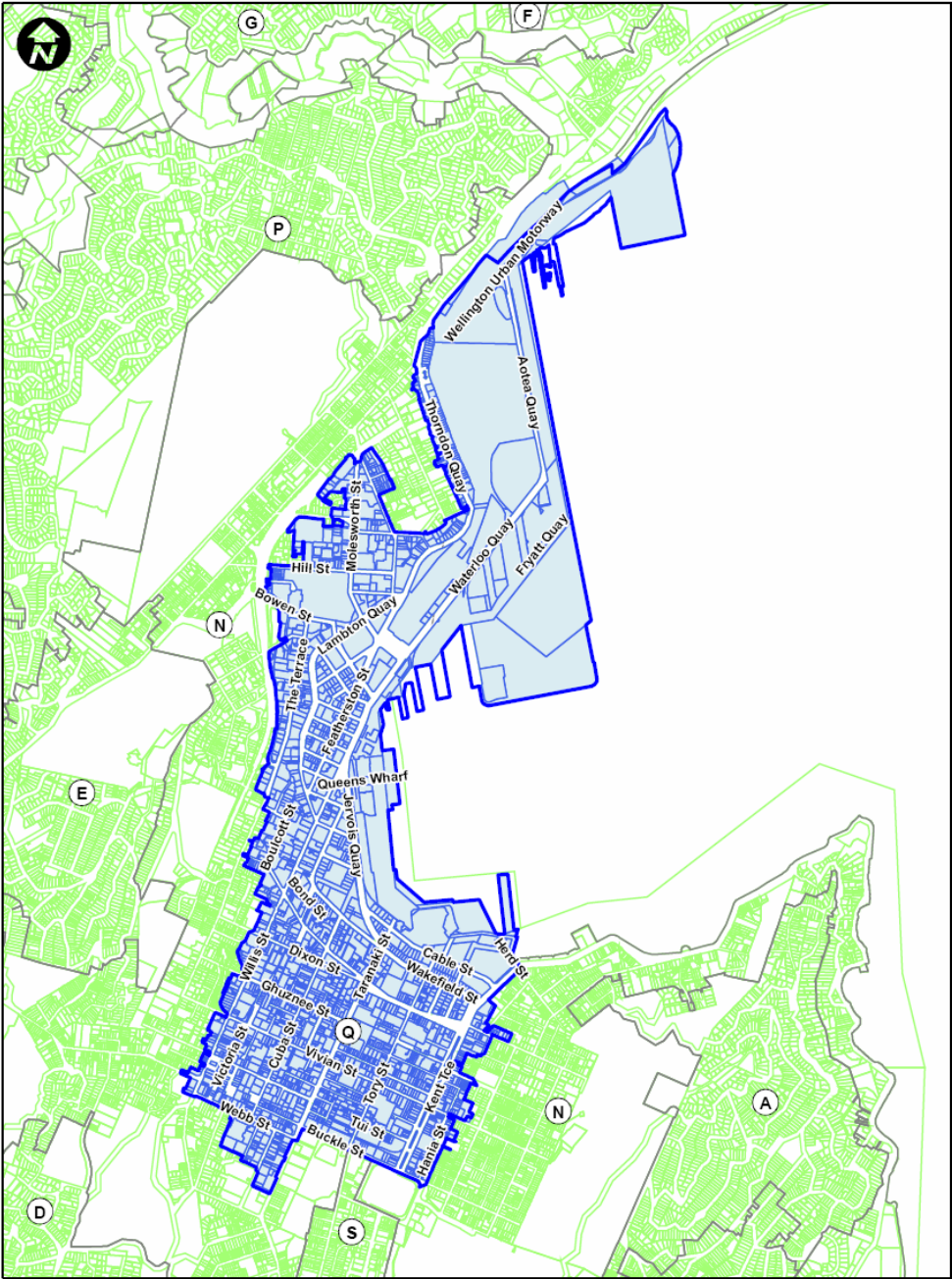
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P: Wadestown

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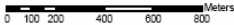


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Q: Inner City Reserves

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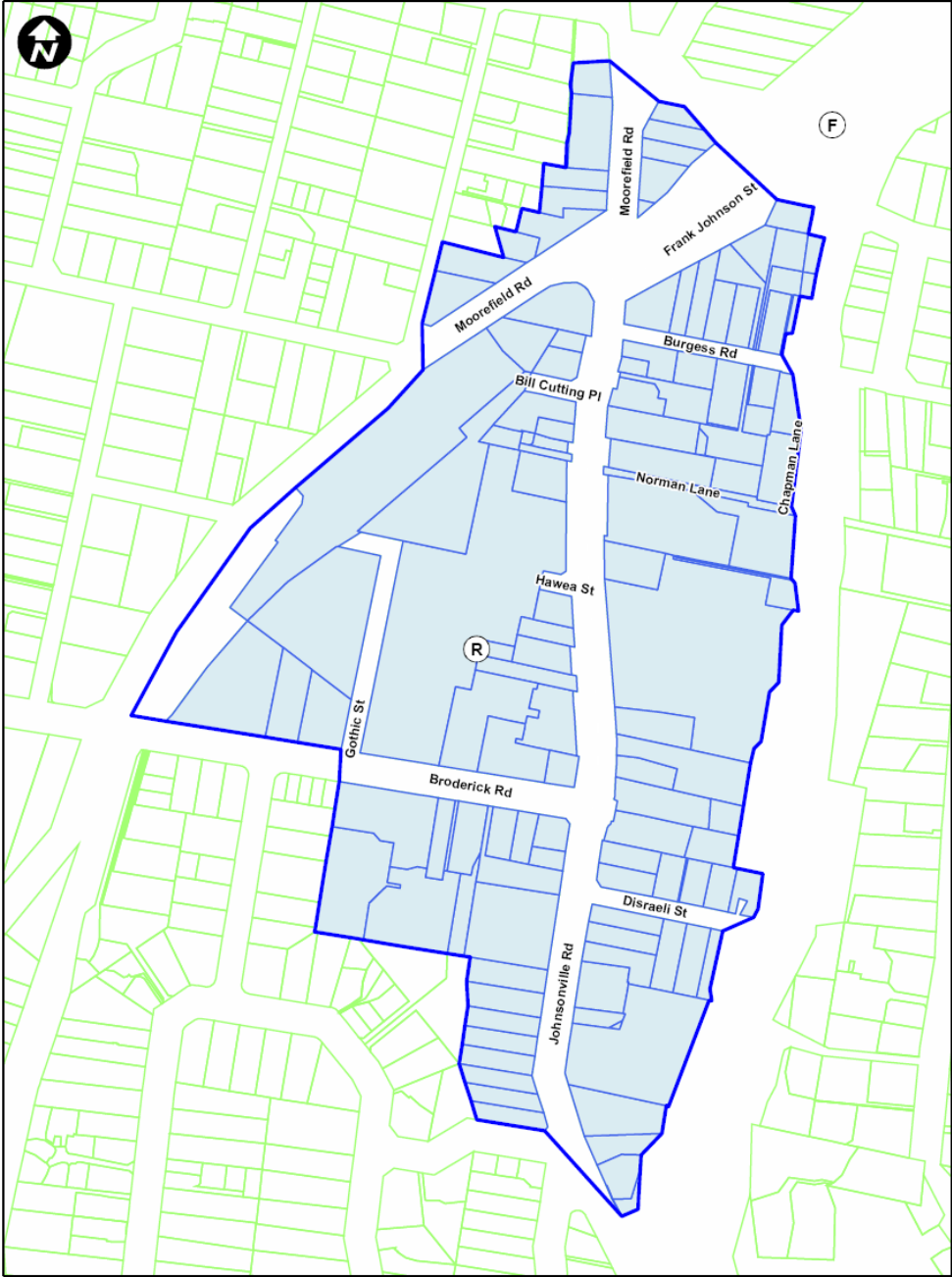
DATA STATEMENT

