

# Development Contributions Policy 2013

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## Development Contributions Policy 2013

### Part 1: Introduction

The 2013 Development Contributions Policy (DCP) was prepared in conjunction with the Christchurch City Council's Three-year Plan. This policy applies within the territorial boundaries of Christchurch City Council (Council), including Christchurch City and Banks Peninsula.

#### 1.1 Background

Christchurch district has experienced, and will continue to experience, significant growth pressures. The planned Urban Development Strategy (UDS) growth is evident on the northern and south-western periphery of Christchurch city, and in the small residential and rural-residential settlements of Banks Peninsula. Following the earthquakes of 2010 and 2011, 'additional' growth in the district now comes in the form of further new subdivisions being created. This 'additional' growth is being driven mainly by both the building of new housing for those displaced from the residential red-zones as well as demand from new residents in Christchurch for the rebuild. On top of this, the Christchurch Central Recovery Plan reaffirms the substantial new residential development (up to 25,000 people) within the area of the four avenues. This development-related growth places a strain on existing reserves, network infrastructure and community infrastructure and raises legitimate questions about how the Council should fund such new infrastructure.

To help fund community facilities, the Local Government Act 2002 (LGA) allows a council to require development contributions if the effect of a development or developments requires the council to provide new or upgraded infrastructure. A development contribution is a contribution from developers of cash, or in some cases land, to fund the additional demand for reserves, network

infrastructure and community infrastructure created as a result of growth.<sup>1</sup>

The Council has historically required those whose developments place demands on infrastructure due to growth to make a fair and reasonable contribution toward the provision of those infrastructure services.<sup>2</sup> The Council is required to use development contributions only for the activity for which they are collected. In calculating development contributions, the Council also includes capital expenditure that has already been incurred by the Council in anticipation of developments that accommodate growth.

Development contributions will be charged in relation to the following fifteen activities to meet the growth component of the Council's capital programme over the nine years to 30 June 22:

#### Reserves

- Regional parks
- Garden and heritage parks
- Sports parks
- Neighbourhood parks

#### Network infrastructure

- Water supply
- Wastewater collection
- Wastewater, treatment and disposal
- Stormwater and flood protection
- Road network
- Active travel
- Parking
- Public transport infrastructure

#### Community infrastructure

- Leisure facilities
- Libraries
- Cemeteries.

In this DCP there are no development contribution charges for parking, leisure facilities and libraries as there is no growth-related capital infrastructure for these activities. However, the Council reserves the right to charge development contributions for these activities in the future if growth-related capital expenditure is required.

#### 1.2 The Development Contributions Policy and the earthquakes

The Development Contributions Policy (DCP) is an important tool in allowing the city of Christchurch and the wider environs within the district to grow effectively and efficiently. Growth can only be accommodated when infrastructure is provided to the right standards, in the right place and at the right time. The infrastructure also needs to be at the right level and it is only fair and reasonable that those who require the infrastructure make a contribution towards these substantial costs. The Council has worked hard to ensure that the development contributions charges are at the right level so that the policy does not act in such a way that development is deterred. However, this must be balanced against the need to ensure that additional costs are not borne unfairly by the current rate-paying community, many of whom have already contributed their fair share to growth in the past.

<sup>1</sup> This includes developments that create additional lots (other than the unit and strata titling of existing development), additional residential units, additional or changed non-residential ratepayer development, additional accommodation and additional community services development (such as sporting, educational, religious and charitable activities).

<sup>2</sup> Funding for reserves, network infrastructure and community infrastructure may also come from other sources such as third-party funding (i.e. New Zealand Transport Agency (NZTA), and rates, which recognises that growth in the district is not the sole driver for infrastructure.

## Development Contributions Policy 2013

### Part 1: Introduction

This DCP has the development context brought about by the earthquakes very much in mind. The Council is extremely constrained in terms of its ability to fund the infrastructure required for growth. The Council already has significant calls on its funds to replace a substantial amount of earthquake-damaged community and network infrastructure. In addition it has a strong desire to open up new development sites to support those thousands of households displaced from the residential red zone and accommodate the workforce arriving for the rebuild. It needs to balance these competing demands to ensure that Christchurch is a great place to work, live, visit, invest and do business.

Significant efforts have been made to ensure that the growth costs attributable to activities have been appropriately reflected in this policy and the charges. The policy is consistent with the intent of the Christchurch Central Recovery Plan as well as other recovery and rebuild programmes across the city. The Council is also mindful of the need to ensure intergenerational equity. The burden of the growth development costs is thus spread across time (over which benefits from the initial capital expenditure will continue to flow) so as not to impose the full financial cost on the current growth community.

#### 1.3 Requirement for development contributions

The Council will require a development contribution, in accordance with Sections 197, 198(2) and 199 of the LGA where:

- a. a particular subdivision or development proposal generates a demand for reserves, network infrastructure or community infrastructure.

- b. the subdivision or development (either alone or in combination with another development) requires new or additional assets or assets of increased capacity (reserves or infrastructure) which causes the Council to incur capital expenditure.<sup>3</sup>
- c. this policy provides for the payment of a contribution in the circumstances of the development.

The Council's policy is that applications lodged and granted on or after 1 July 2004 (the date on which the Council's inaugural DCP came into force) will be subject to development contributions (see 3.7.1 for details on the applicable policy). For such developments, the Council will require that a development contribution be paid under Section 198(i) of the LGA when:

- Resource consent (including a certificate of compliance) is granted under the Resource Management Act 1991 (RMA) for a development; or
- Building consent (including a certificate of acceptance) is granted under the Building Act 2004 (BA) for building work; or
- Authorisation for a service connection is granted.

#### 1.4 Limitations to the application of development contributions

The Council will not require a development contribution to the extent that:

- it has, under Section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- where agreed with the Council, the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure;<sup>4</sup> or

- the Council has received, or will receive, full funding from a third party for those works.

Development that does not either in itself or in combination with other developments generate additional demand for community facilities will not be liable to pay a development contribution. An example of such development could include the unit or strata titling of an existing development. The rebuild of a residential home destroyed by earthquakes or fire is also likely to have a development credit on the land and as such, would not be liable for development contributions (see section 2.3).

#### 1.5 Relationship with financial contributions and works and services in the City Plan

This DCP is distinct from the City Plan provisions that allow the Council to require financial contributions under the RMA. Financial contributions are contributions that can be imposed under the RMA where provided for by the City Plan and as a condition of resource consent. The Council will continue to impose financial contributions in accordance with the City Plan (refer to Appendix 7, Section A7.2 of this policy).

Development contributions and the DCP are based on provisions within the LGA, not the RMA. The Council cannot collect development contributions and financial contributions in relation to the same development for the same purpose.

Development contributions for network and community infrastructure are for the acquisition, installation or improvement of assets over and above the works and services required in respect of a subdivision or development, and are usually located beyond the development boundaries.

<sup>3</sup> The level of costs allocated to growth for major projects, and a random sample of smaller projects, has been independently reviewed to ensure that cost allocations are robust and consistent across projects.

<sup>4</sup> Fund in this sense excludes the cost of community facilities funded by the developer in the short term, but recovered from the Council in the long term.

## Development Contributions Policy 2013

### Part 1: Introduction

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#### 1.6 Effective date of the 2013 policy

The inaugural version of the Council's DCP was adopted as part of the 2004-14 Long Term Council Community Plan, effective as of 1 July 2004. Subsequent DCPs were adopted as part of the 2006-16 Long Term Council Community Plan, effective as of 1 July 2006, as an amendment to the 2006-16 Long Term Council Community Plan, effective as of 1 July 2007 and to the 2009-19 Long Term Council Community Plan, effective as of 1 July 2009. This DCP, adopted as part of the Three-year Plan, is effective as of 1 July 2013.

#### 1.7 Changes from the 2009-19 DCP

The 2013 DCP builds on earlier DCPs. Substantive changes made to the 2009-19 DCP are:

- Direction on the basis for the valuation of reserve land that is to be vested.
- Establishment of an independent valuation panel in those rare cases where mediation of reserves land valuation is required.
- Clarification about the treatment of credits in the case of properties classified as residential red zone by CERA.
- Minor amendments to the boundaries for the 10 catchments for stormwater and flood protection.
- Addressing development contributions that arise in relation to temporary buildings.
- Clarification that interest and costs may be charged by the Council when a development contribution becomes a debt.
- Significant reconfiguration of the underlying capital programme resulting from the earthquakes.
- Significant revisions of the growth models resulting from the earthquakes.

#### 1.8 How to find your way around this policy

The Development Contributions Policy is in four parts:

- **Part 1: Introduction** - provides a brief background to this policy.
- **Part 2: Calculating development contributions** - sets out the seven steps to calculating the specific development contribution charge based on the location of the intended development.
- **Part 3: Additional information** - includes information on the development contribution payable, detail on development contributions for reserves, private development agreements, use of a memorandum of encumbrance, works and services fees, situations where development contributions are not payable, assessments and development contribution payment requirements.
- **Part 4: Appendices 1 to 8** - contains more detailed information on the basis for, and calculation of, development contributions:
  - Appendix 1: Basis for the Policy
  - Appendix 2: Planning for growth
  - Appendix 3: Capital expenditure in response to growth
  - Appendix 4: Methodology to establish non-residential HUE equivalences
  - Appendix 5: The LGA requirements and other considerations in the calculation of development contributions
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## Development Contributions Policy 2013

## Part 2: Calculating Development Contributions

## 2.1 Introduction

Under Section 199 of the LGA, development contributions can be sought where the effect of the development requires new assets or assets of increased capacity and the Council incurs capital expenditure for reserves, network infrastructure and community infrastructure to cater for the demand. This includes the cumulative effects that a development may have in combination with another development.

Development for the purposes of requiring development contribution is defined as follows:

- a. any subdivision, building, land use or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b. excluding the pipes, lines or lots of a network utility operator.

Examples include residential development, being the creation of additional lots and/or household units, and non-residential development, being the creation of additional lots and/or an increase in gross floor area (GFA), water usage, impervious surface area (ISA) and traffic movements (VPD), including through a change in land or building use.

The Council has affirmed that the calculation of the development contribution charge is designed to be a simple process, while also being fair and reasonable and compliant with the legislation.

Table 2.1 summarises the seven steps required to calculate the charge. Further detail is outlined in the following sections.

Table 2.1 Process for determining development contribution charge

|   |  |
|---|--|
| Step 1 – Determine the number of HUEs per activity                                      | Determine the number of HUEs applicable to the development (refer to Section 2.2).   |
| Step 2 – Determine HUE credits per activity   | Determine any credits applicable (refer to Section 2.3 and Table 2.6).   |
| Step 3 – Calculate the net increase in demand per activity arising from the development | Calculate the increase in HUEs (Step 1 minus Step 2) (refer to Section 2.4 and Appendix 4).  |
| Step 4 – Identify the development contribution catchment for each activity              | Check what (geographical) development contribution catchment the development lies within (refer to Section 2.5 and Appendix 6).  |
| Step 5 – Check schedule of development contribution charges                             | Refer to the schedule of development contributions (Table 2.7) and identify the development contributions payable per HUE for the catchment for each activity.             |
| Step 6 – Calculate the development contribution charge per activity                     | For each activity multiply the net increase in the number of HUEs (Step 3) by the charges payable (Step 5). Sum the results for each activity to achieve the total charge. |
| Step 7 – Calculate the total development contribution charge                            | Add GST of 15.0% (as at 1 July 2013).  |

## 2.2 Step 1 - Determining the number of HUEs per activity

Where development requires growth-related infrastructure,<sup>5</sup> the first step is to determine the Household Unit Equivalent (HUE) based on whether the development is residential or non-residential.<sup>6</sup>

## 2.2.1 - Residential development

For resource consent (subdivision) applications where the Council has determined that the likely development will be residential, it is assumed that every lot created will contain one household unit. A development contribution at the rate of 1 HUE per lot for each activity will therefore be assessed. A lot will be assessed as more than one household unit if it contains more than one kitchen (other than a kitchen in a family flat). In these cases, the lot will be assessed at a rate of 1 HUE per kitchen.

Where the development includes two or more additional residential units, a small residential unit adjustment will apply for residential units less than 100m<sup>2</sup> each (plus a 17.05m<sup>2</sup> parking allowance per unit). The adjustment reduces the HUE calculation on a sliding scale from 100% to 60% for residential units less than 100m<sup>2</sup> each. For example, if the average size of the units is 80m<sup>2</sup> the small residential unit adjustment reduces the HUE assessment to 0.8 HUEs per unit (80%).

Where two or more residential units are attached in a configuration that does not increase the impervious surface area (ISA) over the average HUE demand, then the charge will be the greater of 1 HUE or the actual demand on ISA determined by the area to be drained to the reticulated surface water network.

<sup>5</sup> Where the site being developed will not be within the areas of service for water supply, wastewater collection, treatment and disposal or stormwater and flood protection no HUE assessment will be made for those activities when the development is completed. If a development is also providing its own infrastructure, and as a result, places no demand on Council infrastructure, no HUE assessment may be made for that activity. If areas of service later expand and the site is able to use such services, it may attract a development contribution for those activities at that time.

<sup>6</sup> For resource consent (subdivision) applications, the Council will determine (based on zoning and site-specific factors) whether the likely development on the lot will be residential.

## Development Contributions Policy 2013

# Part 2: Calculating Development Contributions

If an existing residential unit has received a small residential unit adjustment and is later the subject of a consent application to enlarge the gross floor area (GFA), the Council will assess a development contribution. The Council will not assess a development contribution in respect of any other consent applications to replace or enlarge the GFA of an existing residential unit that has already been assessed at 1 HUE. (Note that replacement of an existing residential unit receives 1 HUE credit for each activity under Section 2.3.)

### 2.2.2 - Non-residential development

For resource consent (subdivision) applications where the Council determines that the likely development is non-residential, HUEs will be assessed for each activity at 1 HUE per additional lot. In these cases it should be noted that additional development contributions are likely to be required on subsequent resource consents and/or building consents.

For non-residential applications for resource consent (land use), building consent or for service connection, HUEs will be assessed for each activity either based on known demand or determined by zone and site-specific factors, including the gross floor area of the building. All non-residential development will be assessed accordingly for leisure facilities and libraries, for the following reasons:

- it improves equity between residential and non-residential activities;
- it recognises that some of the workforce associated with non-residential activities are not residents of Christchurch but benefit from the infrastructure; and
- both workforce and non-residential activities, in addition to the district’s residents, can be users of leisure facilities and libraries and can change the pattern of demand.

For retirement homes, the residential units will be assessed as per Section 2.2.1 (including any small-unit discount). Non-residential elements of a rest home, such

as a hospital, day care units or administration units will be assessed as non-residential.

All non-residential development will be assessed at zero HUEs for cemeteries.

Non-residential buildings that do not place additional demand on infrastructural services, will be assessed at zero HUEs for each activity.

For reserves a HUE assessment is only undertaken on an application for resource consent (subdivision). Demand is assessed at 1 HUE per additional lot.

#### 2.2.2.1 HUEs when non-residential demand is known

Where the Council is satisfied that demand for an activity is known, the HUE for each activity is calculated from the base units in the following Table 2.2.

Table 2.2. Base unit measures for assessment of non-residential development

| Activity                                      | Base unit measure              | Demand per HUE | Comments  |
|---|--------------------------------|----------------|---|
| Water supply                                  | Litres per day                 | 571            | Design demand from Infrastructure Design Standard |
| Wastewater collection, treatment and disposal | Litres per day                 | 456            | Design demand from Infrastructure Design Standard |
| Stormwater and flood protection               | Impervious area m <sup>2</sup> | 427            | Assessed average impervious area per household    |
| Transport-related                             | Vehicles per day               | 10             | Assessed as passenger car unit equivalents        |

#### 2.2.2.2 HUEs when non-residential demand is unknown

Where the Council is not satisfied that demand for an activity is known, the HUE for each activity is calculated from the following Table 2.3.

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## Part 2: Calculating Development Contributions

Table 2.3 Non-residential (Business) HUE equivalents by land use

| Land use classification           | Measure              | Reserves   | Water supply | Wastewater collection | Wastewater treatment and disposal | Stormwater & flood protection | Transport-related | Leisure facilities | Libraries | Cemeteries |
|-----------------------------------|----------------------|------------|--------------|-----------------------|-----------------------------------|-------------------------------|-------------------|--------------------|-----------|------------|
| Retirement villages (1)           | Per residential unit | 0.2500     | 0.5000       | 0.5000                | 0.5000                            |                               | 0.3000            | 0.5000             | 0.5000    | 1.000      |
| Commercial premises/offices       | m2 GFA               |            |              |                       |                                   |                               | 0.0043            |                    |           |            |
| All land uses                     | m2 ISA               |            |              |                       |                                   | 0.0038                        |                   |                    |           |            |
| All land uses                     | Lot                  | 1.0000 (2) |              |                       |                                   |                               |                   |                    |           |            |
| Business 1 – local shopping areas | m2 GFA               |            | 0.0034       | 0.0034                | 0.0039                            |                               | 0.0209            | 0.0023             | 0.0023    |            |
| Business 2 – large retail areas   | m2 GFA               |            | 0.0035       | 0.0035                | 0.0039                            |                               | 0.0320            | 0.0023             | 0.0023    |            |
| Business 3 – light industry       | m2 GFA               |            | 0.0036       | 0.0036                | 0.0041                            |                               | 0.0062            | 0.0023             | 0.0023    |            |
| Business 4 – industry             | m2 GFA               |            | 0.0036       | 0.0036                | 0.0041                            |                               | 0.0078            | 0.0023             | 0.0023    |            |
| Business 5 – general industrial   | m2 GFA               |            | 0.0036       | 0.0036                | 0.0040                            |                               | 0.0042            | 0.0023             | 0.0023    |            |
| Business 6 – rural industrial     | m2 GFA               |            | 0.0040       | 0.0040                | 0.0045                            |                               | 0.0021            | 0.0023             | 0.0023    |            |
| Business Retail Park              | m2 GFA               |            | 0.0035       | 0.0035                | 0.0039                            |                               | 0.0224            | 0.0023             | 0.0023    |            |
| Central City & Central City Edge  | m2 GFA               |            | 0.0035       | 0.0035                | 0.0040                            |                               | 0.0099            | 0.0023             | 0.0023    |            |
| Special Purpose (Airport)         | m2 GFA               |            | 0.0036       | 0.0036                | 0.0041                            |                               | Spec A            | 0.0023             | 0.0023    |            |
| Holiday home (residential)        | Per residential unit | 1.0000     | 1.0000       | 1.0000                | 1.0000                            | 1.0000                        | 1.0000            | 1.0000             | 1.0000    | 1.0000     |

## Notes:

1- This applies to residential units only. Non-residential elements such as hospitals, day care units or administration areas will be charged at business rates as applicable.

