
SECTION TWO: AMENDMENT TO THE WELLINGTON CITY COUNCIL'S DEVELOPMENT CONTRIBUTIONS POLICY

2.1 INTRODUCTION

The Council's Development Contributions Policy provides the Council with the means to fund investment in reserves and infrastructure required as a result of growth. The Council recognises that strong population growth has been experienced and is expected to continue. This growth impacts on public infrastructure and drives demand for increased capacity for network infrastructure (for example, water, wastewater, roading and stormwater services), community infrastructure (for example, libraries and swimming pools) and reserves.

The Development Contributions Policy was adopted by Council in 2005 and revised in 2006. It is Council policy that where the investment in meeting new demand can be quantified, it shall be funded by development contributions.

2.2 SCOPE OF AMENDMENTS

The following amendments to the Development Contributions Policy are effective from 1 July 2007. The amendments are shown in the schedule of amendments attached. The complete policy will be revised to incorporate these changes. The changes are summarised as follows:

- **Pipitea Catchment - new development contribution for roading.** The LTCCP makes provision to fund roading changes in the vicinity of Waterloo Quay and Aotea Quay. Developments in a new catchment zone (Zone T) will be levied to fund \$2.075 million of growth related work that the Council intends to undertake.
- **Map change - boundary of zones K and N.** The effect of this change is to correct an error in the current policy to include the Overseas Passenger Terminal in zone K instead of zone N. The effect of the change is that development contributions for inner city reserves will apply to that site i.e. \$2266 per residential EHU in addition to the citywide fee payable.
- **Community Infrastructure** – The amendment introduces a new development contribution for Community Infrastructure to fund approximately \$8.8 million of growth related investment in Aquatic Centres. This includes the Wellington Regional Aquatic Centre (\$5.4 million) and the Keith Spry Swimming Pool (\$3.4 million). The new Community Infrastructure development contribution of \$953 per EHU will apply on a citywide basis. Non residential developments shall not be subject to development contributions for Community Infrastructure.
- **Consequential changes arising from the amendment to the LTCCP to revise capital expenditure figures.** The Development Contributions payable under the existing policy have been calculated by reference to the growth related capital expenditure in the 2006/16 LTCCP. As part of this overall LTCCP

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amendment, forecast capital expenditure in the 2006/16 LTCCP will be amended. Some of these changes relate to projects for which Development Contributions are payable. Development Contributions payable under the policy, are amended to reflect those changes.

- **Minor/ editorial changes.**

2.3 EFFECT OF THE AMENDMENTS

The amendments will increase the overall development contribution fee payable per EHU across the City. The amount of the increase will depend on the location of the development. The new development contribution amounts are set out in the table at paragraph 2 of *note 3*.

2.4 COMMUNITY INFRASTRUCTURE - SWIMMING POOLS

The methodology for calculating development contributions involves defining catchment zones. The zones define the catchment that is served by a particular type of infrastructure. In some cases the catchment is citywide and in other cases the catchment shows the benefits are provided to a clearly defined local area, which is depicted in a map in the Policy.

The development contributions for Community Infrastructure have attributed the benefits of the investment in Aquatic Facilities as being city wide. The Council regards these facilities to be a network because they are used as destination amenities by people from across the city. The investment in the facilities is planned to promote and maintain optimal accessibility for all residents.

NOTE 3 AMENDMENTS TO THE DEVELOPMENT CONTRIBUTIONS POLICY

1. Paragraph 2.4.1 of the policy

Delete paragraph 2.4.1 and replace it with the following:

'The schedule of development contributions refers to areas A to T. These refer to geographically defined development contribution areas set out in Appendix A – Maps of development contributions catchment areas. Catchment T (Pipitea Precinct) is in addition to the relevant catchment Zones A to S.'