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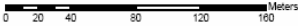
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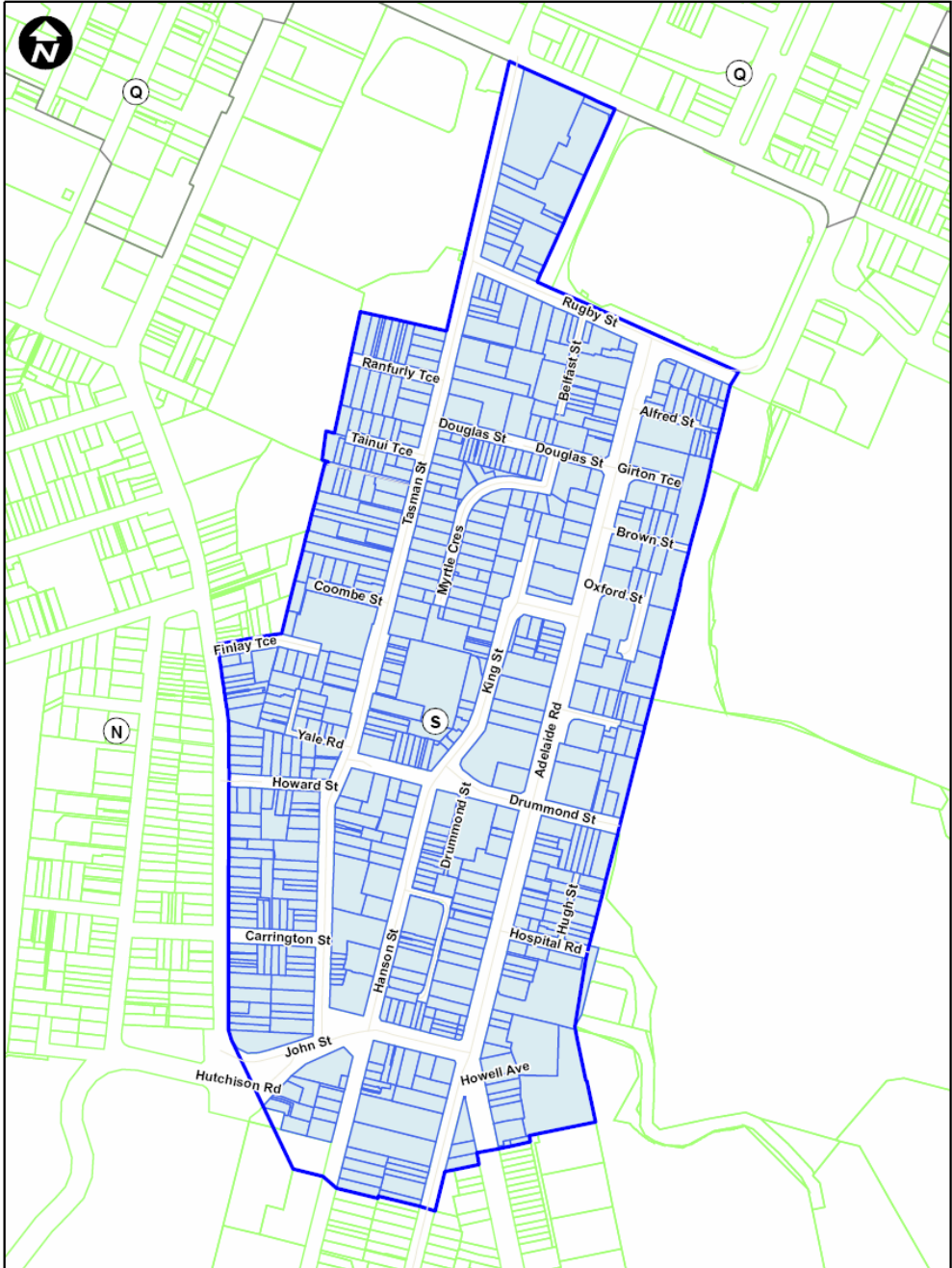
R: Johnsonville Town Centre

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DATA STATEMENT
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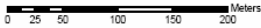
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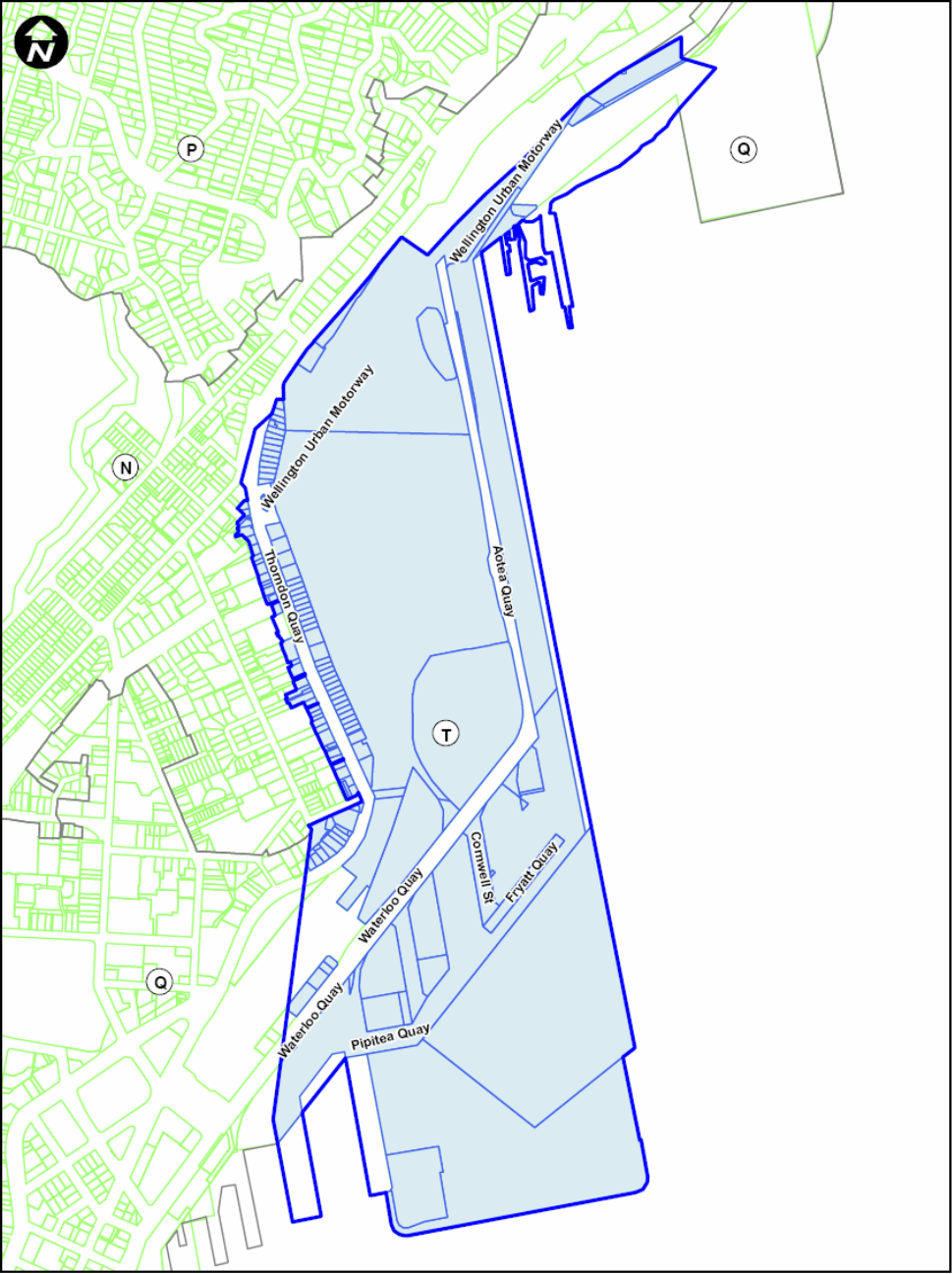
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S: Adelaide Road Precinct

1:4,500



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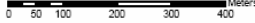
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Colour Orthorectified to 1:50k
 Date: May 2008 (based on
 Wellington City Council)

T: Pipitea Precinct

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PART 2: SUBSTANTIVE POLICY

7 Basis for this Policy

7.1 Legislative requirements

7.1.1 This document sets out the Council's policy on development contributions under the Local Government Act 2002 (LGA 2002). Under section 102(4)(d) of the LGA 2002, the Council is required to adopt a policy on development contributions or financial contributions as a component of its funding and financial policies in its Long Term Council Community Plan ('LTCCP').