2 – Subdivision only

Spec A – Special assessment required

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# Part 2: Calculating Development Contributions

### 2.2.3 Extraordinary circumstances and special assessment

The Council may undertake a special assessment if a development has a significantly different impact than that envisaged in the above methodology. A special assessment will be undertaken in the following circumstances:

- For transport, where the type of development proposed is not adequately covered by the standard classes of land use (refer to Table 2.3) This would include, for example, applications such as education, wet industries, hospitals, medical centres, gymnasia, sports stadia, airports, courier depots and any other land uses for which an equivalent is not provided.
- Where the demand for an activity from the development is expected to be greater than double the value identified as average for that type or location of development (refer to Tables 2.2 and 2.3).

In other situations, a special assessment will be at the Council’s discretion.

For stormwater and flood protection development contributions, a special assessment may be warranted if a developer is undertaking all or some portion of Council’s intended capital works, at the developer’s cost, for growth-related stormwater mitigation facilities. The works will be required to meet Council standards, and must be designed and implemented in accordance with the relevant Integrated Catchment Management Plan or resource consent in effect. Land used for this purpose would not be considered as part of the reserve (neighbourhood parks) requirements for development contributions.

For all special assessments, the developer will be required to provide detailed calculations of their development’s present and future demand on community facilities. Using the base unit/HUE conversions, these will be converted to HUEs in the same manner as defined in Table 2.2 and charged accordingly on the net increase

in HUEs. This additional information could be requested or provided at the pre-application stage, or as part of a further information request under Section 92 of the Resource Management Act 1991 (RMA) or Sections 33 or 48 of the Building Act 2004 (BA).

### 2.2.4 Summary

The following table summarises the HUE assessment process.

Table 2.4 Summary of HUE assessments

| Activity                    | Subdivision                            | Other Development   |
|-----------------------------|--|---|
| Residential                 |  | 1 HUE per activity per additional household unit, including units in strata title type developments, subject to the small residential unit adjustment.  |
| Non-residential             | 1 HUE per activity per additional lot. | Standard table of HUEs per activity in units of 1m <sup>2</sup> GFA/ISA (Tables 2.2 and 2.3).   |
| Mixed                       |  | To be assessed as applicable based on the proportions of the type of development that are proposed.   |
| Extraordinary circumstances |  | At the discretion of, and on demand by, the Council. The developer is to provide detailed assessments of the development’s water supply, wastewater, stormwater and transport-related demands utilising the mechanism in Table 2.2. Using the standard base unit/HUE conversions, these estimates will then be converted into HUEs and charged accordingly. |

### 2.3 Step 2 - Determining HUE credits

Development contributions are only payable in respect of the additional demand on community facilities created by the development. Credits recognise that a development may replace an existing demand and thus place no (or limited) additional demand on the community facilities.

Credits towards the assessment of a development contribution for any activity will be calculated for the development in accordance with the principles in Table 2.5. Credits cannot be used to reduce the level of development contribution for any activity below zero.

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## Part 2: Calculating Development Contributions

Table 2.5 Principles for determining credits

| Residential  | Non-residential  |
|--|--|
| <ul style="list-style-type: none"> <li>Credits will be assessed for any application for consent or authorisation to replace an existing residential unit or to subdivide land containing an existing residential unit (including the unit and strata titling of existing development).</li> <li>The credit will be assessed on the basis of 1 HUE per activity per existing residential unit and/or lot, unless a memorandum of encumbrance or agreement exists on the title/s that recognises any credits or arrangements associated with amalgamation or amalgamation reversal.</li> <li>Where the average size of any existing residential units, where more than one on a lot, is less than 100m<sup>2</sup> each, the credit will be reduced by the small residential unit adjustment described in Section 2.2.1.</li> <li>For any undeveloped residential lot a credit of 1 HUE per lot per activity will apply.</li> </ul>  | <ul style="list-style-type: none"> <li>Credits will be assessed when an application is made for resource consent, building consent or authorisation for service connection in respect of non-residential development which will replace any existing non-residential development, or for subdivision of a site containing existing non-residential development.</li> <li>Credits will be assessed for each activity by applying the equivalences in Table 2.3 to the GFA/ISA of the existing development.</li> <li>Non-residential developments on undeveloped lots created after 1 July 2004, will receive a credit for the greater of 1 HUE per lot or the HUEs assessed at the time of subdivision (under the DCP 2006-07).</li> <li>For developments on undeveloped land created before 1 July 2004: <ul style="list-style-type: none"> <li>at the point of an application for resource consent (subdivision), the development will receive a credit of 1 HUE per activity;</li> <li>at the point of application for building consent, if the lot has been vacant and unused before 1 July 2004, the development will receive a credit per activity of the greater of 1 HUE or HUEs calculated as: <ul style="list-style-type: none"> <li>the average 2004 GFA or ISA ratio for the zone of the development (Table 2.6); multiplied by</li> <li>lot size multiplied by the non-residential land use equivalences for that zone (refer to Table 2.3 Land Use HUE Equivalents).</li> </ul> </li> </ul> <p>For example, an average 2004 GFA ratio of 31% in the Business 4 Zone x a 2,000m<sup>2</sup> lot x the 0.0078 Transport equivalence would result in a credit of 4.8 HUEs for transport.</p> <li>For any other application in respect of an undeveloped non-residential lot, a credit to the value of 1 HUE per activity will apply. No credit will be given for a utility site, stopped road or similar site.</li> </li></ul> |
| Both residential and non-residential   |  |
| <ul style="list-style-type: none"> <li>For any existing development demolished or destroyed by fire, earthquakes or some other cause after 30 June 2004, the above principles will only apply if the application to rebuild is received within 10 years from the date of demolition or destruction. In the case of red-zone residential properties, the above principles will apply within the 10 years from the date of the land being classified red zone by CERA. Where there is any doubt as to the date of demolition or destruction the date will be determined at the Council's discretion. If more than 10 years has passed, the lot will revert to an undeveloped lot and receive a credit of 1 HUE per lot. Any additional residential units or non-residential development above that demolished will be assessed for development contributions pursuant to this policy.</li> <li>The Council will assess credits available to existing developments on building consent application for demolition from 1 July 2007. Where demolition or destruction has occurred before this date, or if, for any reason, credits were not calculated before the demolition or destruction, the onus is on the developer to establish the land use and extent of development that has been demolished or destroyed. In the absence of such information a credit of 1 HUE per lot per activity will be applied.</li> <li>An undeveloped lot will be a vacant lot that has not had any development, as defined in this policy, for a period of at least 10 years before the application for resource or building consent or service connection.</li> <li>No transfer of credits between titles can occur, except where the titles relate to the same development site (e.g. new titles created on subdivision). Where a proposal to amalgamate existing titles will result in a lesser number of titles, credits will be held for the difference. These credits will be made available for any future development of the amalgamated titles, provided any such future development is carried out within 10 years of the date of issue of the amalgamated titles. Where an amalgamation occurs, a memorandum of agreement will be registered on the title/s associated with the amalgamation. Where an amalgamation is reversed, a memorandum of encumbrance will be registered on the title/s associated with the amalgamation reversal.</li> <li>An historical credit will not be given for a lot that is redeveloped if the original activity on the lot was non-residential and did not pay, or was unlikely to have paid, a contribution towards reserves and network and community infrastructure when originally developed, except at the Councils discretion.</li> <li>Lots that have been or are being used by a network utility operator for utility purposes will not be given any credit.</li> </ul> |  |

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Table 2.6 Average 2004 GFA/ISA ratio by zone

| Zone                             | GFA   | ISA |
|----------------------------------|-------|-----|
| Business 1                       | 37%   | 87% |
| Business 2                       | 44%   | 87% |
| Business 3                       | 43%   | 97% |
| Business 4                       | 31%   | 75% |
| Business 5                       | 24%   | 83% |
| Business 6                       | 7%    | 56% |
| Business Retail Park             | 39%   | 79% |
| Central City & Central City Edge | 1.14% | 97% |
| Other non-residential            | 30%   | 66% |

Residential lots within an area classified by CERA as residential red zone that are subsequently demolished will retain the assessed credit with the lot. No red zone credits can be transferred or sold but will remain with the land until they are used on that site or they expire.

### 2.4 Step 3 - Calculate net increase in HUEs (demand) from the development

The net increase in HUEs is calculated by subtracting Step 2 (credits) from Step 1 (HUEs). This represents the increased demand from a development (refer to Appendix 4 for more detail on HUEs).

### 2.5 Step 4 - Identify the development contribution catchment

Capital works projects are allocated to either district-wide or location-specific catchments, depending on the nature of the project and the community it is required to serve (see Appendix 3). The distribution of the catchments and the allocation of projects within the catchments has

been determined by differences in physical geography and topography across the district, the nature and level of service delivery associated with each activity and differences in the drivers and behaviours of those using the activities across the district.

The Council has adopted a single district-wide catchment for all activities with the exception of neighbourhood parks and stormwater and flood protection activities.

For neighbourhood parks the four catchments are based on the following boundaries:

- *Central city* - the area within the four avenues.
- *Inner city* - the medium density zoned areas (Living 2 and 3) surrounding the four avenues and around key activity areas.
- *Suburban* - the remaining urbanised part of the city (predominantly Living 1 zoned areas as well as much of the existing business zoned land).
- *Rural* - the remaining areas within the district boundaries (generally including the unserviced part of the district and Banks Peninsula).

Ten stormwater and flood protection catchments have been identified based on physical surface water hydrological boundaries (drainage basins) with catchment boundaries mapped to the closest meshblock boundary.<sup>7</sup> Minor changes have been made to the 2009-19 waterways and land drainage catchments to align these with other activity catchment areas.

The catchment maps for all fifteen activities on which development contributions are charged are contained in Appendix 6. Council Development Contribution Assessors are also able to help developers identify which activity catchments their development falls in.

### 2.6 Step 5 – Check schedule of development contributions for reserves, network and community infrastructure

Identify the charges per HUE payable within the relevant catchments (identified from Step 4) for each activity. Table 2.7 - Schedule of development contribution charges by catchment outlines these individual activity charges.

### 2.7 Step 6 – Calculate the development contributions for reserves and network and community infrastructure

For each activity, multiply the number of HUEs (as calculated at Step 3) by the charge payable for that activity for the relevant catchment (from Steps 4 and 5).

The total fixed development contribution charge per HUE for reserves is applied:

- on both residential and non-residential subdivision, being 1 HUE charge for every additional lot created.
- on residential building, being 1 HUE charge for every additional household unit created.

The charge will also be subject to the statutory maximums under Section 203(1) of the LGA. In this case, development contributions for reserves must not exceed the greater of:

- 7.5% of the value of the additional lots created by subdivision; and
- the value equivalent of 20m<sup>2</sup> of land for each additional household unit created by the development.

The HUE charge will be reduced for small household units as provided for in Section 2.2.1.

<sup>7</sup> Meshblocks are geographic boundaries defined by Statistics New Zealand and are used by the Council as the building block for the Council's Growth Model from which the Council develops its capital expenditure programme and development contributions charges (refer to Appendix 2).

## Development Contributions Policy 2013

# Part 2: Calculating Development Contributions

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### **2.8 Step 7 - Calculate total development contribution**

The total end-to-end process for assessment of development contributions is exclusive of GST. Development Contributions calculations are quoted exclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Act 1985. Once all the assessments are complete, GST will be added to the final invoice and charged in accordance with the Goods and Services Act 1985.

### **2.9 Schedule of development contribution charges**

Table 2.7 over page identifies the individual development contribution charges for each activity. The charge for neighbourhood parks and stormwater & flood protection is dependent on the location of the development. Council Development Contribution Assessors will be able to confirm the catchment for the development.

These development contribution charges will be updated annually (1 July) to account for any changes in construction and land costs (see section A 7.3). The payment of any development contribution is made in accordance with the schedule of development contribution charges (plus any inflation adjustments) that is applicable at the time of payment.

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Table 2.7 Schedule of development contributions by catchment (as at 1 July 2013)

| Activity                        | Catchment                         | Development contribution per HUE (excluding GST) | Development contribution per HUE (including GST) |             |
|---------------------------------|-----------------------------------|--|--|-------------|
| <b>Reserves</b>                 | Regional parks                    | District-wide                                    | \$2,220.80                                       | \$2,553.92  |
|                                 | Garden and heritage parks         | District-wide                                    | \$126.00   | \$144.90    |
|                                 | Sports parks                      | District-wide                                    | \$2,163.53                                       | \$2,488.06  |
|                                 | Neighbourhood parks               | Central city                                     | \$2,012.28                                       | \$2,314.12  |
|                                 |                                   | Inner city                                       | \$6,195.26                                       | \$7,124.55  |
|                                 |                                   | Suburban   | \$7,687.48                                       | \$8,840.60  |
|                                 |                                   | Rural  | \$1,244.40                                       | \$1,431.06  |
| <b>Network infrastructure</b>   | Water supply                      | District-wide                                    | \$2,470.54                                       | \$2,841.12  |
|                                 | Wastewater collection             | District-wide                                    | \$4,702.35                                       | \$5,407.70  |
|                                 | Wastewater treatment and disposal | District-wide                                    | \$2,477.13                                       | \$2,848.70  |
|                                 | Stormwater and flood protection   | Avon   | \$1,881.73                                       | \$2,163.99  |
|                                 |                                   | Heathcote  | \$9,043.34                                       | \$10,399.84 |
|                                 |                                   | Estuary  | \$4,700.65                                       | \$5,405.75  |
|                                 |                                   | Halswell   | \$1,192.09                                       | \$1,370.90  |
|                                 |                                   | Otukaikino                                       | \$1,192.09                                       | \$1,370.90  |
|                                 |                                   | Styx   | \$9,035.38                                       | \$10,390.69 |
|                                 |                                   | Akaroa   | \$1,192.09                                       | \$1,370.90  |
|                                 |                                   | Lyttelton  | \$1,192.09                                       | \$1,370.90  |
|                                 |                                   | Northern Bays                                    | \$1,192.09                                       | \$1,370.90  |
|                                 |                                   | Southern Bays                                    | \$1,192.09                                       | \$1,370.90  |
|                                 | Road network                      | District-wide                                    | \$1,979.04                                       | \$2,275.90  |
| Active travel                   | District-wide                     | \$701.00   | \$806.15   |             |
| <b>Community infrastructure</b> | Parking*                          | District-wide                                    | \$0.00   | \$0.00      |
|                                 | Public transport infrastructure   | District-wide                                    | \$90.58  | \$104.17    |
|                                 | Leisure facilities*               | District-wide                                    | \$0.00   | \$0.00      |
|                                 | Libraries*                        | District-wide                                    | \$0.00   | \$0.00      |
|                                 | Cemeteries                        | District-wide                                    | \$236.00   | \$271.40    |

## Note:

The schedule of development contribution charges will be adjusted annually (1 July) to account for any increase in construction cost inflation. The adjustments will be made using the BERL Local Government Inflation Indices (see section A7.3). The payment of any development contribution is made in accordance with the schedule of development contribution charges (plus any inflation adjustments) that is applicable at the time of payment.

\*There is no growth-related capital expenditure for parking, leisure facilities and libraries in this DCP. However, the Council reserves the right to charge development contributions for this activity in the future if growth-related capital expenditure is required.

## Development Contributions Policy 2013

# Part 3: Additional Information on Assessing the Development Contributions Payable

### 3.1 Development contributions for reserves

#### 3.1.1 Background

The basis for development contributions for reserves is the additional actual or potential demand anticipated for open space and recreational land, and associated facilities, as a result of subdivision and/or development. As the district grows, there is a continuing need for more land to satisfy open space and recreational needs, new areas of which will inevitably become more difficult and more expensive to acquire in appropriate locations as the urban areas become more intensively developed.

In addition to the immediate open space requirements for infill, brownfields or greenfields subdivisions, the future occupants of such developments will also place pressure on the Council's other open space and recreation resources. The Council must therefore, aim to ensure that it obtains sufficient development contributions to fund the acquisition and development of regional, garden and heritage, sports and neighbourhood parks to meet its required levels of service across the whole district.

To meet this full range of obligations, the Council will generally take development contributions towards providing reserves for open space and recreation in money, particularly for infill development. In setting out the plan for reserve acquisitions, the Council has adopted a fiscally neutral position with the development contribution charges required from developers meeting the cost for Council in providing the reserves. This is entirely consistent with the intention of the LGA in terms of community infrastructure provision. This position was also agreed as appropriate by the joint Council / development community working group in 2007 when the basis of reserves development contributions moved from a percentage – based to a cost-based approach.

The Council has also reaffirmed this fiscally neutral position in its DCP principles ensuring that the development contribution charges are a cost – recovery mechanism only. It is also a requirement under s. 203 of the LGA 2002 that the Council's development

contributions for reserves must not exceed the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

In some circumstances the Council may, at its sole discretion, consider taking land in lieu of, or in addition to, money where provision is practicable, particularly in larger 'greenfields' sites. The Council acknowledges that, in designing a subdivision, the developer has a very good understanding of the needs of the potential occupiers and has a financial stake in ensuring that the subdivision is attractive and satisfies those needs. The Council also has very clear expectations in its Public Open Spaces Strategy 2010-2040 about the levels of service that the community have agreed to in the provision of open spaces, particularly neighbourhood parks, sports parks and regional parks. The resource consent process provides an early opportunity for the Council to work with the developer as to how land for reserves should be acquired. The Council will make an early indication as to whether there is appropriate land within a subdivision plan that could be vested or whether cash development contributions will be payable.

In considering the potential for vesting of land for reserves, the Council's view is simple – there is a mutual benefit to acquire land for reserve purposes for both the developer and the Council. For the developer, the benefit is two fold. Instead of paying cash they are able to vest land to the Council for use as reserves. The benefit in terms of cash flow in this case is significant. In addition to the amenity value that open spaces create, the reserves also provide a premium on those properties that are adjacent to these areas which developers are freely able to obtain. The Council also benefits in this approach by being able to create open space areas in accordance with its levels of service requirements. It also does so without having to outlay large amounts of cash.

The following are some examples to provide a guide as to when the Council may accept land in lieu of money:

- A flat, usable area of land for a sports park, accessible with full road frontage and a size (at least 4 ha.) adequate to accommodate at least two sports fields, tree planting and other open space.
- A relatively flat area of land for a neighbourhood park, accessible to the user population and of a size (at least 2,000-3,000m<sup>2</sup>) adequate to accommodate children's play equipment, substantial tree plantings and open space.
- A linkage, or potential linkage, along or to significant natural features, or between other areas of public open space and community facilities (excludes linkages between roads).
- Land for the protection or enhancement of significant mature trees, significant areas of indigenous vegetation, indigenous wildlife habitat, margins of waterways or other significant natural features.
- Land for the protection or enhancement of historic or cultural features of significance to the population of the district.
- A usable area of open space for planting as visual relief from a built or highly developed environment.