2. Section 2.4.2 of the policy – schedule of development contributions

Delete the schedule of development contributions and replace it with the following:

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Map Zone	Citywide \$ per EHU	Catchment Specific			Reserves excluding greenfield development* \$ per EHU
		Water Supply \$ per EHU	Waste Water \$ per EHU	Roading \$ per EHU	
A Roseneath	\$ 2,901	\$ 1,775	\$ 1,185	\$ -	\$ -
B Western Messines	\$ 2,901	\$ 961	\$ 2,440	\$ -	\$ -
C Grenada North HL	\$ 2,901	\$ 7,250	\$ 1,185	\$ -	\$ -
D Frobisher	\$ 2,901	\$ 1,904	\$ 1,185	\$ -	\$ -
E Kelburn	\$ 2,901	\$ 1,392	\$ 1,185	\$ -	\$ -
F Central Johnsonville West	\$ 2,901	\$ 850	\$ 1,185	\$ -	\$ -
G Ngaio West	\$ 2,901	\$ 3,907	\$ 1,185	\$ -	\$ -
H Onslow	\$ 2,901	\$ 677	\$ 1,185	\$ -	\$ -
I Churton-Stebbing	\$ 2,582	\$ 1,543	\$ 722	\$ 2,719	\$ -
J Northern Grenada- Lincolnshire	\$ 2,582	\$ 3,933	\$ 722	\$ 1,359	\$ -
K Inner City - Residential	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ 2,266
Inner City - Non Residential	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ 283
L Northern	\$ 2,901	\$ -	\$ 722	\$ -	\$ -
M Western	\$ 2,901	\$ -	\$ 2,440	\$ -	\$ -
N Central	\$ 2,901	\$ -	\$ 1,185	\$ -	\$ -
O Rural (Citywide roading and reserves only payable - unless practical to connect to water or wastewater.)	\$ 2,117	\$ -	\$ -	\$ -	\$ -
P Rossaveel	\$ 2,901	\$ 500	\$ 722	\$ -	\$ -
Q Central Messines	\$ 2,901	\$ 961	\$ 1,185	\$ -	\$ -
R Northern Johnsonville West Central Grenada-	\$ 2,901	\$ 850	\$ 722	\$ -	\$ -
S Lincolnshire	\$ 2,582	\$ 3,933	\$ 1,185	\$ 1,359	\$ -
T Pipitea Precinct				\$ 540	

Greenfield development

* See paragraph 12.2.9 and Appendix B6.1.2 – B6.1.7 for the development contribution for reserves for any greenfield development .As an indication, an average development contribution for Greenfield development reserve is \$7,510.

Note: Each EHU must pay the Citywide fee and the relevant catchment specific fees.

3. Maps of development contribution areas

- (a) New Map K (inner city).
- (b) New Map N (central).
- (c) New Map T (Pipitea Precinct).

4. Paragraph 8.2.6 (table)

Delete 'below' and include the words 'in 2.5.5'.

5. Paragraph 11.1.2 (table)

Make the following amendments to the table:

Step two: In the third bullet point, change the cross-reference from 3 to 9.

Step four: In the fourth bullet point, delete the words 'in the District Plan' and insert the words 'clause 5 'Definitions''.

6. Paragraphs 12.1.12 and 12.1.13 – citywide reserves

Delete the heading and paragraphs 12.1.12 and 12.1.13 and replace them with the following:

7. 'Citywide reserves and community infrastructure'

- 12.1.12 Citywide reserves and community infrastructure comprise amenities such as the botanic gardens, sporting facilities, swimming pools and open space. They are destination reserves and facilities that provide active recreational facilities to the city community. Increased demand can come from anywhere within the city.
- 12.1.13 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.'

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12.1.14 Non residential developments shall not be subject to development contributions for Community Infrastructure.

8. Paragraph 12.2 – development contributions for specific catchment areas

Paragraph 12.2.1 – third bullet point: After the words 'development of local' insert the words 'community infrastructure such as' so that the third bullet point reads as follows:

'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.'