7.1.2 Section 198 of the LGA 2002 provides the Council with the power to require a contribution from developments.

7.1.3 This Policy has been prepared to meet the requirements for development contribution policies set out in sections 106, 197-211, and Schedule 13 of the LGA 2002. In summary, this Policy:

- Summarises and explains the capital expenditure identified in the 2009 to 2019 LTCCP that the Council expects to incur to meet the increased demand for network infrastructure (roads, water, wastewater and stormwater collection and management) and reserves resulting from growth; and
- States the proportion of that capital expenditure that will be funded by development contributions; and
- Explains the rationale for using development contributions as the funding mechanism (as opposed to other mechanisms such as financial contributions, rates, or borrowings); and
- Specifies the level of contribution payable in different parts of the city; and
- Specifies when a development contribution will be required; and
- Prescribes conditions and criteria applying for remission, postponement and refund of development contributions.

7.2 Relationship with financial contributions in the District Plan

7.2.1 This Policy is distinct from and in addition to the provisions in the District Plan that provide the Council the discretion to require financial contributions under the Resource Management Act 1991.

7.2.2 The Council will apply this Policy where a development contribution is payable for a particular purpose within a catchment and for all citywide contributions.

APPENDIX 2

- 7.2.3 However, where a development results in the Council incurring capital expenditure that is not included in the LTCCP capital expenditure in this Policy, the Council may impose a financial contribution as a condition of resource consent under section 3.4.5 of the District Plan which states that:

“Where a proposed development creates the need for increased capacity or upgrades to infrastructure at the point of connection (in terms of traffic, stormwater, sewers, or water) the Council may require a payment towards the cost of necessary works. The Council will set a payment on the basis of what is believed to be a fair and appropriate proportion of the costs that should be borne by the developer (up to 100%)”.

- 7.2.4 The Council will also continue to impose financial contributions on any development to which this Policy does not apply.

7.3 Summary of financial contributions

- 7.3.1 Under the Local Government Act 2002, the Council is required to summarise the provisions that relate to financial contributions in the District Plan. The financial contributions provisions are set out in section 3.4 of the District Plan. They are made up of development impact fees (section 3.4.3 and 3.4.4), payments required under 3.4.5 (set out above) and vesting of land (section 3.4.6). The exact development impact fees are set out in a separate *Guide to Development Impact Fees*.

8 Planning for growth

8.1 Growth in Wellington City

- 8.1.1 City growth assumptions underpin the Council’s asset management plans and capital expenditure budgets in the LTCCP for the period 2008/09 to 2018/19.
- 8.1.2 Statistics New Zealand estimates prepared for the Council in November 2008 indicate the resident population of Wellington City will increase from 193,400 to 212,200 (9.7 percent) over the period of the LTCCP (2009 - 2019). This equates to 7,230 EHUs, based on current average household occupancy of 2.6 persons per dwelling.
- 8.1.3 Forecasts based on the Wellington Regional Council’s MERA² projection modelling, updated in 2008 to incorporate 2006 Census data, indicate that projected full time equivalent jobs in Wellington City will increase from 124,149 to 137,871 (11.1 percent) over the period of the LTCCP (2009 to 2019). This equates to 5,278 EHUs.
- 8.1.4 Growth projections are subject to significant uncertainties as to the quantum, timing and location of growth. Therefore the regular update and assessment of

² Monitoring and Evaluation Research Associates 2008, WTSM Demographic Projections Report 2006 Base Run

APPENDIX 2

growth projections is a key component of planning future infrastructure requirements.

- 8.1.5 Informed by the above estimates and recognising potential forecasting errors, for calculation purposes a **10-year EHU growth assumption of 10 percent population growth has been used for the residential sector** and a **10-year EHU growth assumption of 11 percent full time equivalent employment growth** has been used for the commercial sector for the period 2009/19. Previous assumptions of 9175 EHUs for both sectors over ten years (ten percent growth) continue to be applied to previous years to calculate EHUs over the total budget timeframes considered in this Policy.
- 8.1.6 The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population and employment, ie actual costs to provide for growth will depend upon the particular capital works required. However for citywide catchments in water, stormwater, roading and reserves, the Council has assumed such a proportional relationship as there is little spare capacity and capital works have been designed with an ongoing 10 percent provision for growth.

8.2 Application of Equivalent Household Units (EHUs) as the unit of demand

- 8.2.1 The most equitable way to apportion the cost of new infrastructure in response to growth demand is on the basis of the number of equivalent new households expected in Wellington as detailed in 8.1 above for both residential and non residential uses.
- 8.2.2 Residential development is defined in section 5 of this Policy. Non-residential development is likewise defined, and essentially means all development not falling within the definition of residential development.
- 8.2.3 In a residential development, the unit of demand will be an additional household unit as defined in the District Plan. In a subdivision development, the identifiable unit of demand is an allotment.
- 8.2.4 For a non residential development, the Council has assumed that an employee requires approximately 21m² of gross floor area (gfa) and that 2.6 employees, being the equivalent average household occupancy, would require 55m².
- 8.2.5 When calculating the number of EHUs in a non residential development:
- The 55m² of gfa will be applied on a pro-rata basis (rather than rounding to the nearest EHU). In other words, a non residential development with a gfa of [100m²] will equate to [1.82] EHUs.
 - Except that for development less than 10m² no contribution will be payable.
- 8.2.6 In summary:

Type of development:	EHU assessment based on:
Residential development	<ul style="list-style-type: none">▪ 1 EHU per household unit▪ 0.7 EHU per one-bedroom household unit

APPENDIX 2

Fee simple subdivision	▪ 1 EHU per allotment
Non residential development	▪ 1 EHU for every 55m ² of gfa unless changed following an assessment under the process in 2.5.5

9 Rationale for funding the costs of growth through development contributions

9.1 Legislative background

9.1.1 Section 106(2)(c) of the Local Government Act 2002 requires this Policy to explain why the Council has determined to use development contributions as a funding source, by reference to the matters referred to in section 101(3) of the LGA 2002 detailed below.

9.2 Community outcomes

9.2.1 The following community outcomes have particular relevance to the decision of how to fund growth related infrastructure:

- Wellington's long-term environmental health will be protected by well-planned and well-maintained infrastructure.
- Opportunities for active and passive recreation in Wellington will be diverse, safe, affordable, accessible and attractive.
- Wellington's communities will have ready access to multi-use indoor and outdoor facilities and spaces.
- Wellingtonians will protect and have access to public green open spaces and the coast.
- Wellington's governing bodies will comply with all legislative requirements and will behave in an ethical and fair manner.