To avoid doubt, the above examples do not in any way limit the Council's discretion on whether development contributions for reserves should be paid in the form of cash or land. In all respects, the Council will retain the right to decide on the appropriate level of money and/ or land contribution in accordance with this policy. In addition, where land is proposed to be vested, the Council retains the right to make decisions on the appropriateness of land needed for open space and recreation purposes. Land that is offered for vesting must be appropriate in terms of quality and size in accordance with the Council's Public Open Spaces Strategy 2010-2040 and Biodiversity Strategy 2008. Land that does not meet these requirements (such as road linkages or gully's) will not be considered for vesting and a cash contribution will continue to be sought.

## Development Contributions Policy 2013

# Part 3: Additional Information on Assessing the Development Contributions Payable

In summary, development contribution charges are a cost-recovery mechanism only and are set so as to be fiscally neutral. Where it is mutually beneficial to do so, the Council may accept the vesting of land for reserves. In line with the intent of the LGA, the vesting of reserve land reinforces this fiscally neutral position where neither party should be seen to be exploiting its position. To ensure transparency, consistency, fairness and equity in this approach, this DCP provides guidance on the treatment of additional reserve developments over and above any required by the Council and the valuation of reserve land to be vested.

### 3.1.2 Additional development of reserves over and above Council's requirements

As mentioned in the previous section, the Council accepts that there are benefits for the future occupants of subdivisions in having plenty of local open space and recreation areas. However, the Council is often asked to take over and maintain larger open space and recreation areas within a new subdivision that are required under the development contribution provisions. While the Council may be prepared to accept the vesting and future maintenance of such land where it is of benefit to all ratepayers, it will not accept, as a credit towards the development contribution required, land provided for open space and recreation where it is only or substantially for the sole benefit of the future occupants of the subdivision.

Likewise, the Council will not accept, as a credit towards the development contribution required, unnecessary levels of development on this land, such as the provision of entrance gateways and fountains, etc. If developers choose to provide such features for the benefit of the subdivision, its future occupants and its competitiveness within the market, it is appropriate that they do so at their own expense (including on-going maintenance requirements).

### 3.1.3 Land Valuation

Land valuation for the purpose of assessing a purchase price for land to be vested as reserves will be determined by the Council on the basis of the market value of the land at the time the consent is lodged. A request for a reserve land valuation will be made by the Council to an independent valuer within 20 working days from the date the resource consent is lodged with the Council. It will be based on the date of lodgement for the purposes of valuation. The cost of the valuation will be met by the developer. The Council is not required to provide an updated valuation before the issue of Section 224 (c) certificate.

In order for the reserve land to be valued in a fair and reasonable manner and for consistency and certainty in valuation, the following additional guidance is provided:

#### 3.1.3.1 Basis of land valuation

The valuation of reserve land for vesting must be carried out according to the following:

- a. where there are different density zonings within a subdivision or Outline Development Plan (ODP), the value will be based on the lowest density zoning.
- b. the value will include any rights and configuration given by the consents already granted.
- c. in line with valuation principles, the value will be based on the highest and best use for the particular parcel of land valued (based on the lowest density zoning).

#### 3.1.3.2 Treatment of betterment

Developers are often keen to have parks and reserves within their subdivisions, as it creates a better urban environment for the subdivision, and establishes a distinct marketing advantage. Reserves can also directly benefit the surrounding parcels of land that border onto a reserve, which have views of the reserve, by conferring a premium on that land.

In order to achieve the goal of fiscal neutrality for the provision of reserve land, the Council reserves the right to take into account any betterment component of the proposed reserve, in relation to the surrounding parcels of land within the total development. The betterment will only be calculated on the immediate surrounding parcels of land by way of increases to amenity or views, and will comprise the difference in market value of those parcels, compared to the market value if the reserve did not exist. It will not include any assessment of value for parcels of land that are not in the immediate area of the reserve.

The betterment assessment will be deducted from the valuation of the reserve land to determine the purchase price for Council.

The Council retains the right as to how betterment will be calculated and treated and developers should discuss this with the Council's Development Contribution Assessors.

#### 3.1.3.3 Resolution of valuation disputes

Where the developer cannot agree on the valuation of the land to be vested, the matter will

be referred to an independent valuation arbitrator engaged by both the Council and developer for resolution. The onus on the arbitrator will be to seek the correct valuation rather than to mediate a mid-point answer. The findings of the independent arbitrator as to the value of the land will be binding on both parties (i.e. the Council and the developer).

The cost of the arbitrator will be met equally by the developer and the Council.

If having received the final determination of the value of the land proposed to be vested, the Council determines that, at that price the land does not represent a prudent acquisition for the wider community and the Council's broader portfolio of open spaces, it may, at its sole discretion, choose to take the development contribution for reserves in money rather than in land.

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# Part 3: Additional Information on Assessing the Development Contributions Payable

### 3.1.3.4 Revaluation

If for any reason the development contribution is not paid within 12 months of assessment then a revised valuation will be required. This valuation will be paid for by developers.

### 3.1.4 Development contributions payable by private development on reserves

Where the Council permits private developments on reserves, such as clubrooms, these will be subject to development contributions as non-residential developments.<sup>8</sup>

## 3.2 Private development agreements

A private development agreement (PDA) is an agreement, between the developer and the Council governing the payment of development contributions, which can be used for special developments. It is not a case by case bargaining tool. Under a PDA, land or works may be provided instead of or in partial fulfilment of a development contribution of money, as assessed under this policy, for reserves, network infrastructure and community infrastructure. Alternatively land or works may be deferred, reallocated or used as compensation for additional demand placed on infrastructure resulting from development.

A PDA will be a contractual agreement in writing and will identify the terms of the agreement, the extent to which they depart from the standard process and assessment for development contributions and the reasons for entering into the agreement. The terms of a PDA may include the treatment of HUEs and/or the funding arrangements, statements regarding the impacts of the development on the Council's capital works programme and agreement on the timing of payments and other transactional matters.

A PDA cannot be entered into if the consent has already been granted. Where a PDA has been entered into, then it must be finalised before the Certificate of Title (section 224 (c) has been issued to the developer.

The Council may initiate or enter into a PDA with a developer before, or as part of, the consent application process for the development. Representatives of the developer, the Council and, if the Council considers it appropriate in relation to its decision-making obligations under the LGA, any other interested parties, will be consulted before the implementation of any PDA. The Council requires a minimum of two General Managers of the Council to approve the terms of the PDA.

PDAs may be pursued where the Council considers the best interests of the developer, the Council and the community will be met by using a PDA, rather than requiring the payment of a development contribution under the standard provisions of this policy. The following examples describe situations in which a PDA may be used:

1. Where additional reserve and/or network and community infrastructure requirements for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service. Where the cost of the works exceeds the total development contributions assessed and payable for that development, the Council may, at its discretion, reimburse the developer.
2. Where land offered by the developer is accepted by the Council as environmental compensation for development opportunities, generally in addition to, and not instead of, development contributions of cash and/or land for reserves. It is the Council's policy to apply the concept of 'environmental compensation' where land of high landscape or natural value is protected or made available for public use and/or

significant public benefit will be gained from hazard mitigation measures which would substantially enhance amenity values, e.g. planting and wetland protection.

3. Where a major infrastructure development project is being undertaken, e.g. some types of project carried out by Christchurch International Airport Limited or by the New Zealand Transport Agency (NZTA).

Subject to the approval of at least two general managers, the Council may also enter into other agreements with a developer for infrastructure provision, such as in the following situations. These will not necessarily lead to an adjustment of the development contributions payable:

4. Where the developer of a residential or non-residential subdivision applies a reserve development contribution of money and/or land for reserves to provide immediate landscaping and other amenities on a neighbouring or other local reserve outside the subdivision area from which it was derived.
5. Where the developer will meet the additional costs of providing above normal levels of service for reserves or infrastructure, provided the Council agrees to the above normal levels of service for that particular reserve or infrastructure.
6. Where reserves or network infrastructure are funded or supplied by a developer to meet levels of service and the infrastructure requirements of rezoning. Deferred reimbursement may be required if the current capital programme at the time of consent does not reflect the requirements of the rezoning.

<sup>8</sup> This includes developments undertaken by charitable trusts and non-profit organisations.

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# Part 3: Additional Information on Assessing the Development Contributions Payable

### 3.3 The use of a memorandum of encumbrance

#### 3.3.1 Situations where a memorandum of encumbrance could be used

The Council may choose to work with a developer through the use of a memorandum of encumbrance to carry forward the development contributions payable for a subdivision stage. This may be appropriate where, for example, no reserve land is required at an early stage, but there is land (and possibly improvements) identified in a later stage that the reserve development contributions can be credited against. The memorandum of encumbrance is secured against the balance of lot(s) at a specified later stage of development.

The memorandum of encumbrance effectively 'locks in' the reserve requirements and/or reserve improvements for an agreed monetary amount. This memorandum of encumbrance is then credited against the reserve development contributions at the time the subdivision consent is issued.

The memorandum of encumbrance may operate over multiple stages of the development or more than one resource consent application for the same developer on the same area of development. The memorandum of encumbrance must be finalised before the Section 224 (c) certificate is issued.

On the other hand, the Council may also choose to use a memorandum of encumbrance to secure any development contributions payable when standard payment terms are not achieved (refer to section 3.8).

The Council requires at least two general managers to approve the use of a memorandum of encumbrance.

The Council's preference is to use a memorandum of encumbrance where possible but a memorandum of agreement may be used where appropriate security is available.

#### 3.3.2 Bank Bonds as security

When the value of the development contribution is equal to, or exceeds \$1,000,000, the Council may require a Bank Bond as security for the development contributions payable. This would be in addition to a memorandum of encumbrance or PDA, where, for example, there is no reserve land or reserve improvements that the contributions can be credited against in the subdivision consent issued.

### 3.4 When the Council will not require a development contribution

#### 3.4.1 Development contributions payable by the Council

The Council is exempt from paying any assessed development contributions for each activity if the development itself is a capital expenditure project for which development contributions are required. This avoids the possibility of collecting development contributions on development to pay for the funding of development. The Council is otherwise required to pay development contributions on the same basis as other developers.

#### 3.4.2 Development contributions exemption for the Crown

Where the Crown is the landowner, it is exempt from paying development contributions by statute, but it is invited to pay development contributions as appropriate on any activities that consume infrastructural capacity. The invitation to pay will not be a condition of the issue of a property information memorandum (PIM) or consent, Section 224(c) certificate, code compliance certificate or service connection.

Not all government bodies can be defined as the "Crown", including entities such as District Health Boards and charter or integrated schools. Development undertaken by these bodies may require a development contribution. The Council's development contribution assessors

are able to advise on whether or not development contributions will be required of any organisation.

#### 3.4.3 Boundary adjustments

Where a resource consent (subdivision) is granted for a boundary adjustment and no additional lots are created, development contributions will not be assessed or payable on the resource consent.

### 3.5 Other charges

#### 3.5.1 Works and services

Nothing in this policy will prevent the Council from requiring, as a condition of resource consent, the provision of works and services usually, but not exclusively, internal to or adjacent to the boundaries of the development site required to service that development, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development, except where such works are provided for in the Three-year Plan.

The City Plan defines the nature and standard of the works and services that are to be provided (refer to Part 14: Subdivisions in Volume 3 of the Christchurch City Plan and Chapter 31: Subdivision in the former Banks Peninsula Proposed District Plan) and these works and services standards also apply to development fronting existing legal roads. These works and services are provided by the developer at their cost and, where the asset created is normally owned and maintained by the Council, transferred without charge into Council ownership.

Nothing in this policy will prevent the Council from requiring, at its request and cost, the provision of additional 'extra-over' works by the developer, such as installing a larger pipe and/or constructing a wider road through their development, in anticipation of future demand on those services beyond the boundaries of the development. Where additional extra-over works for a development are supplied by the developer that

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will benefit the current and future requirements of growth and/or levels of service, and where the cost of the extra-over part of the works exceeds the development contribution assessed and payable for that development, the Council may, at its discretion, reimburse the developer. The reimbursement will be via a contractual agreement entered into by both parties, being the developer and the Council. The payment terms of any monies will be negotiated in the terms of the contractual agreement.

### 3.5.2 Service connection

In addition to development contributions payable at the time of any applicable service connection, the Council may continue to collect service connection fees in accordance with current practice and the LGA for the following assets:

- Water supply connection.
- Wastewater connection.
- Surface water connection.
- Vehicle crossings.

### 3.5.3 Construction demand

The demand on infrastructure of any activity will be assessed based on the demand that will exist once the activity is established and operational, not on the demand during construction.

## 3.6 Postponement, review, remission, reduction and refund of development contributions

### 3.6.1 Postponement of development contributions

With the exception of temporary buildings (section 3.7.6), there are no specific situations where payment of a development contribution will be postponed. However, the Council may, at its discretion, enter into a memorandum of encumbrance or agreement to allow a mutually agreed delay in any development contribution payable under this policy (such as in the situations

outlined in 3.3.1). This decision to delay payment will only be made with the approval of at least two General Managers.

### 3.6.2 Review of development contributions

The Council does not consider it appropriate to provide any formal review process in the establishment of the development contributions payable. Sufficient opportunities exist for any developer to discuss all matters relating to this policy with Council staff, to outline any extraordinary circumstances and for matters to be brought before the Council for a decision (see Appendix 7 Section 7.1). Where appropriate, special assessments may be available for those developments that do not fit neatly within the land use categories in this policy. Council's development contribution assessors are available for further clarification and explanation on the process of development contributions, the amounts payable and the payment terms.

### 3.6.3 Remission and reduction of development contributions

This policy does not provide for any specified remissions or reductions to be applied for or granted, other than the credits (section 2.3) and the temporary building delayed payment or waiver provision (section 3.7.6) that are described elsewhere in the policy. The Council does not consider development contribution remissions to be an appropriate means of advancing strategic objectives unrelated to growth-related capital cost recovery (such as the retention of heritage buildings, encouraging development of the central city or the provision of social housing), for the following reasons:

- The introduction, and a large number or range, of remissions leads to less transparency and more complexity in the administration of development contributions. If the Council wishes to advance particular strategic objectives, it is considered more appropriate to do so outside of the DCP.
- It may be considered unfair that developers, rather

than the district as a whole, should pay to achieve such strategic objectives.

- The availability of relevant remissions is likely to be capitalised into and increase the land value of development sites. Remissions may not advantage the developers of developments that remissions seek to encourage.

The Council may consider introducing incentives-based policies where appropriate to advance strategic objectives. However, any such policy will sit outside this development contributions policy.

This DCP does provide for the Council, at its sole discretion, to consider and grant remissions and/or reductions in unique and compelling circumstances.

### 3.6.4 Refund of development contributions

The refund of cash and return of land will occur in accordance with Sections 209 and 210 of the LGA, in the following circumstances:

- If the development does not proceed.
- If a consent lapses or is surrendered.
- If the Council does not provide any reserves, network infrastructure or community infrastructure for which a development contribution was required.
- If the Council does not apply money within 20 years, or use land within 10 years, or any relevant agreed period, of that contribution being received for any specified reserve purpose.

For the avoidance of doubt, and except in relation to any money or land taken for a specified reserves purpose, the Council will not refund a development contribution where any specific project does not proceed, unless the activity for which the development contribution was taken is not provided.

Any refunds will be issued to the current consent holder and/or title holder for the development to which they apply. The amount of any refund will be the development contribution paid, less any costs already incurred

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# Part 3: Additional Information on Assessing the Development Contributions Payable

by the Council in relation to the development and its discontinuance, but may include any interest earned depending on the circumstances of the case.

### 3.7 Timing of assessment and payment

#### 3.7.1 Applicable policy

Under the LGA, a development contribution can be required for any resource consent, building consent or authorisation for a service connection lodged after 19 December 2001 and granted on or after 1 July 2003. The Council's policy is that only applications lodged and granted on or after 1 July 2004 (the date on which the Council's inaugural DCP came into force) will be subject to development contributions.

Developments that have completed the consenting process, i.e. have already been granted all necessary consents and authorisations, will not attract any additional development contributions. This means that any consents and authorisations applied for before 1 July 2004, and all those subsequently applied for, assessed and approved under the DCPs 2004-14, 2006-16, 2007-09 and 2009-19, will not be reassessed for, or attract any additional development contributions.

On any application for further consent or authorisation in relation to a development, credit will be given for any development contributions previously paid or the pre-existing lawful status of the development in accordance with Section 2.3.

If a complete application for resource consent, building consent, or service connection authorisation is received by the Council before the effective date for this or any previous policy then, even if it is not granted before the effective date, the development contribution will be assessed in accordance with the DCP that applied at the time the complete application was received by the Council.

If a complete application is received by the Council on or after 1 July 2013 then the development contribution will

be assessed in accordance with this policy.

#### 3.7.2 Assessment

The Council will assess whether development contributions are payable before granting:

- A resource consent (subdivision or land use).
- A building consent.
- An authorisation for a service connection that is not part of a resource consent or building consent.

As a general rule, development contributions will be assessed and advised at the earliest opportunity. This is generally at the resource consent (subdivision) and building consent stages. Resource consent (land use) and service connection applications provide an opportunity for the Council to assess any development which is independent of subdivision or building activity. As with any assessment, only the additional demand on community facilities being created by a development will be assessed for development contributions.

Where previous development contributions have been assessed and paid on earlier stages of a development, a development contribution is sought only in relation to the additional demand created by each further stage. Generally, the Council considers that the resource consent (subdivision) stage is the most appropriate time to take a development contribution, for the following reasons:

- It creates the legal framework for the development of the lots and buildings which cause the demand for additional reserves, network infrastructure and community infrastructure.
- Economies of scale in implementation cost (most of the work will have been done at this stage).
- Fairness.
- Provides the best available knowledge for the forecasting and allocating of capital budgets.

Large subdivisions may be developed in stages, where one resource consent (land use) may be granted for the entire development prior to any resource consents (subdivision) being granted. In such situations, the Council may invoice the initial development contribution at the time of issuing the land use consent or, at its discretion, may defer this collection until the subsequent subdivision consents are issued.

Similarly, development contributions will be sought at resource consent (land use) or building consent stage, or on application for a service connection, where intensification for residential or non-residential purposes takes place independently of subdivision, although credits under Section 2.3 may be available to ensure only additional demand is assessed at each stage.

#### 3.7.3 Invoicing and Payment

Development contributions must be paid within 30 days of the invoice being issued (or such further time as may be specified in the invoice). An invoice will be issued when requested by the applicant, or for:

- Resource consents (subdivision) – prior to release of the Section 224(c) certificate (including, in the event of a staged subdivision consent, prior to the release of the Section 224 (c) certificate for each stage).
- Resource consent (land use) – prior to commencement of the consented development
- Building consents – prior to issue of the code compliance certificate.
- Service connection – prior to authorisation for connection.