Paragraph 12.2.2 - delete the sentence in paragraph 12.2.2 that reads 'Currently there are specific catchments for water supply, waste water and reserves.' and insert the words 'There are specific catchments for water supply, waste water, reserves, and roads.' so that the paragraph reads as follows:

'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, roads and community infrastructure.'

9. Pipitea Precinct roading improvements catchment

Insert the following paragraphs into section 12.2 of the policy after paragraph 12.2.10 to provide for the Pipitea Precinct roading catchment:

10. 'Pipitea Precinct Roading Improvements Catchment'

12.2.11 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.

12.2.12 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.'

11. *Appendix A – Tables 1, 3 and 4*

In order to give effect to the introduction of community infrastructure and the amendments to the capital expenditure figures in the LTCCP, make the following amendments to Tables 1, 3 and 4

(a) ***Table 1 – Capital expenditure from the LTCCP***

Delete existing Table 1 and replace it with the following:

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	\$118,812,126	\$14,104,023	\$14,104,023	\$0
Waste water	\$98,326,824	\$2,458,171	\$2,458,171	\$0
Storm water	\$72,295,229	\$1,807,381	\$1,807,381	\$0
Roading	\$154,082,545	\$22,183,709	\$15,741,131	\$6,442,578
Reserves	\$85,129,954	\$6,214,214	\$6,214,214	\$0
Community Infrastructure	\$18,544,000	\$8,743,793	\$8,743,793	\$0

Table 3 – Citywide development contributions

Delete existing Table 3 and replace it with the following:

Citywide development contributions	\$ per EHU (ex GST)
Water supply	\$319
Stormwater	\$197
Wastewater	\$268
Traffic and roading	\$718
Reserves	\$446
Community Infrastructure	\$953
Total citywide development contributions	\$2,901

(b) Table 4 – Specific catchment related development contributions

Delete existing Table 4 and replace with the following:

Wastewater Development Contributions	\$ per EHU (ex GST)
Central (Moa Point)	\$ 1,185
Western (Karori)	\$ 2,440
Northern (Porirua)	\$ 722

Water Supply Catchment Based Development Contributions	\$ per EHU (ex GST)
Happy Valley and Frobisher catchment	\$1,904
Kelburn catchment	\$1,392
Grenada North High Level catchment	\$7,250
Onslow catchment	\$677
Roseneath catchment	\$1,775
Messines catchment	\$961
Ngaio West catchment	\$3,907
Johnsonville West catchment	\$850
Churton – Stebbings	\$1,543
Grenada – Lincolnshire	\$3,933
Rossaveel Heights	\$500

Roading Development Contributions	\$ per EHU (ex GST)
Churton-Stebbing Catchment	\$ 2,719
Grenada-Lincolnshire Catchment	\$ 1,359
Pipitea Precinct	\$ 540

Reserves Development Contributions	\$ per EHU (ex GST)
Inner City Catchment - Residential	\$ 2,266
Inner City Catchment - Non Residential	\$ 283

Greenfield development

**\$7,510 estimated
(to be calculated under B6.1.2 - B6.1.7 based on
Council's policy for playgrounds and reserves)**

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12. *Appendix B - Methodology*

Paragraph B1.1.2: Add a new paragraph (f) so that paragraph B1.1.2 reads as follows:

- (a) A citywide catchment for water supply, stormwater and roading
- (b) Water supply catchments
- (c) Wastewater catchments
- (d) Roading catchments
- (e) An inner city catchment for reserves
- (f) Community infrastructure.

13. *Paragraph B2.1 - citywide*

In order to amend the table in paragraph B2.1.1 to reflect the amended capital expenditure figures and the addition of community infrastructure, delete the current table and replace it with the following:

Activity	Total planned capex	Gross contribution amount	Less subsidy receivable	Net contribution amount	EHUs	Citywide development contribution amount
Water supply	\$87,944,385	\$2,198,610	\$0	\$2,198,610	6,885	\$319
Storm water	\$72,295,229	\$1,807,381	\$0	\$1,807,381	9,175	\$197
Waste water	\$98,326,824	\$2,458,171	\$0	\$2,458,171	9,175	\$268
Traffic and roading	\$130,281,466	\$13,028,147	\$6,442,578	\$6,585,569	9,175	\$718
Reserves	\$69,019,736	\$4,087,528	\$0	\$4,087,528	9,175	\$446
Community infrastructure	\$12,544,000	\$8,744,000	\$0	\$8,744,000	9,175	\$953
Total	470,411,640	32,323,837	\$6,442,578	25,881,259		2,901

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14. Paragraph B3.1 – water supply

In order to amend the table in paragraph B3.1.1 to reflect the amended capital expenditure figures delete the current table and replace it with the following:

	Completed prior to 2003/04	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development contributions per EHU
Happy Valley and Frobisher	\$613,130		\$60,928	32	\$1,904
Kelburn	\$2,620,000		\$199,056	143	\$1,392
Grenada North high level	\$580,000		\$152,250	21	\$7,250
Onslow	\$2,120,000		\$139,462	206	\$677
Roseneath		\$2,276,046	\$131,350	74	\$1,775
Messines Road		\$4,373,492	\$465,124	484	\$961
Ngaio West		\$8,335,000	\$2,344,200	600	\$3,907
Johnsonville West		\$1,600,000	\$299,200	352	\$850
Churton-Stebbing		\$1,759,241	\$1,759,241	1,140	\$1,543
Grenada-Lincolnshire		\$6,490,000	\$6,254,000	1,590	\$3,933
Rossaveel Heights		\$100,988	\$100,988	202	\$500
Total	\$5,933,130	\$24,934,767	\$11,905,799		

15. Paragraph B5.1 – roading

Delete paragraph B5.1.1 and replace it with the following:

'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.'

In order to amend the table in paragraph B5.1.1 to reflect the amended capital expenditure figures and include the Pipitea Precinct catchment delete the current table and replace it with the following:

Churton-Stebbing 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	\$ 5,883,079	\$ 2,412,062	1,360	\$ 1,774
Ohariu to Westchester	\$ 2,735,000	\$ 1,121,350	1,360	\$ 825
Total	\$ 9,018,079	\$ 3,697,412	1,360	\$ 2,719

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Grenada-Lincolnshire Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Mark Ave Extension	\$ 1,000,000	\$ 710,000	2,489	\$ 285
Mark Ave to Grenada North	\$ 2,510,000	\$ 1,782,100	2,489	\$ 716
Woodridge to Lincolnshire	\$ 1,255,000	\$ 891,050	2,489	\$ 358
Total	\$ 4,765,000	\$ 3,383,150	2,489	\$ 1,359

Pipitea Precinct Catchment	Planned capital expenditure	Proportion relating to growth	Growth EHUs	Development Contribution per EHU
Pipitea Precinct Catchment	\$ 10,018,000	\$ 2,075,000	3,845	\$ 540

16. B6.1 – Reserves

In order to amend the capital expenditure figures for the inner city reserves catchment to take into account the amendments to the capital expenditure figures in the LTCCP delete the table in paragraph B6.1.1 and replace it with the following:

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	\$ 7,443,190	\$ 3,332,316	3,183	\$ 1,047
Total	\$ 16,110,218	\$ 7,212,545	3,183	\$ 2,266

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	\$ 7,443,190	\$ 4,110,874	31,406	\$ 131
Total	\$ 16,110,218	\$ 8,897,673	31,406	\$ 283

Amend paragraph (e) of the calculation for residential and non-residential reserves contribution to take into account the changed figures for capital expenditure as follows:

'Residential = \$16,110,218 x 44.77% / 3,183 or \$2,266 per residential EHU

Non-residential = \$16,110,218 x 55.23% / 31,406 or \$283 per non-residential EHU'

17. Community infrastructure – catchment based

Add the following new section B7.1 to the methodology section of the policy to record the methodology used to introduce community infrastructure to the policy:

'B7.1 Community infrastructure – Catchment based

B7.1.1 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 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.