9.2.2 Charging new development for the additional infrastructure ensures a fair contribution to the community outcomes. This means, for example, that:

- Traffic resulting from development is managed by a programme of works that maintains existing traffic flow, pedestrian and cycle access, parking and safety standards;
- Large, efficient reservoirs and pumping stations are built and shared across a number of developments; and
- Reserves are created and developed to service growth.

9.3 Distribution of benefits and the extent to which particular individuals or groups contribute to the need to undertake an activity

APPENDIX 2

9.3.1 It is appropriate that development contributions fund additional capacity in water supply, wastewater, stormwater, roading, reserves and community infrastructure. The benefits of this additional capacity accrue to new households (EHUs) and businesses generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and building prices to the residents of new households and businesses. Existing residents and businesses, however, gain no direct benefit from, and should not be required to fund through rates, the addition of capacity to existing networks that adequately meet their needs.

9.3.2 Conversely, the cost of maintaining or improving levels of service provided by the city's infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not benefit developers or new households.

9.4 Costs and benefits of funding the activity distinctly from other activities

9.4.1 The benefits of funding additional infrastructure capacity resulting from development growth through development contributions include greater transparency and allocative efficiency through passing on the actual costs to developers. The use of catchments also aids transparency and allocative efficiency by signalling the variations in the cost of providing infrastructure according to the characteristics of the particular locality and the nature of the works required. Although development contributions are not a significant administrative cost once systems are established, for small catchments collection of development contributions may not be cost effective and therefore a citywide fee will be more efficient for some activities with a large number of widely located projects. Citywide fees are also appropriate when infrastructure operates as a network (eg sportsfields).

9.5 Overall impact on community well-being

9.5.1 Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural well-being of the city. Funding the cost of providing increased capacity in the city's infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and newcomers.

9.5.2 The Council resolved that it retains the option of departing from the principle that development should pay 100 percent of growth related capital expenditure for particular infrastructure if the Council were to be of the view, following the consideration of section 101(3) LGA factors, that there is a demonstrable case supporting a variation.

10 Capital expenditure in response to growth

10.1 Activities and catchments for which development contributions may be required

APPENDIX 2

10.1.1 Local Government Act 2002 allows the Council to require a development contribution from any development for:

- capital expenditure expected to be incurred as a result of growth; or
- capital expenditure already incurred in anticipation of growth.

10.1.2 Development contributions will be required for Council-funded capital works resulting from growth associated with the provision of the following network infrastructure and reserves.

Water supply

10.1.3 Development contributions will be required for:

- the ongoing citywide upgrade in capacity of the water supply network of pipes and pumping stations
- capital works to provide additional reservoir and pump station capacity for specific catchments.

Wastewater

10.1.4 Development contributions will be required for:

- the ongoing citywide upgrade in capacity of the networks of wastewater pipes and pumps
- Council funded capital works associated with the provision of the Council's Clearwater project that serves the Moa Point and Karori wastewater catchments and was developed with additional capacity in anticipation of growth
- capital expenditure incurred to purchase additional capacity in the Porirua Treatment Plant from Porirua City Council.

Stormwater

10.1.5 Development contributions will be required for the ongoing citywide upgrade in capacity of the network of pipes and streams that make up the stormwater system.

Roading

10.1.6 Development contributions will be required for the ongoing citywide upgrades of roads, public transport facilities, cycle ways, pedestrian walkways and associated infrastructure to facilitate growth.

Reserves

10.1.7 Development contributions will be required in three catchments – a citywide catchment, an inner city catchment and for greenfield development (in accordance with section B6.1.2 to B6.1.5 of this Policy).

APPENDIX 2

Community Infrastructure

10.1.8 Development contributions will be required for the growth components of community infrastructure including swimming pools, synthetic turf sports fields, and cemeteries. As each category of community infrastructure identified for inclusion in this Policy acts as part of a citywide network, the growth component of community infrastructure has been charged as citywide fees. As the growth component of new community infrastructure responds to the needs of residents, non residential developments will not be levied for community infrastructure.

10.2 Growth-related capital expenditure

10.2.1 The table in Appendix A (Table 1) sets out for each activity:

- the capital expenditure identified in the 2009/19 LTCCP that the Council expects to incur to meet the increased demand for network infrastructure and reserves resulting from growth
- the total amount of development contribution funding sought for that activity
- the proportion of the capital expenditure that will be funded by development contributions and other sources of funding.

10.2.2 Where Council anticipates funding from a third party (such as the New Zealand Transport Authority) for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the costs used to calculate development contributions.

10.3 Capital costs already incurred in anticipation of growth

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

10.3.2 For the purpose of this Policy, taking a development contribution for capital expenditure already incurred in anticipation of development is considered appropriate for the wastewater network infrastructure in the catchment areas of the Moa Point and Western treatment plants (Clearwater), the Council's share of the Porirua Treatment Plant and for several water supply catchments but not for any of the other listed activities in section 1 above.

10.3.3 The capital expenditure already incurred prior to 1 July 2005 to meet increased growth demand for network infrastructure and reserves is summarised in Appendix A (Table 2).

10.4 Use of development contributions

10.4.1 The Council will use development contributions either for or towards the capital expenditure for which they were required, or for providing analogous reserves or network infrastructure (or community infrastructure if development contributions are set in the future).

APPENDIX 2

- 10.4.2 Where a development contribution is received for capital expenditure that has already been incurred by the Council, the Council will have met its obligations under the Local Government Act 2002 that relate to the use of the development contributions, unless a refund is due.
- 10.4.3 Where the Council has received development contributions for reserves, in addition to the powers governing the use of development contributions for reserves in the Local Government Act 2002, the Council must use the land or cash received as follows:
- cash - within 20 years of it being received
 - land - within 10 years of it being received, unless a longer period is agreed with the party who paid the contribution. (Note: in all circumstances the Council will seek to reach such an agreement).

11 How development contributions have been calculated

11.1 Local Government Act 2002 Requirements

- 11.1.1 Section 201(1)(a) of the Local Government Act 2002 requires this Policy to include, in summary form, an explanation of and justification for the way each development contribution in the schedule to this Policy is calculated.
- 11.1.2 In summary, each contribution has been calculated in accordance with the methodology set out in Schedule 13 of the Local Government Act 2002, by using the following seven step process.

APPENDIX 2

Step	Explanation	Local Government Act 2002 Reference
One	<p>Define catchments</p> <ul style="list-style-type: none"> ▪ A catchment is the area served by a particular infrastructure, eg reservoirs, pumping stations and pipes. ▪ Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits. 	Sch 13 (1) (a)
Two	<p>Identify 10-year capital expenditure resulting from growth</p> <ul style="list-style-type: none"> ▪ The proportion of total planned costs of capital expenditure for network and community infrastructure and reserves from the LTCCP resulting from growth. ▪ Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total 10-year capital costs budgeted in the LTCCP, the other two components being level of service improvements and renewals. These two costs must be met from funding sources other than development contributions. ▪ Justification for the level of growth capital expenditure should be supported by financial management funding considerations (refer to 9 above) and show significant assumptions and impacts of uncertainty. 	<p>S 106 (2) (a) and Sch 13 (1) (a)</p> <p>S 106(2) (a)</p> <p>S 101 (3) (a) S 201 (1) (b)</p>
Three	<p>Identify the percentage of growth related 10-year capital expenditure to be funded by development contributions</p> <p>Unless the Council wishes to reduce fees for clear policy reasons, this is likely to be 100 percent in most cases, because:</p> <ul style="list-style-type: none"> ▪ it directly relates to the planned capital expenditure set out in the LTCCP and detailed in the Council's Asset Management Plans and ▪ the capital expenditure identified for growth can be reasonably identified. 	S 106 (2) (b)