“Prior to” in the above situations means any time between the consent or service connection being granted and the final approval step. Council may issue an invoice, at its discretion, if it considers the development is utilising Council infrastructure for which development contributions are being required.

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### Part 3: Additional Information on Assessing the Development Contributions Payable

#### 3.7.4 Reassessment

Without limiting the Council's ability to recover development contributions under Section 208 of the LGA, reassessment of the development contribution payable will occur under the DCP which is current at the time of assessment if payment for all activities assessed is not received within 12 months of issuing the assessment or reassessment. If standard payment and recovery requirements cannot be agreed after this point, then the Council may enter into a memorandum of encumbrance or agreement to secure the outstanding debt (refer to section 3.8). This will only be undertaken with the approval of at least two General Managers.

#### 3.7.5 Applications to vary consents or the conditions of consents

Applications to vary consents or the conditions of consents, may result in a change to HUEs, GFA, ISA or actual demand calculated for special assessments. In these situations, revised or new assessments of the development contributions payable will be issued. The receipt of applications for new development will not limit the Council's ability to collect any development contribution already owing in relation to existing development under Section 208 of the LGA.

#### 3.7.6 Payment of development contributions for temporary buildings

In response to the Canterbury earthquakes temporary buildings are being constructed that are intended to be removed after a certain period. In most cases, these buildings will be erected on a site where there are development contribution credits available and no development contributions would be required. However, in some situations, the demand for community facilities from the temporary building is greater than the underlying HUE credits and a development contribution will be required under this policy.

To assist the earthquake recovery, the Council considers it appropriate to recognise the temporary nature of such

buildings. An assessment of development contributions will be made (and reassessed every twelve months as provided for in this policy) but invoicing and payment of the development contribution will be deferred until such time as the Council is satisfied that the building is no longer temporary. The Council will waive payment of any development contribution where the temporary building is removed within 5 years from the date the temporary activity consent or building consent was granted (whichever is the later in time).

Extensions in time for this situation may be considered through the use of a memorandum of encumbrance or agreement.

#### 3.8 Enforcement powers of the Council if a development contribution is not paid

If payment of the development contribution is not made as provided for in this DCP and on invoice, the Council will use the powers outlined in Section 208 of the LGA. The Council may also commence debt recovery action.

Section 208 states that until a development contribution required in relation to a development has been paid, the Council may:

- a. (in the case of a development contribution required under Section 198(1)(a) of the LGA:
  - withhold a certificate under Section 224(c) of the RMA.
  - prevent commencement of a resource consent under the RMA.
- b. in the case of a development contribution required under Section 198(1)(b) of the LGA, withhold a code compliance certificate under Section 95 of the Building Act (BA);
- c. in the case of a development contribution required under Section 198(1)(c) of the LGA, withhold a service connection to the development; and

d. in each case, the Council will register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution is required.

If the Council commences debt recovery action in respect of an unpaid development contribution, interest will be charged, and is payable from the date the debt became due, at the prescribed rate that applies in Section 62b of the District Court Act 1947. The Council may also seek to recover the costs incurred in pursuing recovery of the debt.

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## Part 4: Appendices

|                    |   |
|--------------------|---|
| <b>Appendix 1:</b> | Basis for the policy  |
| <b>Appendix 2:</b> | Planning for growth   |
| <b>Appendix 3:</b> | Capital expenditure in response to growth   |
| <b>Appendix 4:</b> | Methodology to establish non-residential HUE equivalences                                 |
| <b>Appendix 5:</b> | LGA requirements and other considerations in the calculation of development contributions |
| <b>Appendix 6:</b> | Catchment maps for development contribution activities                                    |
| <b>Appendix 7:</b> | Additional information  |
| <b>Appendix 8:</b> | Glossary of terms   |

**Appendix 1: Basis for the policy****A1.1 Introduction**

Development contributions are an accepted way for Councils to fund growth-related demand for additional reserves, network and community infrastructure or for increasing the capacity of existing infrastructure to meet growth-related demand. This appendix outlines the principles used in the development and application of the development contributions policy and the steps that the Council goes through to determine what constitutes an appropriate charge for growth-related development.

**A1.2 Principles of the DCP charges**

The development contributions policy seeks to establish a transparent, consistent and equitable basis for requiring development contributions based on the following principles (in no particular order):

- Transparency – there should be transparency about how the development contribution charges are calculated and set and how they are applied to individual developments.
- Certainty – there should be certainty to developers about the level of development contributions payable. Charges should be applied consistently to all developments.
- Fair and reasonable charges – the level of development contribution charges should reflect the costs of growth and generally not act to deter development.
- Simplicity – the policy should be relatively simple to understand and administer.
- Beneficiary/causer pays – the costs of growth-related infrastructure should be met, as far as possible, by those who benefit from, or create the demand for, the infrastructure.

Cost-recovery mechanism only – any incentives to encourage particular types of development should sit outside the DCP. The charging mechanism should remain ‘pure’ and relate only to the costs of providing new

growth-related infrastructure or to increase the capacity of existing infrastructure.

- Compliance with the law – the DCP shall comply with the LGA which provides the statutory basis for development contributions. In addition, the DCP shall be consistent with established case law.
- Intergenerational equity – the cost recovery period for the development contribution charges should be equitable and consistent to ensure that each generation pays its fair share and that economic efficiency is sustained by signalling the true costs of growth at different points in time.

**A1.3 Steps in funding growth through development contributions**

In determining whether development contributions are an appropriate funding source to fund growth-related activities, the LGA 2002 requires the Council consider s. 101 (3) for each of the activities. These questions include, for each activity:

- how they relate to community outcomes - s. 101 (3) (a) (i)
- who benefits from that activity - s. 101 (3) (a) (ii)
- the period over which those benefits are expected to occur – s. 101 (3) (a) (iii)
- who created the need for that activity to be undertaken – s. 101 (3) (a) (iv)
- the costs and benefits, including consequences for transparency and accountability, of funding that activity – s. 101 (3) (a) (v)
- how any decision about funding this activity will impact on the community – s. 101 (3) (b).

In practice, this consideration can be summarised into four steps:

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|  |
|--|
| <b>Step 1:</b>   |
| How does the development impact on community outcomes?             |
| <b>Step 2:</b>   |
| Who creates the demand and over what period do the benefits occur? |
| <b>Step 3:</b>   |
| How should the activity be funded?                                 |
| <b>Step 4:</b>   |
| How does the funding for this activity impact on the community?    |

Figure A1.1: Steps in determining whether development contributions are an appropriate funding source for different activities

#### A1.4 Step 1 – How does the development impact on community outcomes?

Community outcomes are the outcomes that the Council aims to achieve in meeting the current and future needs of the community for good quality local infrastructure, local public services and the performance of regulatory functions. On a district-wide basis, the Council considers how groups of activities that it needs to undertake contribute to achieving these community outcomes. For example, the Council has determined that water supply infrastructure projects are required to contribute to the community outcomes of ‘a safe and reliable water supply’ and ‘water quality and quantity are protected and restored’.

Using development contributions as one of the funding sources ensures new developments make an appropriate contribution for additional or increased capacity of community facilities. The Council considers that capital expenditure being incurred to meet the increased demand for community facilities contributes to achievement of the following community outcomes:

Table A1.1 Contribution to achievement of community outcomes

| Community outcomes  | Reserves | Network infrastructure projects | Community infrastructure projects |
|---|----------|---------------------------------|-----------------------------------|
| <b>Liveable City</b>  |          |                                 |                                   |
| • Christchurch has a strong central city  | ✓        | ✓                               | ✓                                 |
| • An attractive and well-designed urban environment                                       | ✓        | ✓                               | ✓                                 |
| • The transport system meets the needs of the community                                   |          | ✓                               | ✓                                 |
| • Development is focussed on well-defined urban areas                                     | ✓        | ✓                               | ✓                                 |
| • Christchurch has a range and choice of housing  |          | ✓                               |                                   |
| • A safe and reliable water supply  |          | ✓                               |                                   |
| <b>Strong Communities</b>   |          |                                 |                                   |
| • Christchurch’s culture and heritage are valued  | ✓        |                                 | ✓                                 |
| • People have a sense of connection to and participate in their community                 | ✓        |                                 | ✓                                 |
| • People participate in a wide range of recreational activities                           | ✓        |                                 | ✓                                 |
| • Communities are safe  | ✓        | ✓                               | ✓                                 |
| <b>Healthy Environment</b>  |          |                                 |                                   |
| • Christchurch’s unique landscapes and indigenous biodiversity are protected and enhanced | ✓        | ✓                               |                                   |
| • Water quality and quantity are protected and restored                                   |          | ✓                               |                                   |
| • The community values natural resources and uses them sustainably                        |          | ✓                               |                                   |
| <b>Prosperous Economy</b>   |          |                                 |                                   |
| • Christchurch is a good place to do business   | ✓        | ✓                               | ✓                                 |
| • Christchurch has a strong economic base   |          | ✓                               |                                   |

The list above summarises 15 of the high-level community outcomes. The full set of 64 lower-level dimensions of these high-level outcomes are listed in Volume 1 of the Three-year Plan.

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#### A1.5 Step 2 – Who creates the demand and over what period do the benefits occur?

As described in Appendix 2, the Council has estimated the extent of growth within the district. The Council has also identified its capital expenditure necessary to meet the demands of the growth community (see Appendix 3).

Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the Three-year Plan, those new users (i.e. the growth community) therefore create the need for new community facilities. This, in turn, requires the Council to incur capital expenditure to meet the level of service.

The Council also recognises that capital expenditure may be necessary to increase the level of service for the whole community, due to:

- ratepayers who want increased levels of service.
- obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions.
- visitors to this city using the facilities.

The allocation of the benefits and the costs of the capital expenditure take all these other factors into account.

For each of the community outcomes and the activities required to achieve these outcomes, the Council has developed a programme of network and community infrastructural capital works and planned reserves purchases. For each capital project on that programme, the Council makes an informed judgement about whether the asset being created will provide capacity to, and therefore benefit, the existing community (which includes visitors to the city), the growth community, or both of those groups. The capital expenditure and benefit allocation in this policy is analysed as follows:

- renewal expenditure – this benefits the existing community only and replaces the existing asset base (no cost allocation to the growth community).

- backlog expenditure – new asset capacity is of benefit to the existing community only, to meet the shortfall in the current level of service (no cost allocation to the growth community).
- changed (increased) levels of service - capital expenditure that benefits all of the community. The pro-rata portion that benefits the growth community is allocated to them and is potentially recoverable by development contributions.
- new services expenditure – capital expenditure to provide benefits to both the existing and the growth community on a pro-rata basis. The portion that benefits the growth community is potentially recoverable by development contributions.
- growth expenditure – this is the estimated expenditure needed by, and which benefits, the growth community over the next 9 years. Asset capacity that provides benefits beyond that period may be allocated to future growth communities and may form part of future development contributions.

This process of cost and benefit allocation is carried out by the Council using a proprietary model which assists it to make and record judgements about whether the need for a particular project is driven by the district's existing community, the growth community or both. The model also assists the Council to make and record judgements about the various beneficiaries of the infrastructure projects.

Based on this information, the model apportions the cost of infrastructure that can be attributed to either the existing or growth community. It also enables the Council to calculate how this cost of growth is spread both across the district and across time. The cost of growth in each part of the district over the period of the capital programme is thus the amount that could potentially be recovered from that community via development contributions.

It is important to note that the existing network of community facilities includes some excess capacity, which will benefit the growth community. Some components with excess capacity are included in development contributions, but many are not. The growth community therefore benefits from some existing assets and past capital expenditure without any additional charge made to them. Both existing and growth communities share proportionately in the benefits of excess capacity until consumed by the expanding community.

For each of the individual projects that require capital expenditure, the Council also determines the length of time over which the asset created by that expenditure will provide a benefit to the whole community.

#### A1.6 Step 3 – How should the activity be funded?

The benefits of additional community infrastructure capacity accrue to the improved or new properties generating demand for that capacity. The Council's view is that the use of development contributions to partially fund the cost of growth in community facilities is best done in proportion to the benefit received by the growth community.

The benefits of funding additional infrastructure capacity to meet demand from development include greater transparency and efficiency by requiring an appropriate share of the actual costs to be paid by developers. An additional benefit also arises, because the use of development contributions ensures that existing ratepayers are not paying for infrastructural capacity that they do not require. This also ensures intergenerational equity by not repeatedly charging existing ratepayers for new infrastructure.

For some activities, the use of catchments, or areas in which there are common service delivery characteristics, also aids transparency and efficiency by identifying the variations in the cost of providing infrastructure according to the characteristics of the particular

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locality and the nature of the works required. Although development contributions do not incur significant administrative costs once systems are established, the use of small local catchments to collect development contributions may not be cost effective because of the requirement to collect and maintain detailed data at a localised level. For some activities, the cost of provision will not vary across the district. This is typical for activities with a larger number of widely located projects, projects that benefit a wide geographic area or where there are no differences in the cost of provision between locations. In these cases, a district-wide charge may be more efficient.

#### A1.7 Step 4 – How does the funding for this activity impact on the community?

Finally, the Council considers how funding each activity will impact on the community. In general, the Council believes that the majority of the cost of assets being created or enhanced for the growth community should be paid for by the growth community through development contributions. This is consistent with the underlying principles outlined in the relevant sections of the LGA 2002. Failing to fund growth in this manner would impose an unfair burden on the existing ratepayer community.

Where existing residents do gain a benefit from new infrastructure that is created to meet the needs of the growth community, the value of this benefit is not included within development contributions.

Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to the Council's thinking of its management and development role. Development

contributions are set so as to be fair and reasonable without deterring development. In line with the principles in section A1.2, development contribution calculations are also transparent and consistent and are a cost recovery mechanism only.

### Appendix 2: Planning for Growth

#### A2.1 Growth model<sup>9</sup>

District-wide growth assumptions underpin the Council's asset management plans and capital expenditure budgets. Growth in the district has been projected for the following three components:

- additional residential households.
- additional non-residential floor area (m<sup>2</sup>).
- additional non-residential impervious surfaces (m<sup>2</sup>).

Population and household growth is based on the "quick scenario" developed for the UDS partners by Market Economics, after the Christchurch earthquakes.<sup>10</sup> This model adjusted the pre-earthquake UDS forecasted households for the anticipated impacts of the earthquakes, including the total number and location of households and the impact of the residential red zone on household movements. From this household scenario, the population was forecast using the relationship between households and population in the most recent Statistics New Zealand subnational population and household rojections.<sup>11</sup> Non-residential growth, as estimated by the Council, is based on historic rates of development collected from the Council's non-residential building consents records and historic employment from Statistics New Zealand Annual Business Frame Update.<sup>12</sup> These

were then distributed using the employment distribution in the post-earthquake update of UDS Transport Model (Christchurch Transport Model – CTM).

Changes in impervious surfaces are based on impervious information provided by Landcare Research derived from Landsat satellite imagery. Impervious surface projections were then generated by using the projected non-residential growth to identify the amount and location of future change.

The cost of growth due to increased visitors is recovered through residential development contributions charged to holiday homes and through non-residential development contributions charged to new and growing businesses benefiting from visitor volume growth, such as hotels, motels, tourism operators, passenger transport operators and food and beverage providers.

<sup>9</sup> Refer to Christchurch City Council, *Development Contributions Policy 2013-22 Growth Model (Households and Business Floorspace)* as at November 2012.

<sup>10</sup> <http://www.greaterchristchurch.org.nz/News/PDF/UDSHouseholdScenarios2011-2041.pdf>

<sup>11</sup> *Statistics New Zealand Subnational Population Projections 2006 base released February 2010, and Statistics New Zealand Subnational Household and Family Projections 2006 Base released December 2010. Both projection series were provided as a customised request for the UDS partners and extend beyond the standard period.*

<sup>12</sup> [http://www.stats.govt.nz/browse\\_for\\_stats/businesses/business\\_characteristics/nz-business-demography-statistics-info-release.aspx](http://www.stats.govt.nz/browse_for_stats/businesses/business_characteristics/nz-business-demography-statistics-info-release.aspx)

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Table A2.1 summarises the growth projections used in the 2013 DCP.

Table A2.1 District growth projections

|   | 2013    | 2022    | 9 year percentage change 2013-22 | 2056    | Percentage change 2013-56 |
|---|---------|---------|----------------------------------|---------|---------------------------|
| Population <sup>13</sup>                                      | 365,000 | 377,000 | 3%                               | 445,500 | 22%                       |
| Households  | 150,000 | 159,500 | 6%                               | 195,000 | 0%                        |
| Business floor area (million m <sup>2</sup> )                 | 9.1     | 10.0    | 10%                              | 10.7    | 17%                       |
| Non-residential impervious surfaces (million m <sup>2</sup> ) | 23      | 24      | 8%                               | 25      | 11%                       |

These projections indicate that:

- Residential growth between 2013 and 2022 will produce 9,500 additional households (6% growth) spread across greenfield, infill and rural locations.
- Household growth from 2013 to 2056 is estimated to produce around 44,500 additional households (30% growth).
- Non-residential growth between 2013 and 2022 is expected to be in the order of 0.9 million m<sup>2</sup> of new floor area, a growth rate of 10%.
- Non-residential growth from 2013 to 2056 is expected to be around 1.5 million m<sup>2</sup> (17% growth).
- Impervious surfaces for non-residential areas of the district is expected to increase by 1.9 million m<sup>2</sup> (8.0% growth) in the nine years from 2013 to 2022 and by 2.5 million m<sup>2</sup> from 2009 to 2056 (11% growth).

Under 'normal' conditions, growth projections are subject to uncertainties as to the amount, timing and location of growth. In the post-earthquake environment, this level of uncertainty is significantly higher with the movement of people, households and businesses relocating temporarily or permanently adding complication.

To reduce this uncertainty, the Council will undertake more frequent updates and assessments of growth than was planned pre-earthquakes. In addition, the Council will continue to monitor the actual growth in residential development, non-residential development and impervious surfaces and compare these trends with the forecast growth from the growth model.<sup>14</sup> It is anticipated that over the short term there will be periods where actual growth will be above or below the forecast growth. However, it is expected that these periods will average out closer to the forecast trend. The monitoring of actual

trends versus the predicted growth will be used to adjust the growth model to improve the accuracy of forecasting over time. It will also inform future asset management planning and the subsequent capital programmes.

#### A2.2 Application of household unit equivalents (HUEs) as the unit of demand

The most equitable way to apportion the cost of new reserves, network infrastructure and community infrastructure in response to growth demand is on the basis of the number of equivalent new households expected. A growth model has been developed in order to predict growth throughout the district in terms of representative household demand or HUEs.<sup>15</sup> This growth information is presented by activity and by catchment. It is recognised that household units will vary throughout the district and that the demands they generate also cover a broad range. Given the relatively large size of the development contribution catchments and the administrative burden if multiple household types were to be used, the implied averaging of development contributions is considered efficient, equitable and appropriate.