APPENDIX 2

Step	Explanation	Local Government Act 2002 Reference
Four	<p>Identify the appropriate units of demand</p> <p>The selected unit of demand is Equivalent Household Units (EHUs) calculated as follows:</p> <ul style="list-style-type: none"> ▪ For a greenfield development, an allotment, eg in Northern Growth developments the average lot size is 550 - 600m². ▪ EHUs will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and lot size is not considered to have a material impact on demand. ▪ For non residential development, 55m² (based on average space per office worker of 21m² and an average number of persons per household in the Wellington region of 2.6 (per the 2006 census) or by self-assessment supported by an impact report or by special assessment whereby the Council prepares an impact report as a basis for assessment. ▪ For an infill development, a residential dwelling as defined in clause 5 - Definitions. 	Sch 13 (1) (b)
Five	<p>Identify the designed capacity (in units of demand) provided for growth</p> <ul style="list-style-type: none"> ▪ The designed capacity may vary between different types of infrastructure. In many cases it will be considered economically prudent to provide spare growth capacity considerably beyond current 10-year expectations. For example, large scale, high cost citywide infrastructure such as a sewerage treatment plant will have significantly more designed capacity for growth than ongoing roading improvements. ▪ Costs are recovered across the full designed number of EHUs. Projected growth in EHUs over the 10 year period of the LTCCP will be relevant to the Council's budgeting of revenue but not to the calculation of the development contribution per EHU. 	Sch 13 (1) (b) & (2)
Six	<p>Allocate the costs to each unit of demand for growth</p> <ul style="list-style-type: none"> ▪ The development contribution charge per EHU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five). 	Sch 13 (1) (b)
Seven	<p>Input results to comprehensive schedule of fees by catchment</p> <ul style="list-style-type: none"> ▪ A detailed schedule must be prepared as part of this Policy that enables the development contributions to be calculated by infrastructure type and catchment. ▪ This Policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or 	S 201 (2) S 201 (1) (a) S 201 (1) (b), (c) & (d)

APPENDIX 2

Step	Explanation	Local Government Act 2002 Reference
	refund, the valuation basis for assessment of maximum reserves and catchment maps.	

11.2 Significant assumptions

- 11.2.1 Section 201(b) of the Local Government Act 2002 requires this Policy to state significant assumptions underlying the calculation of the schedule of development contributions.

System-wide view

- 11.2.2 In developing a methodology for the development contributions, the Council has taken a system-wide view in identifying the cumulative effect of development on infrastructure, ie by considering the infrastructure impacts on all ratepayers created by both individual and multiple developments across a catchment. For citywide catchments this means growth is proportionally reflected in total capital expenditure.

Planning horizon

- 11.2.3 The planning horizon varies by infrastructure type typically ranging from 10 years to more than 50 years. This is consistent with the Council's asset management planning. Longer horizons may result in larger capital expenditure for some projects but also means the costs are spread across a larger designed city capacity (ie greater number of EHUs).

Growth forecasts

- 11.2.4 The overall planning assumption is for a 10 percent increase in growth and capacity for renewals and upgrades for citywide catchments to take account of the impact on infrastructure of continuing growth within the city over the next 10 years.

Application of costing methods

- 11.2.5 Average costs have generally been applied to the allocation of capital expenditure between existing and new EHUs. In most cases, it is a difficult and complex exercise to determine incremental costs and average costs reflect a fair allocation of capital infrastructure costs to newcomers.

Cost of individual items of capital expenditure

- 11.2.6 The Council has used the best information available at the time of developing this Policy to estimate the cost of individual items of capital expenditure that will be funded in whole or part out of development contributions. It is likely that actual

APPENDIX 2

costs will differ from estimated costs due to factors beyond the Council's ability to predict, such as changes in price of raw materials, labour, etc, and the time of capital works. The Council will review its estimates of capital expenditure annually and adjust the LTCCP.

Financial assumptions

11.2.7 The following financial assumptions have been applied:

- All costs in this Policy are based on budgeted infrastructure prices and allowance has been made for inflation from 2010/11.
- Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
- All New Zealand Transport Authority subsidies will continue at present levels and eligibility criteria will remain unchanged.
- The methods of service delivery will remain substantially unchanged.

12 Application of methodology to specific activities

Development contributions are required both on a citywide basis and on a more localised catchment-by-catchment basis depending on the type of infrastructure and reserves, the type of development and the impact of development on infrastructure and reserves. Further details of the basis for the development contributions in this Policy are set out in Appendix B.

12.1 Citywide development contributions

12.1.1 Citywide fees are applied to:

- Network infrastructure – those systems characterised by interdependent components where development growth adversely impacts other areas of the network if action is not taken to mitigate those effects. The network infrastructure attracting citywide development contributions will comprise roads and the water supply, stormwater and wastewater reticulation networks.
- Reserves and community facilities that are destination amenities used by groups from across the city such as sports fields and the botanic gardens.

12.1.2 Increases in capacity resulting from growth are factored into the regular, ongoing renewal and upgrade work undertaken on these networks and reserves. Over a 10-year period these works typically comprise a variety of projects right across the city.

12.1.3 In estimating the cost proportion of additional growth-related capacity included in renewals and upgrades the Council has assumed that:

- Capacity increases are designed to reflect the overall level of growth in EHUs expected over the next 10 years;

APPENDIX 2

- Growth for capacity planning purposes is estimated after consideration of projections of population, households and employment prepared by Statistics New Zealand based on census data;
- Average cost is a reasonable proxy for the incremental cost of additional capacity. The cost of additional capacity for development growth installed during renewal projects is limited to the appropriate proportion of materials costs as all other costs are deemed to relate to the renewal of the asset.

Citywide water supply

- 12.1.4 The water supply reticulation system comprises a network of pipes and pumping stations supplying fresh water from 18 bulk water supply points around the city. Development growth reduces the level of service standards for water pressure for other households within the network although not necessarily for that new development. To maintain the level of service, additional capacity is continually built into the network either as specific upgrades or as part of the renewal programme.
- 12.1.5 Citywide water supply excludes the Northern Growth area (catchments I and J) as water is supplied directly from the bulk main and does not rely on the wider city network. The water supply distribution network in this area will be provided by developers at their cost as they develop through the area.

Citywide stormwater

- 12.1.6 Flooding has occurred in the past in the central city, Miramar, Karori, Island Bay/Berhampore, Kaiwharawhara and the Tawa basin. The lack of sufficient pipe capacity and the resulting need to implement flood protection works across the city is seen as one of the most significant impacts of continued development. Planned works are ongoing across the city as growth continues. The priorities for these works are determined after consideration of the impact of flooding, environmental risk, existing consent and potential growth.

Citywide wastewater

- 12.1.7 The wastewater reticulation system comprises a network of pipes and pumping stations clearing wastewater and sewage to the Moa Point, Western and Porirua treatment plants.
- 12.1.8 Development growth increases the volume of wastewater requiring additional capacity to be built into the network on an ongoing basis either as specific upgrades or as part of the renewal programme.

Citywide traffic and roading

- 12.1.9 The transport and roading network comprises the city's main arterial routes and secondary roads including related bridges, walls and embankments, footpaths, walkways and cycle ways, parking and public transport access and shelters.

APPENDIX 2

- 12.1.10 Development growth increases traffic volumes and congestion which adversely impact traffic flows, safety, and wear and tear on road surfaces. To maintain the level of service, additional works are required across the network on an ongoing basis. These works typically comprise many small projects right across the city over a 10-year period. Works are planned to approximately match expected growth to ensure cost effective use of the Council's resources and assets.

Citywide reserves and Community Infrastructure

- 12.1.11 Citywide reserves and community infrastructure comprise amenities such as the botanic gardens, cemeteries, sporting facilities, swimming pools and open space. They are destinations that provide active recreational facilities to the city community. Increased demand can come from anywhere within the city.
- 12.1.12 Growth impacts on these amenities in a number of ways including degradation in the quality of the amenity, overcrowding, changes in activities and usage by residents, etc. Capital works are continually required to upgrade these reserves to enable increased usage and to purchase new land and assets. Works are planned to cater for growth to ensure cost effective use of the Council's resources and assets.
- 12.1.13 Sports fields operate as a city-wide network. Because 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. It is appropriate to fund a portion of this additional infrastructure through a city-wide residential development contribution, as the 'growth population' will derive significant benefit from the increased capacity provided.
- 12.1.14 Capital expenditure 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. Council has determined that these projects should be partially funded from development contributions to reflect the growth in the number of deaths directly related to population growth, estimated at 9.6% of the total cost.
- 12.1.15 The growth components of capital expenditure on swimming pools (Keith Spry Pool and the Wellington Regional Aquatic Centre) have also been levied on a citywide basis, due to the network nature of this infrastructure.
- 12.1.16 Non residential developments shall not be subject to development contributions for Community Infrastructure.

12.2 Development contributions for specific catchment areas

- 12.2.1 In addition to citywide development contributions, capital works are required to mitigate the impacts of development growth in clearly defined catchments. Examples include:
- a new water reservoir designed to provide capacity for a development (i.e. an identifiable catchment of EHUs)

APPENDIX 2

- a new link road to provide a subdivision with access to main arterial roads
- development of local community infrastructure such as playgrounds and open space to service a new subdivision or to cater for additional growth in household units within existing suburbs or the inner city.

12.2.2 It is anticipated that specific catchments will be defined from time to time as specific local works are required to mitigate the impact of growth on the local community. There are specific catchments for water supply, wastewater, reserves and roads.

Specific catchments for roading and associated infrastructure

12.2.3 The future urban development of the land currently used for port and railyards will generate a substantial amount of new vehicle traffic onto an important gateway route into and out of the city as well as substantial increase in pedestrian numbers between the new development, public transport hubs and the rest of the central city. This will require improvements to be made to the road corridor and to key intersections to facilitate this growth and ensure that congestion is managed appropriately.

12.2.4 Therefore a sub-catchment has been defined based on the areas of future development which will generate the majority of the increased traffic and turning movements

12.2.5 Specific catchments for roading and associated infrastructure have also been defined in the Northern Growth area, the Johnsonville Town Centre and the Adelaide Road development. Further details are provided in Appendix B (B5.1)

Water supply catchments

12.2.6 There are 13 specific water supply catchments where water reservoirs and pumping station upgrades are required to provide for growth, either to provide the necessary water storage capacity based on projected population or to increase the level of service to enable further development.

APPENDIX 2

12.2.7 The water supply catchments comprise:

- **Roseneath**
- **Karori**
- **Brooklyn-Frobisher**
- **Kelburn**
- **Johnsonville-Onslow**
- **Ngaio**
- **Churton-Stebbing**
- **Grenada-Lincolnshire**
- **Newlands**
- **Melrose**
- **Central and Coastal**
- **Tawa**
- **Wadestown**

Wastewater catchments

12.2.8 Three wastewater catchments have been defined around the service areas of the three wastewater treatment plants:

- Moa Point
- Western (Karori)
- Porirua (Northern Suburbs).

12.2.9 The Clearwater treatment plants (Moa Point and Western) were built with the intention of providing significant capacity for growth over a long period of time, with Moa Point having the capacity to service twice the current population. Development contributions will be used to recover the costs of this additional capacity against new developments.

Reserves – inner city

12.2.10 The growth in residential apartments and other non residential buildings within the inner city area is increasing demand for additional local reserves. This requires the redevelopment of existing reserves to accommodate additional usage and the purchase of additional inner city land to create new reserves.

12.2.11 Therefore, an inner city catchment has been defined where the predominant users of these reserves are local inner city residents and, to a lesser extent, people working within the inner city.

Reserves – greenfield development

12.2.12 Any development falling within the definition of greenfield development is required to meet the Council's policy for playgrounds and reserves (in accordance with section B6.1 of this Policy). Generally, developers contribute appropriate areas of land and either develop the reserve themselves or the Council develops the reserve and charges a contribution per allotment.

APPENDIX 2

Reserves - other

- 12.2.13 Current reserve management policies indicate that other areas are adequately provided with local reserves and open space (except for citywide reserves). As further reserves management plans are developed, new local reserves may be required in established suburbs as a result of infill development growth.

12.3 Application of s101(3) of the Local Government Act 2002

- 12.3.1 The Council resolved, when it considered each of the above catchment and citywide categories, and determined the fees payable for each per EHU, that there are no categories of particular infrastructure or reserves where there is a demonstrable case supporting departing from the key funding principle that development contributions shall fund 100% of growth related capital expenditure.

APPENDIX 2

Appendix A - Tables 1 - 4

Table 1 - Capital expenditure from LTCCP

Summary of capex for infrastructure area	Total cost of capital works	Total growth component	Amount to be funded by development contributions	Amount to be funded from other sources
Water supply	\$175,224,105	\$29,340,715	\$29,340,715	\$0
Waste water	\$133,187,947	\$3,329,699	\$3,329,699	\$0
Storm water	\$85,818,904	\$2,145,473	\$2,145,473	\$0
Roading	\$282,990,071	\$34,285,213	\$29,052,417	\$5,232,797
Reserves	\$141,428,715	\$14,430,398	\$14,430,398	\$0
Community Infrastructure	\$72,200,015	\$14,404,795	\$14,404,795	\$0

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Table 2 - Capital expenditure prior to 1 July 2005

Activities	Total capital expenditure incurred prior to 1 July 2005 in anticipation of development to be funded by development contributions
Water supply	\$ 5,933,130
Wastewater	\$61,661,595
Stormwater	\$0
Roading	\$0
Reserves	\$0
Community Infrastructure	\$0

APPENDIX 2

Appendix A (continued)

Table 3 - Citywide development contributions

Citywide development contributions	\$ per EHU (ex GST)
Water supply	\$319
Stormwater *	\$141
Wastewater	\$219
Traffic and roading	\$835
Reserves	\$989
Community infrastructure**	\$1,533
Total citywide development contributions for residential developments	\$4,036

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* The stormwater component is only applicable to the greatest number of EHUs on any floor in non-residential or multi-unit residential developments. For example, a three storey residential development with three two bedroom units on each floor would be liable for \$282 for stormwater.

** The fee components for community infrastructure and open spaces acquisition do not apply to non residential developments

APPENDIX 2

Table 4 - Specific catchment related development contributions

Wastewater development contributions	\$ per EHU ex GST)
Central (Moa Point) catchment	\$1,185
Western (Karori) catchment	\$2,440
Northern catchment ³	\$722
Water Supply Catchment Based Development Contributions	\$ per EHU (ex GST)
Roseneath	\$1,750
Karori	\$1,586
Beacon Hill	\$0
Brooklyn-Frobisher	\$1,158
Kelburn	\$1,542
Johnsonville-Onslow	\$1,049
Ngaio	\$1,533
Maldive	\$0
Churton-Stebbings	\$2,939
Grenada-Lincolnshire	\$4,082
Maupuia	\$0
Newlands	\$852
Melrose	\$1,693
Central & Coastal	\$806
Tawa	\$1,126
Wadestown	\$1,409
Roading and associated infrastructure development contributions	\$ per EHU (ex GST)
Churton – Stebbings	\$3,559
Grenada – Lincolnshire	\$1,528
Pipitea Precinct	\$1,396
Adelaide Road	\$909
Johnsonville Town Centre	\$1,788
Reserves development contributions	\$ per EHU (ex GST)
Inner city catchment - residential	\$1,988
Inner city catchment – non residential	\$249
Greenfield development	(to be calculated under B6.1 based on Council's policy for playgrounds and reserves)