The projections in Table A2.1 for the non-residential floor area (GFA) and non-residential impervious surface area (ISA) are multiplied by the equivalences in Table 2.3 to convert the non-residential growth to HUEs.

<sup>13</sup> Household and population projections are rounded to the nearest 500.

<sup>14</sup> It is important to note that the increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population, household or business growth, i.e. actual costs for growth will depend upon the particular capital works required. In addition, infrastructure capital expenditure may be committed ahead of growth.

<sup>15</sup> A HUE is defined as being equivalent to one 'average' household unit. The consumption and demand requirements of this household have been averaged across the catchments or district for that activity.

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## Appendix 3: Capital Expenditure in Response to Growth

## A3.1 Activities and catchments for which development contributions will be required

The LGA 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.

Table A3.1 summarises the capital expenditure by activity. Over \$544 million of capital expenditure is expected to be needed to fund the cost of growth across the district.

Table A3.1 Summary of growth-related capital expenditure (GST Exclusive)

| Activity                            | Sum past years     | Sum future years   | Total cost           | 3rd party funding | Renewal           | Backlog            | Unallocated       | Growth             |
|-------------------------------------|--------------------|--------------------|----------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| Regional parks                      | 17,450,044         | 3,700,000          | 21,150,044           |                   | 3,636,608         | 183,566            |                   | 17,329,870         |
| Garden & heritage parks             | 2,110,659          | 10,524,000         | 12,634,659           |                   | 2,053,500         | 7,606,893          |                   | 2,974,266          |
| Sports parks                        | 12,329,384         | 4,275,000          | 16,604,384           |                   | 844,000           | 131,679            |                   | 15,628,705         |
| Neighbourhood parks (all )          | 8,644,724          | 142,370,590        | 151,015,314          |                   | 122,747           | 46,979,606         |                   | 103,912,961        |
| <b>Total Reserves</b>               | <b>40,534,811</b>  | <b>160,869,590</b> | <b>201,404,401</b>   |                   | <b>6,656,855</b>  | <b>54,901,744</b>  |                   | <b>139,845,801</b> |
| Water supply                        | 30,196,828         | 52,274,654         | 87,471,482           |                   | 15,952,444        | 12,227,625         | 8,770,801         | 50,520,612         |
| Wastewater collection               | 344,575,940        | 165,779,246        | 510,355,186          |                   | 35,109,950        | 317,942,400        | 14,984,820        | 142,318,376        |
| Wastewater treatment and disposal   | 309,478            | 62,760,001         | 63,069,479           |                   | 6,029,485         | 7,328,263          | 35,964,849        | 13,746,882         |
| Stormwater & flood protection (all) | 87,547,442         | 102,840,000        | 190,387,442          |                   | 10,473,425        | 70,371,771         |                   | 109,542,246        |
| Road network                        | 57,511,009         | 203,412,533        | 260,923,542          | 56,758,596        | 16,366,791        | 112,721,901        |                   | 75,076,254         |
| Active travel                       | 299,974            | 72,973,101         | 73,273,075           | 5,273,100         | 0                 | 43,703,396         |                   | 24,296,579         |
| Parking                             |                    |                    |                      |                   |                   |                    |                   |                    |
| Public transport infrastructure     | 11,050,513         | 13,793,098         | 24,843,611           | 7,856,044         | 233,346           | 11,760,920         |                   | 4,993,301          |
| <b>Total Network Infrastructure</b> | <b>531,491,184</b> | <b>678,832,633</b> | <b>1,210,323,817</b> | <b>69,887,740</b> | <b>84,165,081</b> | <b>576,056,276</b> | <b>59,720,470</b> | <b>420,494,250</b> |
| Leisure facilities                  |                    |                    |                      |                   |                   |                    |                   |                    |
| Libraries                           |                    |                    |                      |                   |                   |                    |                   |                    |
| Cemeteries                          | 805,031            | 3,750,000          | 4,555,031            |                   |                   | 456,674            |                   | 4,098,357          |
| Total Community infrastructure      | 805,031            | 3,750,000          | 4,555,031            | 0                 | 0                 | 456,674            |                   | 4,098,357          |
| <b>TOTAL</b>                        | <b>572,831,026</b> | <b>843,452,223</b> | <b>1,416,283,249</b> | <b>69,887,740</b> | <b>90,821,936</b> | <b>631,414,694</b> | <b>59,720,470</b> | <b>564,438,408</b> |

Note:

A: These figures are in 2013-14 dollars. The full schedule of past and pending growth-related capital expenditure is obtainable online at <http://www.ccc.govt.nz> and at the Council's Civic Offices, 53 Hereford Street.

B: There is no growth-related capital expenditure for parking, leisure facilities and libraries in this DCP.

## Development Contributions Policy 2013

### Part 4: Appendices

A full breakdown of the Council's growth capital programme is set out in Table A3.2 below.

#### Reserves

Development contributions will be required for:

- The expansion of the reserves assets portfolio, through the continued purchase of new reserves and through vesting new reserves from subdivisions, to:
  - maintain the existing level of service of 18.0 ha. for regional parks and 3.5 ha. for sports parks per 1000 people; and
  - maintain the existing level of service of 1 ha. per 1000 people for neighbourhood parks in each catchment; and
- The development of reserves and maintenance of levels of service provided to meet new needs for public open spaces.

The Council's reserves assets portfolio includes the following internally classified types of reserves:

- Regional parks – large, predominantly rural reserves, including coastal areas, the plains, wetlands and the Port Hills. Such reserves are primarily intended to protect and conserve natural, cultural and heritage landscapes and features while providing for passive recreation with a feeling of visual relief and remoteness from urbanity. The regional parks also contribute to the 'garden city' outcomes for Christchurch and Banks Peninsula.
- Garden and heritage parks – small to large, predominantly urban reserves intended primarily to provide for distinct 'garden city' landscapes and protect heritage features, such as Victorian heritage gardens, fountains, clocks and statues.
- Sports parks – large reserves intended primarily to provide for formal, city-wide, active recreation (sporting activities and events) and open space.

- Neighbourhood parks – small to medium sized reserves intended to provide for informal local, passive and active recreation and open space.
- Pocket parks – small sized reserves usually in higher density developments intended to provide a gathering point or passive recreation for residents or workers.
- Reserves for amenity purposes within or adjoining non-residential areas.
- Pedestrian and cycling linkages along or to significant natural features, or between other reserves and community facilities.
- Works for any other purpose permitted by Sections 205 and 206 of the LGA.

Reserves may be developed with either soft or hard landscaping, along with associated infrastructure such as seating, lighting, play equipment, public conveniences, artworks and water features, i.e. grassed with planting, or paved with raised planters in a highly developed environment such as the central city. This development will be consistent with the Council's required levels of service for reserves. Any development over and above this requirement will be funded by the developer (section 3.1.2). This recognises the financial and marketing benefits that such additional development will accrue to that particular development.

Funding provision for growth over the next nine years will focus on the continued expansion of the neighbourhood parks, including through vesting of land in new subdivisions. One significant regional park will be purchased and minor land will be acquired to open up frontages to existing sports parks.

Outside the greenfields vesting of reserve land, neighbourhood parks purchases are being made as part of the Public Open Spaces Acquisition Plan to balance infill housing in Living 3 Zones. This will meet the goal of the strategy to ensure at least 90% of residents in the urban environment live within 400m of a reserve. In particular, additional local reserve purchases continue

to be planned in areas such as Addington, Riccarton, Central City, St Albans, Papanui and the inner city east.

In addition to extensions to existing reserves or the formation of linkages between them, the Open Spaces Acquisition Plan intends to add around 10 new reserves per year, which also need to be developed and levels of service provided to meet new needs. The significant increase in residential development within the central city as envisaged by the Christchurch Central Recovery Plan will also require substantial amounts of open space to meet existing levels of service.

The development of land for residential purposes increases the actual or potential number of users of the open space and recreational facilities that reserves provide. Similarly, the development of land for non-residential purposes usually implies an increase in employment in an area, with consequent demands for open space to meet the leisure, walking and cycling needs of workers in, and visitors to, business areas and to enhance local amenity values. The emergence of residential units above businesses in the light industrial zones and the greater mixed-use zoning proposed by the UDS further supports the need for development contributions for reserves from subdivision for non-residential purposes.

In the 2007 DCP, the Council changed from a percentage of land value development contribution charge to a fixed HUE-based charge which is more directly linked to the Council's capital expenditure programme. As spelt out in section 3.1.1 this ensures a fiscally neutral position in funding reserves. The current reserves charges for regional, garden and heritage and sports parks have been kept to a district-wide charge because this best reflects the usage of those parks and the benefits that will accrue from them to the growth community. Neighbourhood parks continue to be based on four location-specific catchments (central city, inner city, suburban, rural) to reflect the localised nature of their usage and the different relative cost of land acquired in each of the catchments for neighbourhood parks.

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#### Water supply

Development contributions will be required for the ongoing upgrade in capacity of the water supply network of pipes and pumping stations, and capital works to provide additional reservoir capacity.

#### Wastewater collection

Development contributions will be required for the ongoing upgrade in capacity of the network of wastewater pipes and pumps.

#### Wastewater treatment and disposal

Development contributions will be required for the ongoing upgrade in capacity of wastewater treatment plants.

#### Stormwater and flood protection

Development contributions will be required for the ongoing upgrade in capacity of the network of pipes and streams that make up the surface water management system and which benefit the urban parts of Christchurch as a whole.

#### Road network

Development contributions will be required for the ongoing provision and upgrade of the public road network, particularly intersection improvements around new subdivisions. Development contributions are also required for traffic services and safety programmes, road infrastructure (including bridges, walls and culverts), road drainage facilities (kerbs and channels) and road amenity (including street lighting and landscaping).

#### Active travel

Development contributions will be required for the ongoing provision and upgrade of facilities for active travel, including walking networks (including public

footpaths, public pedestrian malls and open spaces), cycling networks and public on-road and off-road cycle linkages and travel behaviour change programmes.

#### Parking

Due to the rebuild of the central city, there are no growth-related capital projects for parking included in the planned capital programme. This activity therefore does not attract any development contribution charge in this DCP. However, the Council reserves the right to charge development contributions for growth-related parking infrastructure at a later date should the need arise.

#### Public transport infrastructure

Development contributions will be required for the ongoing provision and upgrade of public transport infrastructure bus priority systems and bus stop infrastructure.

#### Leisure facilities

There is no growth-related capital expenditure for leisure facilities in this DCP. However, the Council reserves the right to charge development contributions for growth-related leisure facilities infrastructure at a later date should the need arise.

#### Libraries

There is no growth-related capital expenditure for libraries in this DCP. However, the Council reserves the right to charge development contributions for growth-related libraries infrastructure at a later date should the need arise.

#### Cemeteries

Development contributions will be required for the provision of new cemeteries for body and ashes burial and the expansion of existing cemeteries.

#### A3.2 Capital expenditure incurred in anticipation of growth

In the past, the Council has incurred expenditure in anticipation of development. Under the LGA the Council can recover the growth component of these projects implemented to support the future city. A 'Schedule of past projects with residual capacity' is included in the supporting information to the Three-year Plan. The cost of the growth component is determined from the actual total cost to implement these projects.

#### A3 Third-party funding

Where the Council anticipates funding will be available from a third party such as NZTA for any part of the growth component of the capital expenditure budget, then this proportion of funding has been excluded from the total cost of estimated growth to be funded by development contributions.<sup>16</sup> Similarly, any insurance funding received as a result of the rebuild has been factored into the capital funding requirements.

#### A3.4 Use of development contributions

The Council will use development contributions only for the capital expenditure required for growth-related capital expenditure on reserves or network and community infrastructure.

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 LGA that relate to the use of the development contributions, unless a refund is due.

Where the Council has received development contributions for reserves, in addition to the powers governing the use of development contributions for reserves in the LGA, the Council must use the cash or land received as follows:

<sup>16</sup> S200(1) of the LGA states that a territorial authority must not require a development contribution for a reserve, network infrastructure or community infrastructure if, and to the extent that... (c) the territorial authority has received or will receive funding from a third party.

## Development Contributions Policy 2013

### Part 4: Appendices

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- Cash – within 20 years of it being received; and
- Land – within 10 years of it being received, unless a longer period is agreed with the party who paid the contribution (in all circumstances the Council will seek to meet such an agreement).

Should the development contribution revenue not meet the target, the Council may, at its discretion, reduce the cost of capital expenditure by varying the scope of the project or substituting the project for another more suited to the growth needs of the district.

There will be a review of the capital expenditure programme each year and changes to the development contribution charges may result. However, notwithstanding a change in any specific project, it is expected that the activity as a whole will continue to address the service level needs of the district.

The Three-year Plan will be effective until 2015/16, however it is essential that the future growth-related project costs are included in the calculation of development contributions.

Table A3.2 details the future projects included in the calculation of development contributions in this policy.

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Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity                                  | Description                                       | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|---|---|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Active Travel</b>                      |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|   | Northern Rail Pathway                             | 1,400,000       | 3,300,000       | 2,000,000       | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Sumner to City Route                              | 1,400,000       | 2,800,000       | 2,500,000       | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Avon River Route                                  | 200,000         | 200,000         | 1,800,000       | 2,000,000           | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | South to City Route                               | 300,000         | 1,600,000       | 1,000,000       | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Halswell to City                                  | 300,000         | 200,000         | 500,000         | 2,200,000           | 1,000,000           | 0                   | 0                   | 0                   | 0                   |
|   | Western Orbital Route                             | 300,000         | 200,000         | 2,100,000       | 3,000,000           | 3,000,000           | 0                   | 0                   | 0                   | 0                   |
|   | Heathcote River/Heritage Trail Route              | 0               | 100,000         | 300,000         | 1,000,000           | 1,600,000           | 0                   | 0                   | 0                   | 0                   |
|   | Airport Route                                     | 0               | 200,000         | 200,000         | 1,900,000           | 2,000,000           | 0                   | 0                   | 0                   | 0                   |
|   | Hornby Rail Route                                 | 300,000         | 500,000         | 200,000         | 4,000,000           | 7,600,000           | 0                   | 0                   | 0                   | 0                   |
|   | Heathcote Rail Route                              | 300,000         | 300,000         | 2,200,000       | 3,000,000           | 2,000,000           | 0                   | 0                   | 0                   | 0                   |
|   | Major Cycleway: Grassmere Route - Papanui to City | 0               | 1,672           | 1,544           | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Major Cycleway: Little River Route                | 0               | 0               | 0               | 113                 | 945                 | 2,200               | 0                   | 0                   | 0                   |
|   | Major Cycleway: University to City                | 1,330           | 627             | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Cemeteries</b>                         |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|   | Cemeteries - Green Assets (New)                   | 200             | 209             | 217             | 226                 | 236                 | 247                 | 257                 | 269                 | 281                 |
|   | Cemetery Beams                                    | 50              | 52              | 54              | 57                  | 59                  | 62                  | 64                  | 67                  | 70                  |
|   | New cemetery purchase                             | 0               | 0               | 544             | 0                   | 0                   | 616                 | 0                   | 0                   | 703                 |
| <b>Flood Protection and Control Works</b> |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|   | Applefields Stormwater Detention Facility         | 0               | 334             | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Lower Milns                                       | 50              | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|   | Natural Waterways (New)                           | 300             | 314             | 326             | 340                 | 354                 | 370                 | 386                 | 403                 | 422                 |
|   | Open Water Systems - Open Drains (New)            | 50              | 157             | 109             | 113                 | 118                 | 0                   | 0                   | 0                   | 0                   |

## Development Contributions Policy 2013

## Part 4: Appendices

Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity                               | Description   | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|--|---|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | Piped Systems - Pipe Drains (New)                             | 1,000           | 1,045           | 1,087           | 1,132               | 1,181               | 1,233               | 1,287               | 1,344               | 1,405               |
|  | South West SMP - Waterways Detention and Treatment Facilities | 2,900           | 4,338           | 5,436           | 6,510               | 5,196               | 7,396               | 9,587               | 9,675               | 9,204               |
|  | STYX SMP - Waterway Detention and Treatment facilities        | 500             | 2,091           | 2,174           | 2,264               | 5,905               | 6,164               | 6,434               | 6,719               | 7,026               |
| <b>Garden &amp; Heritage Parks</b>     |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | Botanic Gardens Entry Pavilion                                | 7,407           | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | Botanic Gardens Playground Renewal                            | 0               | 0               | 0               | 0                   | 24                  | 31                  | 1,930               | 1,344               | 0                   |
|  | Garden and Heritage Parks - Furniture                         | 10              | 5               | 16              | 17                  | 18                  | 18                  | 19                  | 20                  | 21                  |
|  | Garden and Heritage Parks - Green Assets (New)                | 26              | 27              | 18              | 49                  | 50                  | 25                  | 26                  | 27                  | 28                  |
|  | Garden and Heritage Parks - Hard Surfaces                     | 43              | 10              | 22              | 23                  | 24                  | 25                  | 26                  | 27                  | 28                  |
|  | Risingholme Park Playground Renewal (to accessible stds)      | 0               | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 35                  |
| <b>Neighbourhood Parks</b>             |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | Vested Assets - Neighbourhood Parks                           | 11,553          | 16,238          | 17,859          | 17,347              | 20,458              | 19,844              | 17,431              | 13,633              | 8,009               |
| <b>Public Transport Infrastructure</b> |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | Bus Stop Installation   | 70              | 73              | 76              | 79                  | 83                  | 86                  | 90                  | 94                  | 98                  |
|  | Bus Stop Seating  | 30              | 31              | 33              | 34                  | 35                  | 37                  | 39                  | 40                  | 42                  |
|  | Core PT Route & Facilities: West (Riccarton & Hornby)         | 2,118           | 3,980           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | Public Transport Minor Works                                  | 10              | 10              | 11              | 11                  | 12                  | 12                  | 13                  | 13                  | 14                  |
|  | RTI Bus Finder Installations                                  | 62              | 65              | 67              | 70                  | 73                  | 76                  | 80                  | 83                  | 87                  |
|  | RTI Variable Message Sign-Board Installations                 | 60              | 63              | 65              | 68                  | 71                  | 74                  | 77                  | 81                  | 84                  |
|  | Shelter Installation  | 190             | 199             | 207             | 215                 | 224                 | 234                 | 244                 | 255                 | 267                 |

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Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity              | Description   | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|-----------------------|---|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Regional Parks</b> |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|                       | Cashmere Forest Park  | 3,000           | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Banks Peninsula Walkways Development                            | 0               | 0               | 109             | 113                 | 118                 | 123                 | 129                 | 134                 | 141                 |
| <b>Road Network</b>   |   |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|                       | Advanced Direction Signage                                      | 62              | 65              | 67              | 70                  | 73                  | 76                  | 80                  | 83                  | 87                  |
|                       | Annex / Birmingham / Wrights Route Upgrade                      | 500             | 2,613           | 6,305           | 1,132               | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Awatea Route Upgrade  | 735             | 699             | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Blackspot Remedial Works  | 138             | 144             | 150             | 156                 | 163                 | 170                 | 178                 | 185                 | 194                 |
|                       | Canterbury Park Access  | 160             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Carrs Rd Cycle & Pedestrian Bridge                              | 170             | 2,091           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Cranford Street Upgrade (4 Laning)                              | 200             | 209             | 163             | 170                 | 177                 | 185                 | 386                 | 6,988               | 8,010               |
|                       | Ferry & Moorhouse Road Widening (Aldwins to Fitzgerald)         | 0               | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 2,748               | 7,026               |
|                       | Footpath Extensions   | 50              | 52              | 54              | 57                  | 59                  | 62                  | 64                  | 67                  | 70                  |
|                       | Intersection Improvement: Aldwins / Linwood                     | 100             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Brougham / Burlington                 | 188             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Burwood / Mairehau                    | 100             | 1,045           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Gardiners / Sawyers Arms              | 500             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Glandovey / Idris                     | 447             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Greers / Northcote / Sawyers Arms     | 500             | 2,091           | 1,087           | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Lower Styx / Marshland                | 150             | 1,568           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                       | Intersection Improvement: Main North / Marshland / Spencerville | 0               | 0               | 0               | 0                   | 0                   | 0                   | 103                 | 1,075               | 0                   |

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Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity | Description                                    | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|----------|--|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|          | Intersection Improvement: Mairehau / Marshland | 1,500           | 1,045           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|          | Intersection Improvement: Marshland / Prestons | 1,700           | 2,091           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|          | Minor Safety Projects                          | 117             | 122             | 127             | 132                 | 138                 | 144                 | 149                 | 156                 | 163                 |
|          | New Footpaths                                  | 264             | 276             | 287             | 299                 | 312                 | 325                 | 340                 | 355                 | 371                 |
|          | New Grassed Berms                              | 200             | 209             | 217             | 226                 | 236                 | 247                 | 257                 | 269                 | 281                 |
|          | New Retaining Wall at 270 Wainui Main Road     | 300             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|          | New Road Markings                              | 70              | 73              | 76              | 79                  | 83                  | 86                  | 90                  | 94                  | 98                  |
|          | Northcote Road 4 laning                        | 59              | 1,537           | 4,717           | 1,132               | 0                   | 0                   | 0                   | 0                   | 0                   |
|          | Northern Arterial Extension (Cranford - QEII)  | 250             | 261             | 163             | 170                 | 177                 | 185                 | 386                 | 18,813              | 23,888              |
|          | Northern Arterial Links                        | 200             | 209             | 54              | 57                  | 59                  | 62                  | 257                 | 5,375               | 6,323               |
|          | Pedestrian Priority                            | 21              | 22              | 23              | 24                  | 25                  | 26                  | 27                  | 28                  | 30                  |
|          | Pedestrian Safety Initiatives                  | 173             | 181             | 188             | 196                 | 204                 | 213                 | 221                 | 231                 | 242                 |
|          | Pole Relocation                                | 181             | 189             | 197             | 205                 | 214                 | 223                 | 233                 | 243                 | 254                 |
|          | Road Safety At Schools                         | 264             | 276             | 287             | 299                 | 312                 | 325                 | 340                 | 355                 | 371                 |
|          | Safe Routes To School                          | 85              | 89              | 92              | 96                  | 100                 | 105                 | 109                 | 114                 | 119                 |
|          | Safety Improvements Programme                  | 28              | 29              | 30              | 32                  | 33                  | 35                  | 36                  | 38                  | 39                  |
|          | Sawyers Arms Road Corridor Improvements        | 100             | 105             | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|          | School Crossing Equipment                      | 22              | 23              | 24              | 25                  | 26                  | 27                  | 28                  | 30                  | 31                  |
|          | School Speed Zone Signs                        | 121             | 126             | 132             | 137                 | 143                 | 149                 | 156                 | 163                 | 170                 |
|          | Signs Parking & Non-Regulatory                 | 38              | 40              | 41              | 43                  | 45                  | 47                  | 49                  | 51                  | 53                  |
|          | Signs Regulatory                               | 133             | 139             | 145             | 151                 | 157                 | 164                 | 171                 | 179                 | 187                 |
|          | ST Banks Peninsula: New Kerb & Channel         | 37              | 39              | 40              | 42                  | 44                  | 46                  | 48                  | 50                  | 52                  |
|          | ST Intersection Improvements                   | 0               | 1,045           | 1,087           | 1,132               | 1,181               | 1,233               | 1,287               | 1,344               | 1,405               |
|          | Strategic Directional Signage                  | 108             | 0               | 117             | 0                   | 128                 | 0                   | 139                 | 0                   | 152                 |

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## Part 4: Appendices

Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity                   | Description  | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|----------------------------|--|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                            | Subdivisions (Transport Infrastructure)                | 528             | 552             | 574             | 598                 | 624                 | 651                 | 679                 | 710                 | 742                 |
|                            | Tactile Pavers   | 20              | 21              | 22              | 23                  | 24                  | 25                  | 26                  | 27                  | 28                  |
|                            | Traffic Signal Cameras                                 | 50              | 52              | 54              | 57                  | 59                  | 62                  | 64                  | 67                  | 70                  |
|                            | Transport Corridor Optimisation Works                  | 100             | 105             | 109             | 57                  | 59                  | 62                  | 64                  | 67                  | 70                  |
|                            | Wigram Magdala Link                                    | 0               | 6,711           | 9,622           | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                            | Wigram Road Extension: Halswell Junction to Marshs     | 300             | 2,091           | 544             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                            | Wigram Road Upgrade                                    | 0               | 0               | 0               | 340                 | 1,181               | 0                   | 0                   | 0                   | 0                   |
| <b>Sports Parks</b>        |  |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|                            | Bishopdale Park Skateboard Area Renewal                | 0               | 0               | 0               | 0                   | 0                   | 25                  | 257                 | 0                   | 0                   |
|                            | Canterbury Agricultural Park Toilet and changing rooms | 800             | 105             | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                            | Halswell Domain Car Park                               | 50              | 209             | 380             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                            | Rawhiti Domain Sports Turf Upgrade to Premier Park     | 0               | 0               | 0               | 0                   | 0                   | 0                   | 13                  | 672                 | 0                   |
|                            | Roto Kohatu Reserve (ex landfill site)                 | 0               | 0               | 196             | 192                 | 154                 | 185                 | 39                  | 67                  | 253                 |
|                            | South New Brighton reserves recovery and development   | 0               | 0               | 65              | 136                 | 53                  | 123                 | 129                 | 134                 | 0                   |
|                            | Washington Reserve                                     | 415             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Stormwater Drainage</b> |  |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|                            | Kirkwood Basin   | 200             | 1,045           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                            | Styx Mill Conservation Reserve                         | 50              | 52              | 54              | 57                  | 118                 | 185                 | 193                 | 202                 | 211                 |
|                            | Travis Wetland   | 30              | 31              | 33              | 34                  | 35                  | 37                  | 39                  | 40                  | 42                  |
|                            | Waterways & Wetlands Purchases                         | 500             | 523             | 544             | 566                 | 590                 | 616                 | 643                 | 672                 | 703                 |

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Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity                                   | Description  | Plan<br>2013-14 | Plan<br>2014-15 | Plan<br>2015-16 | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|--|--|-----------------|-----------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Wastewater Collection</b>               |  |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | Provision of Waste Water Infrastructure for the South West Area Growth | 3,000           | 3,136           | 2,174           | 2,264               | 2,362               | 2,465               | 2,574               | 2,688               | 2,810               |
|  | WW Cracroft RM Ext to Cashmere Rd                                      | 0               | 0               | 544             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | WW Extension to Charteris Bay  | 2,081           | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | WW Infra R&R Wastewater Reticulation                                   | 1,000           | 1,359           | 1,631           | 1,698               | 1,771               | 1,849               | 2,574               | 3,360               | 4,216               |
|  | WW Major Trunk Expansion (Inc SW)                                      | 1,100           | 596             | 5,436           | 5,661               | 5,905               | 6,164               | 4,246               | 2,688               | 2,810               |
|  | WW New Mains Programme   | 1,500           | 1,568           | 1,087           | 1,132               | 1,181               | 1,233               | 1,029               | 1,075               | 1,124               |
|  | WW New Pumping Stations for Growth                                     | 1,000           | 1,045           | 544             | 2,831               | 1,181               | 0                   | 0                   | 0                   | 0                   |
|  | WW Northern Relief & PS (PS 6,7,39,40,41)                              | 1,000           | 5,227           | 5,436           | 5,661               | 1,181               | 0                   | 0                   | 0                   | 0                   |
|  | WW Northern Trunk Sewer  | 1,000           | 2,091           | 8,697           | 9,058               | 9,447               | 9,862               | 1,287               | 0                   | 0                   |
|  | WW Pumping Station 60 Upgrade  | 0               | 0               | 0               | 0                   | 945                 | 0                   | 0                   | 0                   | 0                   |
|  | WW Riccarton Trunk Main Project  | 200             | 523             | 5,436           | 5,661               | 2,657               | 0                   | 0                   | 0                   | 0                   |
|  | WW Subdivisions Add Infra for Dev-GenO/H                               | 250             | 261             | 272             | 283                 | 236                 | 247                 | 257                 | 269                 | 281                 |
|  | WW Wainui Sewer Retic & WWTP   | 4,169           | 6,281           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | WW Wairakei Diversion  | 3,200           | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|  | WW Worsleys Sewer (Lower Blocks 3& 4)                                  | 900             | 0               | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Wastewater Treatment &amp; Disposal</b> |  |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | WW Lyttelton Harbour Stage 2   | 0               | 0               | 0               | 0                   | 0                   | 0                   | 1,287               | 14,110              | 14,755              |
|  | WW Lyttelton Harbour WWTP  | 0               | 0               | 0               | 623                 | 6,761               | 7,057               | 0                   | 0                   | 0                   |
|  | WW New Akaroa Wastewater Treatment Plant                               | 250             | 533             | 7,610           | 15,851              | 8,266               | 0                   | 0                   | 0                   | 0                   |
| <b>Water Supply</b>                        |  |                 |                 |                 |                     |                     |                     |                     |                     |                     |
|  | WS New Wells for Growth  | 606             | 591             | 1,843           | 640                 | 667                 | 696                 | 727                 | 2,278               | 794                 |
|  | WS Akaroa Water Upgrade  | 4,000           | 5,017           | 0               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |

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Table A3.2 Detail of planned growth-related capital expenditure (Inflated / GST Exclusive)

| Activity           | Description                               | Plan<br>2013-14  | Plan<br>2014-15  | Plan<br>2015-16   | Forecast<br>2016-17 | Forecast<br>2017-18 | Forecast<br>2018-19 | Forecast<br>2019-20 | Forecast<br>2020-21 | Forecast<br>2021-22 |
|--------------------|---|------------------|------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                    | WS Extension to Charteris Bay             | 981              | 0                | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                    | WS HWorks Land Purchase for Pump Station  | 500              | 0                | 435               | 0                   | 0                   | 616                 | 0                   | 0                   | 0                   |
|                    | WS Little River Increased Supply          | 2,131            | 0                | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                    | WS Lyttelton R&R Rail Tunnel Pipeline     | 0                | 0                | 0                 | 0                   | 0                   | 267                 | 597                 | 2,739               | 2,864               |
|                    | WS Mains Renewals                         | 550              | 575              | 598               | 623                 | 886                 | 925                 | 965                 | 1,008               | 1,054               |
|                    | WS New Pump Stations for Growth           | 2,020            | 2,112            | 2,196             | 2,287               | 0                   | 0                   | 0                   | 2,714               | 2,839               |
|                    | WS New Reservoirs (Growth)                | 0                | 0                | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   | 1,686               |
|                    | WS NewHeadworksSecondaryStation (Growth)  | 0                | 0                | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   | 984                 |
|                    | WS Reticulation New Mains                 | 1,250            | 1,307            | 1,359             | 1,274               | 1,329               | 1,048               | 1,094               | 1,142               | 1,194               |
|                    | WS Subdivisions Add Infra for Development | 150              | 157              | 217               | 226                 | 236                 | 247                 | 257                 | 269                 | 281                 |
| <b>Grand Total</b> |   | <b>4,576,811</b> | <b>9,494,119</b> | <b>12,903,556</b> | <b>17,192,676</b>   | <b>17,287,181</b>   | <b>77,655</b>       | <b>62,293</b>       | <b>110,260</b>      | <b>117,392</b>      |

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**Appendix 4: Methodology to establish Non-Residential HUE equivalences**
**A4.1 Reserves**

All non-residential development will be assessed, on subdivision, at 1 HUE per additional lot for reserves, as previously agreed by a joint Council and development industry working party in recognition of the definite, but limited, demand non-residential development places on them.

**A4.2 Water supply and wastewater collection**

The methodology to establish the equivalences for both water supply and wastewater is the same and the calculations are shown below. Using typical water and wastewater daily usage figures and typical floor area allocations per person, water and wastewater usage figures per m<sup>2</sup> are established for a range of different non-residential land uses. These figures are then applied to the mix of these land uses that occur in the different business zones defined for the district, to arrive at water and wastewater demand figures per m<sup>2</sup> and by business zone. These figures are then compared to the district's household demand figures to determine the household equivalents.

**A4.2.1 Water Supply and Water Collection**

Table A4.1

| Residential Water usage          |                                    |     |
|----------------------------------|------------------------------------|-----|
| Average usage                    | 248 l/day/household                | (1) |
| Average occupancy                | 2.6 persons per Household          | (2) |
| Average daily flow per household | 644.8 litres per household per day | (3) |

Table A4.2

| Representative standards (4) | Floor area per person (m <sup>2</sup> per person) | Average use per person (litres per person per day) | Average use by floor area (l/day/m <sup>2</sup> ) |
|------------------------------|---|--|---|
| Accommodation                | 60  | 300  | 5.00  |
| Commercial                   | 40  | 80   | 2.00  |
| Retail                       | 35  | 80   | 2.29  |
| Industrial (dry/light)       | 40  | 80   | 2.00  |
| Industrial                   | 40  | 130  | 3.25  |
| Warehouse                    | 40  | 80   | 2.00  |
| Education                    | 12.5  | 25   | 2.00  |

Table A4.3

| Usage per m <sup>2</sup>          | Accommodation | Commercial | Retail | Industrial (light/dry) | Industrial | Warehouse |
|-----------------------------------|---------------|------------|--------|------------------------|------------|-----------|
| Litres per day per m <sup>2</sup> | 5.00          | 2.00       | 2.29   | 2.00                   | 3.25       | 2.00      |

Table A4.4

| Usage by Zones (5)  |               |            |        |                        |            |           |       |
|---|---------------|------------|--------|------------------------|------------|-----------|-------|
|   | Accommodation | Commercial | Retail | Industrial (light/dry) | Industrial | Warehouse | Total |
| Business 1 – local shopping areas                           | 0%            | 25%        | 75%    | 0%                     | 0%         | 0%        | 100%  |
| Business 2 – large retail areas                             | 0%            | 10%        | 90%    | 0%                     | 0%         | 0%        | 100%  |
| Business 3 – light industry                                 | 0%            | 5%         | 5%     | 15%                    | 25%        | 50%       | 100%  |
| Business 4 – industry                                       | 0%            | 10%        | 5%     | 30%                    | 25%        | 30%       | 100%  |
| Business 5 – general Industrial                             | 0%            | 0%         | 0%     | 30%                    | 25%        | 45%       | 100%  |
| Business 6 – rural Industrial                               | 0%            | 0%         | 0%     | 40%                    | 45%        | 15%       | 100%  |
| Business Retail Park – large format retail and trade supply | 0%            | 20%        | 80%    | 0%                     | 0%         | 0%        | 100%  |
| Central city and central city edge – CBD                    | 5%            | 60%        | 25%    | 0%                     | 5%         | 5%        | 100%  |
| Special Purpose (Airport)                                   | 5%            | 75%        | 5%     | 0%                     | 15%        | 0%        | 100%  |

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Table A4.5

| Business type/zone  | Floor area (m <sup>2</sup> ) (6) | Litres/day/m <sup>2</sup> floor area (7) | Household equivalent per m <sup>2</sup> (hh/m <sup>2</sup> ) (8) | m <sup>2</sup> per household (9) |
|---|----------------------------------|--|--|----------------------------------|
| Business 1 – local shopping areas                           | 195,152                          | 2.21                                     | 0.0034   | 291                              |
| Business 2 – large retail areas                             | 448,103                          | 2.26                                     | 0.0035   | 286                              |
| Business 3 – light industry                                 | 1,224,625                        | 2.33                                     | 0.0036   | 277                              |
| Business 4 – industry                                       | 1,532,238                        | 2.33                                     | 0.0036   | 277                              |
| Business 5 – general Industrial                             | 2,060,850                        | 2.31                                     | 0.0036   | 279                              |
| Business 6 – rural Industrial                               | 73,974                           | 2.56                                     | 0.0040   | 252                              |
| Business Retail Park – large format retail and trade supply | 125,386                          | 2.23                                     | 0.0035   | 289                              |
| Central city and central city edge – CBD                    | 1,398,950                        | 2.28                                     | 0.0035   | 282                              |
| Special Purpose (Airport)                                   | 170,946                          | 2.35                                     | 0.0036   | 274                              |

## Notes:

- (1) Estimate of average residential consumption per person (based on 10 year average residential water consumption).
- (2) Average occupancy provided by the Council's Strategy and Planning Group.
- (3) Average usage multiplied by average occupancy.
- (4) Equivalence Methodology Document: SPM Applications (2008)
- (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
- (6) Floor area in each business zone provided by the Council's Strategy and Planning Group.
- (7) Standard discharge per m<sup>2</sup> weighted by activities carried out in zone.
- (8) Previous column divided by average daily flow per household.
- (9) Inverse of previous column.