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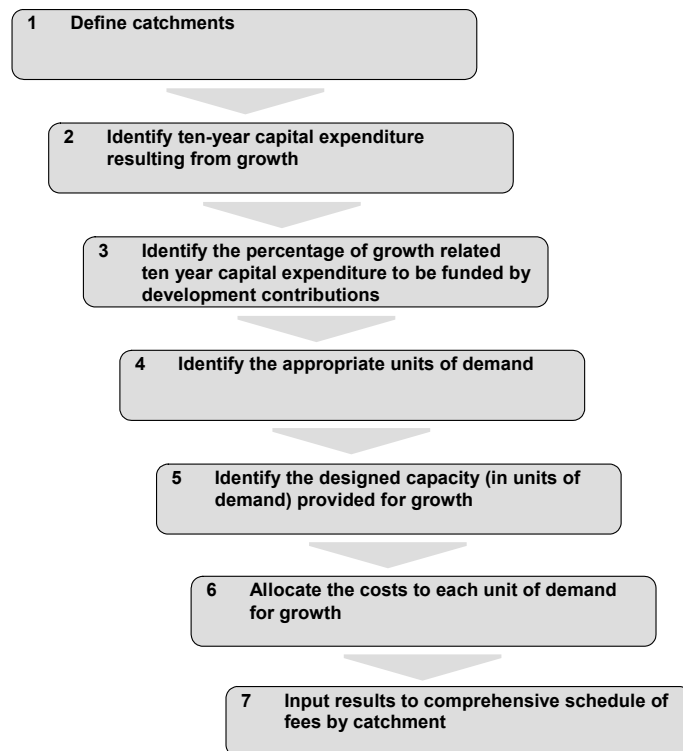
³ Assumes that additional capacity at the Porirua Treatment Plant can be purchased at a cost similar to the current cost.

Appendix B Methodology

B1 Calculation of development contribution levies based on the methodology

B1.1 Introduction

B1.1.1 This Policy sets out the methodology for calculating development contributions. In summary, the methodology comprises the following seven steps.



B1.1.2 The capital works expenditure and the basis of calculation of development contributions for each of the infrastructure areas is set out below for:

- (a) A citywide catchment for water supply, stormwater, waste water, roading, reserves and community infrastructure
- (b) Water supply catchments
- (c) Wastewater catchments
- (d) Roothing catchments
- (e) An inner city catchment for reserves

APPENDIX 2

(f) Community infrastructure.

B2.1 Citywide

B2.1.1 The capital works expenditure and the basis of calculation of development contributions for citywide water supply, stormwater, roading and community infrastructure is set out in the table below. It identifies the capital expenditure in the Council's 2009/19LTCCP, the proportion relating to growth less subsidies received from other parties to arrive at the total net contribution amount. This is divided by the estimated citywide growth in equivalent household units (EHUs) to determine the citywide development contribution payable.

Activity	Total planned capex	Gross contribution amount	Less subsidy receivable	Net contribution amount	EHUs	Citywide development contribution amount
Water supply	\$105,445,088	\$2,636,127	\$0	\$2,636,127	8,255	\$319
Storm water	\$85,818,904	\$2,145,473	\$0	\$2,145,473	15,236	\$141
Waste water	\$133,187,947	\$3,329,699	\$0	\$3,329,699	15,236	\$219
Traffic and roading	\$182,309,064	\$17,960,034	\$5,232,797	\$12,727,237	15,236	\$835
Reserves	\$123,569,437	\$8,839,336	\$0	\$8,839,336	15,093	\$581
Total citywide development contributions for non residential developments						\$2,062
Community infrastructure	\$87,331,461	\$12,909,658	\$0	\$12,909,658	9,121	\$1,533
Open space land acquisition	\$3,725,250	\$3,725,250	\$0	\$3,725,250	9121	\$408
Total citywide development contributions for residential developments						\$4,036
Total funding / expenditures	\$706,255,704	\$53,040,714	\$5,232,797	\$47,807,917		

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APPENDIX 2

City Wide Community Infrastructure capital expenditure

Summary of capex for City Wide Community Infrastructure	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contributions \$ per EHU
Swimming Pools	\$18,544,000	\$8,743,496	9,121	\$959
Sports Fields	\$9,000,000	\$4,050,000	7,231	\$560
Cemeteries	\$1,160,000	\$105,560	7,231	\$ 15
Total City Wide Community Infrastructure	\$28,704,000	\$12,899,056	23,582	\$1,533

B3.1 Water supply

B3.1.1 The following table sets out the water supply catchments where capital works incorporate additional capacity to allow for growth. Development contributions recover the cost of having provided that additional capacity for growth. The calculation is based on the capital expenditure relating only to the additional capacity for growth divided by the estimated EHUs available for growth.

Water reservoirs and pumping station upgrades and renewals CX127 and CX336

Water Supply	Completed prior to 2003/04	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contributions per EHU	
Roseneath	\$613,130	\$3,483,130	\$636,707	364	\$1,750	
Karori	\$2,620,000	\$6,620,000	\$855,085	539	\$1,586	Deleted: 8,620,000
Beacon Hill	\$580,000	\$580,000	\$0	0	\$0	Deleted: 50,431
Brooklyn-Frobisher	\$2,120,000	\$3,320,000	\$706,506	610	\$1,158	Deleted: 32
Kelburn		\$2,976,046	\$100,434	83	\$1,210	Deleted: 32,385
Johnsonville-Onslow		\$2,267,492	\$919,593	877	\$1,049	Deleted: 21
Ngaio		\$13,135,000	\$1,390,000	1,358	\$1,024	Deleted: 1,542
Maldive		\$2,000,000	\$0	0	\$0	Deleted: 6,373,492
Churton-Stebbing		\$4,643,387	\$4,643,387	1,580	\$2,939	Deleted: 1,127,920
Grenada-Lincolnshire		\$6,489,845	\$6,489,845	1,590	\$4,082	Deleted: 1,075
						Deleted: 3,049,696
						Deleted: 1,990
						Deleted: 1,533
						Deleted: 1,749,025

APPENDIX 2

Maupuia		\$100,988	\$0	0	\$0	
Newlands		\$590,000	\$92,920	109	\$852	Deleted: 614,845
Melrose		\$2,000,000	\$118,535	70	\$1,693	Deleted: 722
Central&Coastal		\$10,650,000	\$9,270,985	11,509	\$806	Deleted: 15,500,000
Tawa		\$3,800,000	\$1,218,284	1,082	\$1,126	Deleted: 12,992,478
Wadestown		\$1,190,000	\$262,307	186	\$1,409	Deleted: 16,129
Total	\$5,933,130	\$63,845,888	\$26,704,588	19,957		Deleted: 491,892
						Deleted: 349
						Deleted: 71,907,525
						Deleted: 32,172,911
						Deleted: 25,614

B4.1 Wastewater

B4.1.1 Wellington City utilises three treatment plants. Each plant was built with additional capacity to provide for significant growth. Development contributions recover part of the cost of having provided that additional capacity for growth. The cost per EHU is calculated as follows:

Catchment	Cost ⁴	Designed population capacity	Designed capacity in EHUs	Cost per EHU
Central (Moa Point)	\$136,700,000	300,000	115,385	\$1,185
Western (Karori)	\$12,200,000	13,000	5,000	\$2,440
Northern (Porirua)	\$6,850,000	24,660	9,485	\$722

B5.1 Rooding and associated infrastructure

B5.1.1 Three traffic and roading catchments are identified for new roads. Two come as part of the Northern Growth Management Plan. The third recognises the response to growth around the port and rail yards land at the northern gateway to the city.