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## A4.2.2 Wastewater Treatment

Table A4.6

| Waste water                      |                                    |     |
|----------------------------------|------------------------------------|-----|
| Average discharge                | 220 l/day/household                | (1) |
| Average occupancy                | 2.6 persons per household          | (2) |
| Average daily flow per household | 572.0 litres per household per day | (3) |

Table A4.7

| Background standards (4) | Floor area per person<br>(m <sup>2</sup> per person) | Discharge per person<br>(litres per person per day) | Discharge per floor area<br>(litres per day per m <sup>2</sup> ) |
|--------------------------|--|---|--|
| Accommodation            | 60   | 300   | 5.00   |
| Commercial               | 40   | 80  | 2.00   |
| Retail                   | 35   | 80  | 2.29   |
| Industrial (dry/light)   | 40   | 80  | 2.00   |
| Industrial               | 40   | 130   | 3.25   |
| Warehouse                | 40   | 80  | 2.00   |
| Education                | 12.5   | 25  | 2.00   |

Table A4.8

| Discharge per m <sup>2</sup>      | Accommodation | Commercial | Retail | Industrial (light/dry) | Industrial | Warehouse |
|-----------------------------------|---------------|------------|--------|------------------------|------------|-----------|
| Litres per day per m <sup>2</sup> | 5.00          | 2.00       | 2.29   | 2.00                   | 3.25       | 2.00      |

Table A4.9

| Usage by Zones (5)  |               |            |        |                           |            |           |       |
|---|---------------|------------|--------|---------------------------|------------|-----------|-------|
|   | Accommodation | Commercial | Retail | Industrial<br>(light/dry) | Industrial | Warehouse | Total |
| Business 1 – local shopping areas                           | 0%            | 25%        | 75%    | 0%                        | 0%         | 0%        | 100%  |
| Business 2 – large retail areas                             | 0%            | 10%        | 90%    | 0%                        | 0%         | 0%        | 100%  |
| Business 3 – light industry                                 | 0%            | 5%         | 5%     | 15%                       | 25%        | 50%       | 100%  |
| Business 4 – industry                                       | 0%            | 10%        | 5%     | 30%                       | 25%        | 30%       | 100%  |
| Business 5 – general Industrial                             | 0%            | 0%         | 0%     | 30%                       | 25%        | 45%       | 100%  |
| Business 6 – rural Industrial                               | 0%            | 0%         | 0%     | 40%                       | 45%        | 15%       | 100%  |
| Business Retail Park – large format retail and trade supply | 0%            | 20%        | 80%    | 0%                        | 0%         | 0%        | 100%  |
| Central city and central city edge – CBD                    | 5%            | 60%        | 25%    | 0%                        | 5%         | 5%        | 100%  |
| Special Purpose (Airport)                                   | 5%            | 75%        | 5%     | 0%                        | 15%        | 0%        | 100%  |

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Table A4.10

| Business type/zone  | Floor area (m <sup>2</sup> ) (6) | Litres/day/m <sup>2</sup> floor area (7) | Household equivalent per m <sup>2</sup> (hh/m <sup>2</sup> ) (8) | m <sup>2</sup> per household (9) |
|---|----------------------------------|--|--|----------------------------------|
| Business 1 – local shopping areas                           | 195,152                          | 2.21                                     | 0.0039   | 258                              |
| Business 2 – large retail areas                             | 448,103                          | 2.26                                     | 0.0039   | 253                              |
| Business 3 – light industry                                 | 1,224,625                        | 2.33                                     | 0.0041   | 246                              |
| Business 4 – industry                                       | 1,532,238                        | 2.33                                     | 0.0041   | 246                              |
| Business 5 – general Industrial                             | 2,060,850                        | 2.31                                     | 0.0040   | 247                              |
| Business 6 – rural Industrial                               | 73,974                           | 2.56                                     | 0.0045   | 223                              |
| Business Retail Park – large format retail and trade supply | 125,386                          | 2.23                                     | 0.0039   | 257                              |
| Central city and central city edge – CBD                    | 1,398,950                        | 2.28                                     | 0.0040   | 250                              |
| Special Purpose (Airport)                                   | 170,946                          | 2.35                                     | 0.0041   | 243                              |

## Notes:

- (1) Estimate of average residential discharge per person (Design Code of Practice).
- (2) Occupancy provided by the Council's Strategy and Planning Group.
- (3) Discharge multiplied by occupancy.
- (4) Equivalence Methodology Document: SPM Applications (2008)
- (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
- (6) Floor area in each business zone provided by Council's Strategy and Planning Group
- (7) Standard discharge per m<sup>2</sup> weighted by activities carried out in zone.
- (8) Previous column divided by average daily flow per household.
- (9) Inverse of previous column

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#### A4.3 Stormwater and flood protection

The stormwater and flood protection equivalence is based on an assessment of demand for surface water management services from a unit area of non-residential land as a proportion of the surface water management demand from a typical residential site.

##### A4.3.1 Residential imperviousness

The demand measure for residential surface water is the average impervious area per site, being the sum of the building footprint (m<sup>2</sup>) and impervious surfaces (m<sup>2</sup>). It does not include any allowance for impervious surfaces off the site, such as roads, vehicle crossings and footpaths. Assessments of impervious areas have been made for a number of projects in the past, including measuring representative samples from aerial photographs.

A typical residential site impervious area is estimated from:

- Interpretation of satellite photography for degree of imperviousness by Landcare Research Ltd.
- Knowledge of a typical residential building footprint.

Residential imperviousness is therefore calculated as follows:

|   |                          |
|---|--------------------------|
| Typical residential building footprint          | 195 m <sup>2</sup>       |
| +   |                          |
| Typical impervious area on a residential site 2 | 32 m <sup>2</sup>        |
| =   | <b>427 m<sup>2</sup></b> |

##### A4.3.2 Non-residential imperviousness

Each square metre (m<sup>2</sup>) of impervious surface can be considered to have an equal impact on flooding and erosion regardless of the source being residential or non-residential. However, surface water management projects may have multiple drivers, including resolving surface water discharge quality in addition to flooding and erosion.

It is generally considered that the contamination of surface water runoff is higher in non-residential areas. The need to deal with additional contaminant loadings affects the cost of surface water management services and hence the equivalence calculation. For the purpose of this assessment, it is considered that surface water contaminants from non-residential environments are twice the load from residential environments and this differential is adopted for the equivalence calculation.

The calculation also makes the assumption, based on forward planning to date and experience from other cities, that 40% of capital expenditure will relate to flooding and erosion mitigation and 60% will relate to water quality mitigation.

Assumptions applicable to the non-residential surface water equivalence calculation are therefore:

- The proportion of the capital works programme related to flooding and erosion is 40%.
- The proportion of the capital works programme related to surface water quality is 60%.
- The contaminant load ratio between non-residential and residential is 2:1.

Non-residential imperviousness is therefore calculated as follows:

Share of 1 m<sup>2</sup> of non-residential impervious surface related to flooding and erosion = 1m<sup>2</sup> x flooding and erosion portion = 1m<sup>2</sup> x 40% = **0.40 m<sup>2</sup>**

Share of 1m<sup>2</sup> of non-residential impervious surface related to surface water quality = 1m<sup>2</sup> x contaminant load ratio x surface water quality portion = 1m<sup>2</sup> x 60% x 2 = **1.20 m<sup>2</sup>**

Effective equivalent area = Flooding and erosion share + contaminant loading share  
= 0.40m<sup>2</sup> + 1.20m<sup>2</sup> = **1.60 m<sup>2</sup>**

Equivalence 1m<sup>2</sup> of non-residential impervious surface = 1.60 ÷ 427 HUE/ m<sup>2</sup> = **0.0038 HUE**

#### A4.4 Transport

For transport related activities, equivalence is based upon the amount of travel generated by an activity. This has a unit measure of vehicle kilometres travelled per year (VKT). The methodology to establish the equivalences for transport activities has been reviewed in light of the latest, post-earthquake land use projections. This has included reviewing and updating, where necessary, the equivalence mechanism applied to charges for transport improvement projects, using both the updated land use projection and updated Christchurch transport model (CTM).

The review has confirmed that, despite a new transport model platform used compared with that adopted previously, the calculation factors for relative attractions for residential and business trips adopted within the current DCP remain (broadly) very similar indeed.<sup>17</sup> The following allocation of 'chargeable' residential trips between 'backlog' (existing household transport contribution) and land-use growth has been calculated.

<sup>17</sup> The CTM is calibrated to 2006 surveys and is based on a Cube software platform. This differs from the previous model which was based on 2001 model estimates (from a TRACKS model platform founded on 1991 surveys).

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Table A4.11 Residential Growth Projections

| Area                | Historic<br>2006 | Current<br>2011 | Projection<br>2021 | Background<br>2021 | Existing<br>Capacity<br>2021 | Existing<br>demand<br>2021 | Total Demand<br>2021 | Backlog | Growth |
|---------------------|------------------|-----------------|--------------------|--------------------|------------------------------|----------------------------|----------------------|---------|--------|
| Total               | 2,872,209        | 2,941,068       | 3,015,199          | 2,982,646          | 2,949,204                    | 2,991,681                  | 3,015,199            | 64.4%   | 35.6%  |
| Non-growth<br>areas | 1,873,460        | 1,783,688       | 1,831,479          | 1,805,463          | 1,850,855                    | 1,875,161                  | 1,831,479            | 43.1%   | -43.1% |
| Growth Areas        | 998,749          | 1,157,380       | 1,183,720          | 1,177,183          | 1,098,349                    | 1,116,520                  | 1,183,720            | 21.3%   | 78.7%  |

The growth in residential travel can then be converted into trips by business zone, as trips are generated by activities at either end. For example, a on-way trip from home to work (e.g. office) is driven by both the residence at one end and the office at the other. Thus the capacity taken up by one trip should be allocated equally between the residence and the office. The review suggested a very close relationship between previously calculated ('chargeable') allocation between residential and business. The following HUE equivalences (applicable across the district) have therefore been used.

Table A4.12 Non-residential (Business) Transport Equivalences

| Land Zone                        | Base trips per 100 m <sup>2</sup> | Floor area per HUE<br>(m <sup>2</sup> ) | HUE's / m <sup>2</sup> |
|----------------------------------|-----------------------------------|---|------------------------|
| B1 – Local shopping areas        | 30.30                             | 48                                      | 0.0209                 |
| B2 – Large retail areas          | 46.40                             | 31                                      | 0.0320                 |
| B3 – Light industry              | 9.00                              | 161                                     | 0.0062                 |
| B4 – Industry                    | 11.30                             | 128                                     | 0.0078                 |
| B5 – General industrial          | 6.10                              | 238                                     | 0.0042                 |
| B6 – Rural industrial            | 3.00                              | 476                                     | 0.0021                 |
| Business Retail Park             | 32.48                             | 45                                      | 0.0224                 |
| Central City & Central City Edge | 14.35                             | 101                                     | 0.0099                 |
| Special Purpose (Airport)        | Special Assessment                |   |                        |
| <b>All Business</b>              | <b>13.21</b>                      | <b>110</b>                              | <b>.0091</b>           |

## A4.5 Leisure facilities

The Council considers that non-residential development benefits from leisure facilities in a number of ways:

- non-residential development receives a substantial indirect benefit from their employees' use of leisure facilities during and at either end of their working day; and
- Christchurch has a high number of transient workers who commute from neighbouring territorial authorities. Some of the demand for leisure facilities is created by non-residential development and their employment of individuals who reside out of Christchurch.

On this basis, it is considered that non residential developments do receive benefit from the provision of a network of leisure facilities which make the district an attractive place to live, work and play.

The HUE equivalence for leisure facilities is calculated as follows:

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Table A4.13 Non-residential (Business) Leisure equivalences

|  |                          | Benefit in HUEs |           |           |            |
|--|--------------------------|-----------------|-----------|-----------|------------|
|  |                          | 2006            | 2011      | 2013      | 2022       |
| Assessed business benefit                        | 12.5%                    | 20,589          | 21,250    | 21,458    | 22,804     |
| Assessed residential benefit                     | 87.5%                    | 144,211         | 148,752   | 150,208   | 159,629    |
| Total benefit                                    | 100%                     | 164,709         | 170,003   | 171,667   | 182,433    |
| Total households                                 | <i>From Growth model</i> | 144,121         | 148,752   | 150,208   | 159,629    |
| Total business floor space (m <sup>2</sup> )     |                          | 8,632,003       | 9,044,319 | 9,153,891 | 10,027,743 |
| Non-residential benefit equivalent to households |                          | 20,589          | 21,250    | 21,458    | 22,804     |
| Non-residential equivalences                     |                          | 0.0024          | 0.0023    | 0.0023    | 0.0023     |

## A4.6 Libraries

The Council considers that non-residential development benefits from libraries in a number of ways:

- non-residential development benefits directly from their employees' use of libraries for work purposes;
- non-residential development receives a substantial indirect benefit from their employees' use of libraries during and at either end of their working day; and
- Christchurch has a high number of transient workers who commute from neighbouring territorial authorities. Some of the demand for libraries is created by non-residential development and their employment of individuals who reside out of Christchurch.

On this basis, it is considered that non residential developments do receive benefit from the provision of a network of libraries which make the district an attractive place to live, work and play.

The HUE equivalence for libraries is calculated as follows:

Table A4.14 Non-residential (Business) Library equivalences

|  |                          | Benefit in HUEs |           |           |            |
|--|--------------------------|-----------------|-----------|-----------|------------|
|  |                          | 2006            | 2011      | 2013      | 2022       |
| Assessed business benefit                        | 12.5%                    | 20,589          | 21,250    | 21,458    | 22,804     |
| Assessed residential benefit                     | 87.5%                    | 144,211         | 148,752   | 150,208   | 159,629    |
| Total benefit                                    | 100%                     | 164,709         | 170,003   | 171,667   | 182,433    |
| Total households                                 | <i>From Growth model</i> | 144,121         | 148,752   | 150,208   | 159,629    |
| Total business floor space (m <sup>2</sup> )     |                          | 8,632,003       | 9,044,319 | 9,153,891 | 10,027,743 |
| Non-residential benefit equivalent to households |                          | 20,589          | 21,250    | 21,458    | 22,804     |
| Non-residential equivalences                     |                          | 0.0024          | 0.0023    | 0.0023    | 0.0023     |

## A4.7 Cemeteries

All non-residential development will be assessed at zero HUEs for cemeteries

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**APPENDIX 5: The LGA requirements and other considerations in the calculation of development contributions****A5.1 LGA Requirements**

Section 106 and section 201 of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule of development contribution charges is calculated. As such, each development contribution has been calculated in accordance with the methodology set out in Schedule 13 of the LGA, by using the following process.

**Table A5.1 Calculation of development contribution**

| Step       | Explanation   | LGA reference                             |
|------------|---|---|
| <b>One</b> | From the capital expenditure:   | Section 106(2)(a)                         |
|            | • Determine the activity for the purposes of assessing the development contribution.  | Section 106(2)(d)<br>Schedule 13(1)(a)    |
|            | • Record the catchment where the project provides capacity to meet demand.  | Schedule 13(1)(a)                         |
|            | • Summarise in the DCP the capital works (with a component of capacity for growth) that have been included in the determination of the development contribution charge (refer to Table A3.1).   | Section 106(2)(a)                         |
|            | • Deduct from the project cost all reasonably anticipated funding from third parties (typical sources of third party funding include NZTA, Lotteries Grant, community fund raising). Where insurance has been paid due to the earthquakes, this too has been deducted as appropriate. | Section 200(1)(c)                         |
|            | • Record the capacity life of the project – the growth cost share will be assigned to the demand reported in the growth model over the capacity life of the project to a maximum of the 30 years (as referred to in the Council's Revenue and Finance Policy).                        | Schedule 13(1)(b)                         |
|            | • Include completed projects that were constructed to provide capacity for future demand and still have remaining surplus capacity. The actual costs of these projects less third party funding are included.   | Section 199(2)                            |
|            | • Exclude projects which may be implemented as works and services on condition of a resource consent, etc, from the determination of the development contribution charge.   | Section 200(1)(a)<br>Section 200(1)(b)    |
|            | • Assess each activity (and selected projects) that will use development contributions as part of their funding against the factors in Sections A1.3 to A1.7.   | Section 101(3)(a)                         |
| <b>Two</b> | Undertake a cost allocation analysis using the Modified Shared Drivers methodology to determine the share of cost to growth (Refer to Section A5.3).  | Schedule 13(1)(a)<br>Schedule 10(2)(1)(d) |
|            | • The cost allocation methodology provides a procedure based on the capacity and demand requirements of the current levels of service identified in the Three-year Plan to determine the growth cost share of the project cost.   | Section 106(2)(a)                         |
|            | • The cost allocation methodology provides a consistent and equitable methodology for assessing the project growth cost share.  | Schedule 13(1)(b)                         |
|            | • The outcomes of the cost allocation are summarised in the DCP to state the proportion of capital expenditure to be funded by development contributions and other sources of funding (refer to Table A3.1).  | Section 106(2)(b)<br>Schedule 10(2)(1)(d) |

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| Step         | Explanation  | LGA reference                          |
|--------------|--|--|
| <b>Three</b> | The growth model forecasts changes in household numbers and business floor areas (refer to Appendix 2).  | Schedule 13(1)(a)<br>Schedule 13(1)(b) |
|              | <ul style="list-style-type: none"> <li>Determine for each activity and catchment the changes in demand for service from the existing and growth communities over the capacity life of the project.</li> </ul>  |  |
|              | <ul style="list-style-type: none"> <li>Include measures of both household and business demand.</li> </ul>  |  |
| <b>Four</b>  | Undertake a funding analysis of each project to determine the total cost of growth for each unit of demand.  | Schedule 13(1)(a)<br>Schedule 13(1)(b) |
|              | <ul style="list-style-type: none"> <li>The project growth cost share is funded by development contributions from each of the incoming growth demand units (identified in the growth model) in the catchments serviced by the project over the capacity life of the project (refer above and to Section A5.4).</li> </ul> |  |
|              | <ul style="list-style-type: none"> <li>When the timing of project expenditure collectable from the growth community via development contributions differs from the receipt of development contributions revenue, the mismatched amount will have interest applied for the duration of the timing difference.</li> </ul>  |  |
| <b>Five</b>  | Aggregate the outcomes of the funding analyses for each project by activity and catchment to determine the development contribution charge for that activity and catchment.  | Section 202(1)<br>Section 202(3)       |
|              | <ul style="list-style-type: none"> <li>Present the Schedule of development contribution charges (refer to Table 2.7).</li> </ul>   | Section 201(2)<br>Section 202          |
| <b>Six</b>   | Audit and review.  |  |
|              | <ul style="list-style-type: none"> <li>Undertake both internal and independent reviews of projects, cost allocation analyses and funding analyses. The purpose of the reviews is to check reasonableness of assumptions and correctness of the project data used in analysis.</li> </ul>                                 |  |
|              | <ul style="list-style-type: none"> <li>Internal reviews are comprehensive. External reviews are based on a mixture of selected and random samples.</li> </ul>  |  |
| <b>Seven</b> | Consider overall impact on the community   |  |
|              | <ul style="list-style-type: none"> <li>Consider the overall impact on the use of development contributions to collect the cost of providing community facilities to the growth community (refer to section A1.7)</li> </ul>  |  |
|              | <ul style="list-style-type: none"> <li>Based on this consideration, determine the appropriate amount of the development contribution charges for each activity.</li> </ul>   |  |

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#### A5.2 Level of Service

The Council's activity management plans for each activity define the relevant level of service for that activity. From these level of service statements a list of the capital projects necessary to meet projected growth has been identified and costed, based on sustaining, or where necessary changing, these levels of service.