This capital expenditure is included in capital projects CX311 and CX493 respectively as budgeted in the Council's LTCCP and related amendments. The calculation of development contributions in the following table identifies the proportion of the capital expenditure relating to growth divided by the estimated growth in EHUs

⁴ The Clearwater (Moa Point and Western) Treatment Plants were built with additional capacity in anticipation of growth. The cost of the additional capacity is the amount that will incur development contributions.

The Council's share of the Porirua Treatment Plant is nearing capacity as a result of growth although the plant has spare capacity available. The Council is negotiating purchase of additional capacity for growth and the cost of this will be included in the LTCCP when agreement is reached with Porirua City Council.

APPENDIX 2

Churton-Stebbing's Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development contribution per EHU
Cortina to Ohariu	\$400,000	\$164,000	1,360	\$121
Westchester to Glenside	\$8,500,000	\$3,485,000	1,360	\$2,563
Ohariu to Westchester	\$2,905,000	\$1,191,050	1,360	\$876
Total	\$11,805,000	\$4,840,050	1,360	\$3,559

Grenada-Lincolnshire Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Mark Ave Extension	\$1,500,000	\$1,065,000	2,489	\$428
Mark Ave to Grenada North	\$2,600,000	\$1,846,000	2,489	\$742
Mark Ave to Lincolnshire	\$9,400,000	-	2,489	-
Grenada to Gracefield	\$50,000,000	-	2,489	-
Woodridge to Lincolnshire	\$1,255,000	\$891,050	2,489	\$358
Total	\$64,755,000	\$3,802,050	2,489	\$1,528

Pipitea Precinct Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Pipitea Precinct	\$12,347,806	\$5,370,000	3,846	\$1,396

Deleted: 12,355,642

B5.1.2 Two catchments are identified for centre-based developments. Both the Adelaide Road and Johnsonville Town Centre developments have significant growth components.

Adelaide Road: While many of the key outcomes for Adelaide Road are locally 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 Council has determined 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. 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 citywide basis is consistent with the approach to other similar roading projects.

APPENDIX 2

Adelaide Road Project	Planned capital expenditure	NZTA Subsidy	Proportion relating to catchment	Proportion relating to growth	Growth EHUs	Development contribution per EHU
Adelaide Road Catchment	\$6,813,000	\$1,703,300	\$2,554,850	\$1,073,037	600	\$1,788

Johnsonville Town Centre: Council has determined that development contributions for the Johnsonville Town Centre development should be 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.

Johnsonville Town Centre Plan	Planned capital expenditure	NZTA Subsidy	Proportion relating to growth	Growth EHUs	Development contribution per EHU
Johnsonville Town Centre Catchment	\$4,960,000	\$2,480,000	\$1,240,000	\$1364	\$909

B6.1 Reserves

Inner city reserves catchment

B6.1.1 Inner city reserves are used predominantly by both local inner city residents and those people who work within the city. They are also used on a less frequent basis by all residents and by visitors to the city. To fairly reflect the potential usage of inner city reserves by the residents and workers, development contributions for residential and non residential developments are weighted resulting in different development contributions for each. The calculation of the development contribution for inner city reserves is set out as follows:

- (a) Determine inner city catchment comprising Lambton and Te Aro census area units.

APPENDIX 2

- (b) Determine capital expenditure for inner city reserves as follows:

CX033, CX131 and CX409

Residential	Planned capital expenditure	Residential share @ 44.77%	Residential EHUs	Development contribution per EHU
Waitangi Park	\$5,225,000	\$2,339,233	3,183	\$735
Three Parks in Three Years initiative	\$3,442,028	\$1,540,996	3,183	\$484
Other inner city parks	\$5,467,000	\$2,447,576	3,183	\$769
Total	\$14,134,028	\$6,327,804		\$1,988

Non residential	Planned capital expenditure	Non-residential share @ 55.23%	Non residential EHUs	Development contribution per EHU
Waitangi Park	\$5,225,000	\$2,885,768	31,406	\$92
Three Parks in Three Years initiative	\$3,442,028	\$1,901,032	31,406	\$61
Other inner city parks	\$5,467,000	\$3,019,424	31,406	\$96
Total	\$14,134,028	\$7,806,224		\$249

- (c) Reserves are assumed to benefit both existing residents and newcomers equally. Therefore, the cost is divided by existing and projected EHUs over a 10-year period. Total projected EHUs are estimated to be:

- residential EHUs	3,183	
- non residential EHUs	31,406	
	<u>34,589</u>	EHUs

- (d) Residents are considered to have eight hours per day of potential use (100 percent) whereas workers have one hour per day (12.5%). Potential usage by others (residents living outside the central city and visitors) is not considered significant.

- (e) Allocating costs results in the following contributions:

Residential = projected capital cost divided by projected residential units weighted by number of projected residential EHUs to total EHUs
 = \$14,134,028 x 44.77% / 3,183 or \$1,988 per residential EHU

APPENDIX 2

Non residential = projected capital cost divided by projected non-residential units weighted by number of projected non residential EHUs to total EHUs
= \$14,134,028 x 55.23% / 31,406 or \$187 per non-residential EHU

Greenfield reserves

- B6.1.2 'Greenfield developments' are those that create new residential or rural residential areas as opposed to infill type subdivision where sections within established urban areas are subdivided. New households in greenfield developments have both citywide and local purpose reserve needs.
- B6.1.3 The local purpose contribution comprises local and community parks is calculated on a case by case basis as follows:
- The land is given in lieu of contributions at an agreed valuation
 - The costs of land development are paid as development contributions to the Council by the developer.
- B6.1.4 This provides a method for defining a minimum standard for a new community or local park which addresses both the quality of the undeveloped land and the quality of facilities to be provided in the park for recreational use. It allows a dollar figure, per allotment in a subdivision, to be calculated to fund both the acquisition of the land and its physical development. Actual costs will vary according to the size of the specific park.
- B6.1.5 In reaching agreements with developers, the Council will require that, in any case where the Council intends to develop infrastructure on reserve land, the capital expenditure costs involved are covered by development contributions in monetary form, rather than by vested land of greater value than required.

Open space land acquisition

- B6.1.6 Residential growth impacts the city's needs for open space 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 open space by the 'growth population'.
- B6.1.7 Allocating capital expenditure for open space land acquisition currently identified as necessary for growth 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 asset and should therefore be funded through a city-wide residential development contribution.

B7.1 Community infrastructure – Catchment based

Much community infrastructure is predominantly used by residents of the local area, but people resident in other areas of the city may also use the facilities, depending on the type of facility. Some local purpose community infrastructure

APPENDIX 2

can also be used on a less frequent basis by all residents and by visitors to the city. A ratio is applied to fairly reflect the expected predominant usage under the following methodology:

- (a) Determine the expected area of benefit. If the facility is intended to service a part of the city, define the catchment using the most suitable census area units.
- (b) Determine whether the potential for a local facility to be used by residents living outside the catchment area is likely to be significant. For example where the local facility is part of a network or hierarchy of facilities there is potential for it to accommodate citywide growth. An example of this is shown in B6.1 of this Policy (Reserves).
- (c) Determine the capital expenditure. Where capital expenditure is for increased levels of service, renewals and growth, only the growth component is eligible for funding by development contributions.
- (d) Apply the benefit ratio where expected growth related usage is a combination of local catchment zone and citywide.
- (e) The growth component is quantified by:
 - An increase in funding required to provide additional capacity in a planned facility upgrade, or
 - The proportional change in EHUs in a community or citywide.
- (f) Mixed benefit projects are assessed on the basis of data indicating where users are domiciled.
- (g) Non residential developments shall not be subject to development contributions for Community Infrastructure.