In general, development contributions will be assessed based on the existing levels of service across the district.

Any requirement to increase the level of service for existing users will not be funded by development contributions.

#### A5.3 Cost allocation methodology

The cost allocation methodology used in this policy is referred to as 'Modified Shared Drivers.' This methodology is applied to the 9 years of capital works projects expenditure and expenditure on past projects that have provided residual capacity which is available to meet the needs of the growth community in the future (summarised in Table A3.1). The methodology has been applied to the programmes of capital expenditure delivering the levels of service defined in the Three-year Plan.<sup>18</sup>

Programmes are planned capital expenditure to deliver the levels of service, while projects are planned or completed works delivering the programmes. The forecast demand growth used to develop those programmes and projects is the same as the forecast growth that is used within the 'Modified Shared Drivers' methodology to attribute the cost in growth in community facilities to the growth community. The analysis to determine the cost of growth has been undertaken at either project level or at programme level as appropriate for that level of service.

The Modified Shared Drivers approach takes the planned costs of a proposed project and assigns them to various

drivers, with only the growth component of a project being recouped through development contributions. As discussed in section A1.5, the categories of drivers within the methodology are:

- Renewal;
- Backlog;
- Changed (increased) levels of service
- Growth; and
- Unallocated.

A summary of the cost allocation methodology is as follows:

- The scope and gross cost of the project are reviewed. Any non-capital (operations and maintenance costs, feasibility costs) are deducted.
- Third party funding (e.g. from NZTA) is identified and deducted.
- The catchment in which the activity occurs is established.
- A share for renewal is deducted, taking into account the scope of assets being renewed and their remaining life at the time of renewal.
- Capacity and demand information based on current levels of service is used to allocate shares to backlog and growth.
- Any remaining share is defined as unallocated.

Capacity and useful life information is also used to determine the period over which development contributions are to be collected.

#### A5.4 Funding model

As highlighted in section A1.7, the Council considers the balance between sources of funding for its capital expenditure. It does this through a funding model to ensure an equitable assessment of the funding

requirements to support the development contributions regime. The primary output of the funding model is an assessment of the required development contributions as a component of the total Council funding requirements. These charges are listed in Table 2.7.

The funding model takes account of:

- the funding requirements to support the costs of growth infrastructure.
- the equitable application of those funding requirements to the incoming growth community.
- recognition that the backlog components of the growth infrastructure are funded by the existing community, typically by rates.
- future rating revenue from the increasing community (this has been estimated and incorporated into the assessment of the development contributions in the funding model as a deduction to the charge).
- interest on funds used to implement growth infrastructure.
- interest on development contributions received in advance of provision of growth infrastructure.
- the Council's consideration of how the funding requirements impact on the community.

#### A5.5 Significant assumptions

A full set of assumptions on which the DCP has been based is contained in Volume 1 of the Three-year Plan. The key assumptions as they impact on the DCP are as follows:

##### A5.5.1 Information

Throughout the entire process of determining development contributions the Council has used the best information available. As more accurate or up-to-date information becomes available it will be used to amend or review this policy as necessary.

<sup>18</sup> The methodology is based on Local Government New Zealand's "The Best Practice Guide to Development Contributions", 2003.

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#### A5.5.2 Planning horizons

A 40-year timeframe is used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons.

#### A5.5.3 Growth

The Council's growth model makes use of the best available information in anticipating growth of the city, including alignment with the UDS. As discussed in Appendix 2, the forecasting rates will be monitored to improve accuracy over time.

#### A5.5.4 Household unit equivalents (HUEs)

No significant change in the underlying assumptions around household composition or household usage of infrastructure is assumed over the 9 year period of this DCP. Appendix 4 provides details on these HUE usage rates.

#### A5.5.5 Financial

The following financial assumptions have been applied over the life of this DCP:

- The methods of service delivery will remain substantially unchanged.
- In preparing the capital programme that is used to establish the capital costs of growth for this policy, the Council has used the financial assumptions set out in the Significant Forecasting Assumptions section of the Three-year Plan. The Council has also made assumptions, based on the best information available at the time of developing this policy, about the life and capacity of each asset created through the capital programme, and the extent to which the growth community benefits from that capacity.
- While the funding policies of third parties such as NZTA are subject to change, the Council has assumed that they will remain the same for the period of the DCP and eligibility criteria will remain unchanged.

- Income generated from rates will be sufficient to meet the operating costs of growth-related capital expenditure into the future.
- 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 by development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond the Council's ability to control, such as changes in the price of raw materials, labour, etc, and the time of capital works. The Council will review its estimates of capital expenditure annually.
- All costs in the capital programme are based on current known infrastructure prices in current 2013 dollars. The model used by the Council to help calculate development contribution charges takes these costs and inflates them to estimate the likely costs of capital works in the future. The inflation adjustors used are nationwide figures provided by Business and Economic Research Limited (BERL) and adjusted by the Council to account for local conditions.
- The interest rates used within the development contributions funding model are those defined in the budget assumptions for the Three-year Plan.

#### A5.6 Key risks/effects

A key risk to the capital programme is that the growth and uptake predictions in the growth model may differ from those expected. On the one hand, the rate of growth may not eventuate, resulting in a reduction in the assumed rate of development. On the other hand, the pace of the rebuild may accelerate faster than forecast. If this happens, the Council's capital programme will be adjusted to reflect the changed demand resulting from growth. It is anticipated that these changes to the capital programme would offset the effect of incorrect growth forecasts and the net impact on development contribution charges would be minimal. However, the Council will continue to monitor the rate of growth compared to

that forecast and, if any differences are not reflected in changes to its capital programme, it will update the DCP as necessary.

There is also a risk that the lag between expenditure incurred by the Council and development contributions received from those undertaking developments is different from that assumed in the funding model and that the costs of capital are greater than expected. This would result in an increased debt servicing cost and could also result in increased depreciation costs for future ratepayers. The Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models as required.

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**Appendix 6: Catchment Maps for Development Contribution Activities**

The following fifteen maps are an overview of the growth catchments for development contributions for each activity. They are also available separately in hard copy upon request to the Council by phoning 03-941-8999 or emailing [ccc-plan@ccc.govt.nz](mailto:ccc-plan@ccc.govt.nz), or online for a more detailed view at:

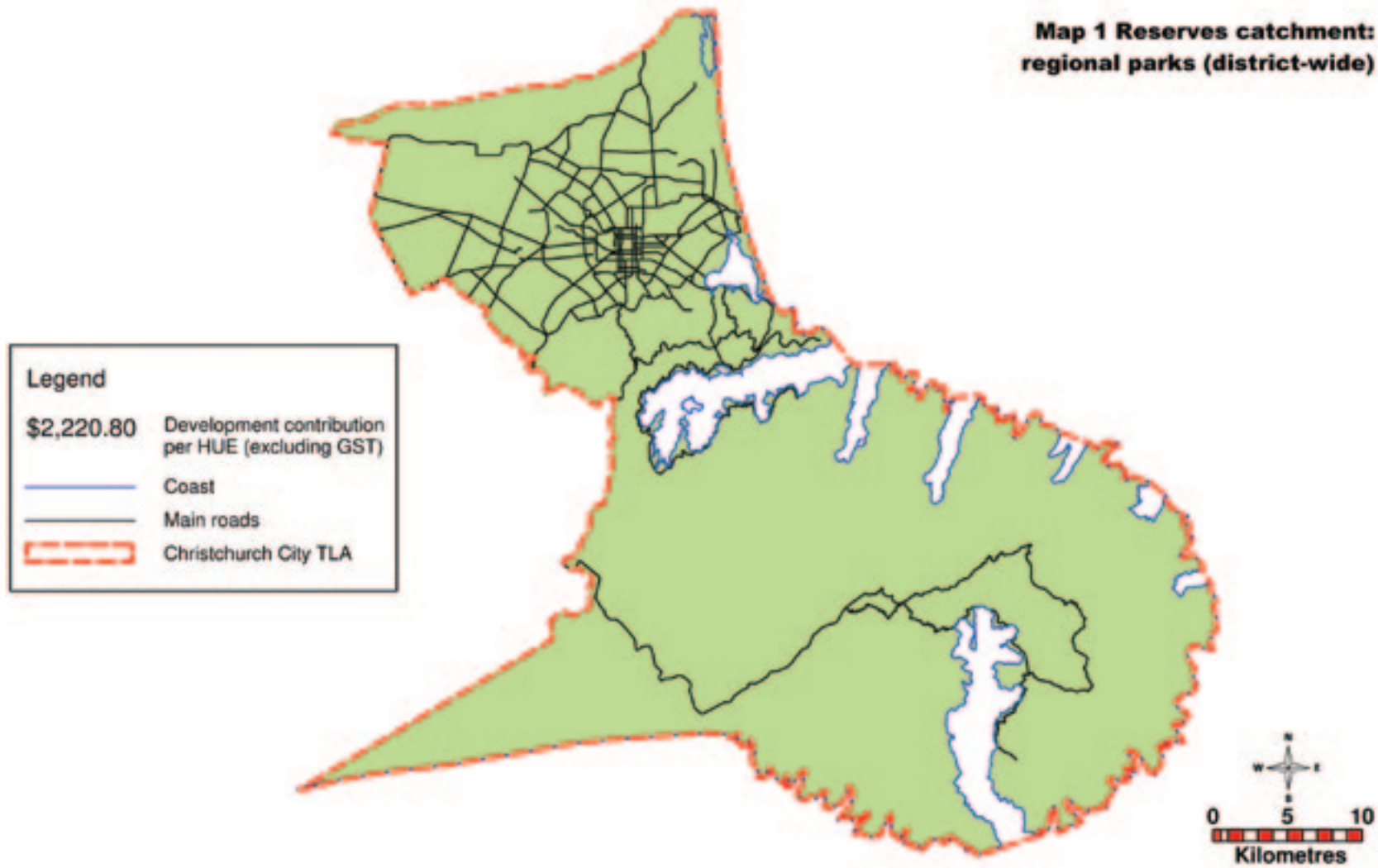
<http://www.ccc.govt.nz/thecouncil/longtermcommunityplan/dcp200919.aspx>

- Map 1** Reserves catchment: regional parks (district-wide)
- Map 2** Reserves catchment: garden and heritage parks (district-wide)
- Map 3** Reserves catchment: sports parks (district-wide)
- Map 4** Reserves catchments: neighbourhood parks (location-specific)
- Map 5** Network infrastructure catchment: water supply (district-wide)
- Map 6** Network infrastructure catchment: wastewater collection (district-wide)
- Map 7** Network infrastructure catchment: wastewater treatment and disposal (district-wide)
- Map 8** Network infrastructure catchments: stormwater and flood protection (location-specific)
- Map 9** Network infrastructure catchment: road network (district-wide)
- Map 10** Network infrastructure catchment: active travel (district-wide)
- Map 11** Network infrastructure catchment: parking (district-wide)
- Map 12** Network infrastructure catchment: public transport (district-wide)
  
- Map 13** Community infrastructure catchment: leisure facilities (district-wide)
- Map 14** Community infrastructure catchment: libraries (district-wide)
- Map 15** Community infrastructure catchment: cemeteries (district-wide)

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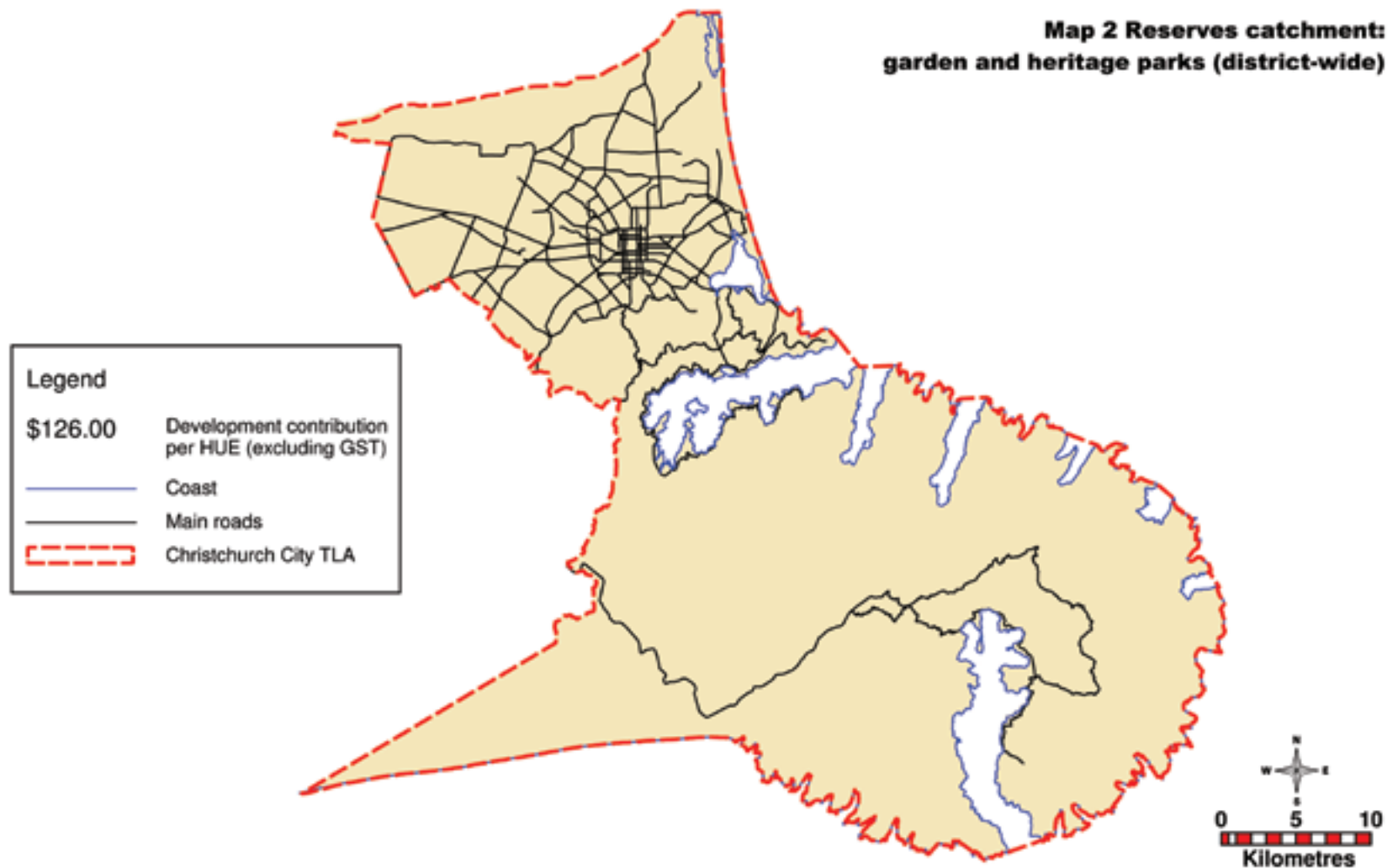
**Map 1 Reserves catchment:  
regional parks (district-wide)**



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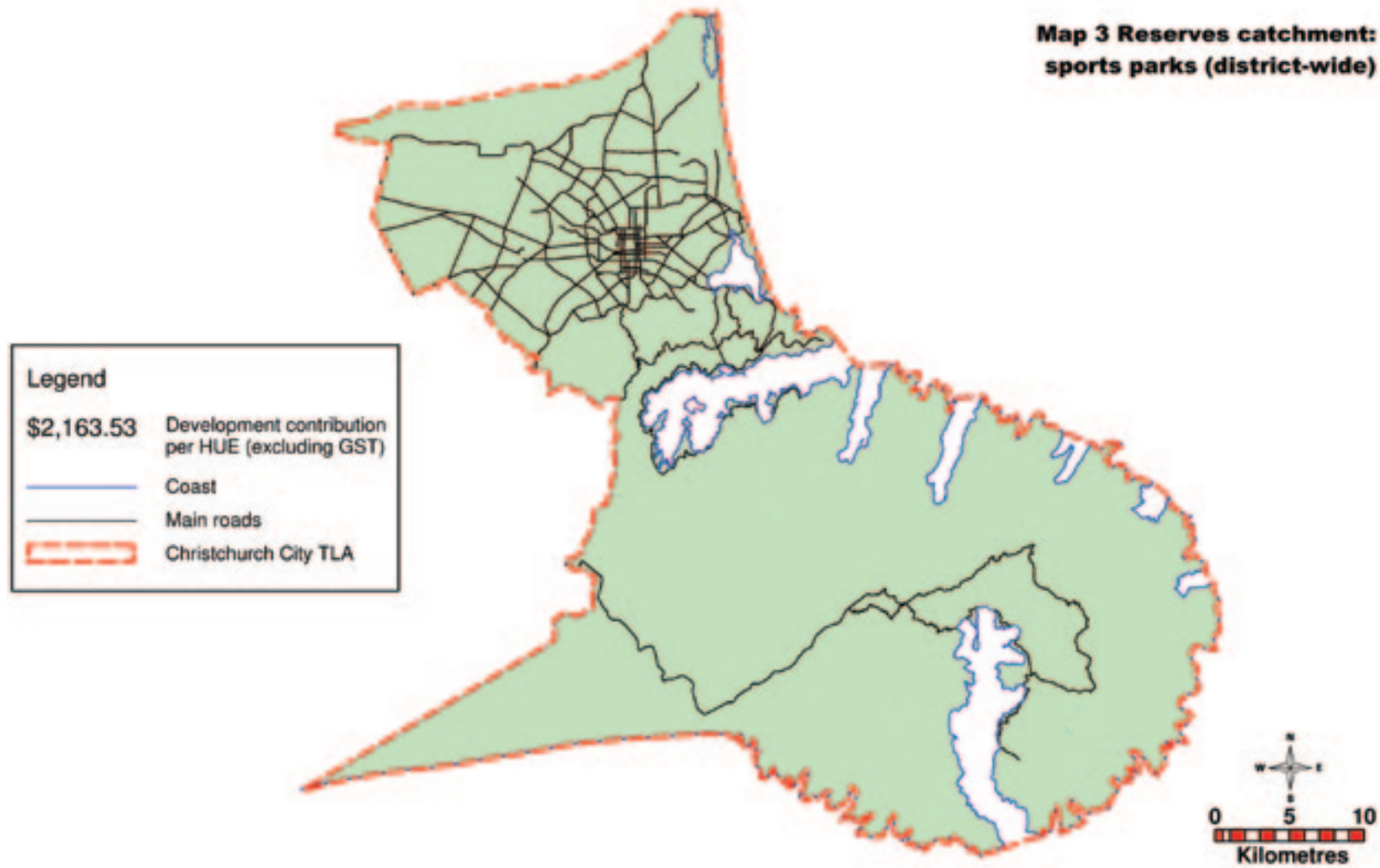
**Map 2 Reserves catchment:  
garden and heritage parks (district-wide)**



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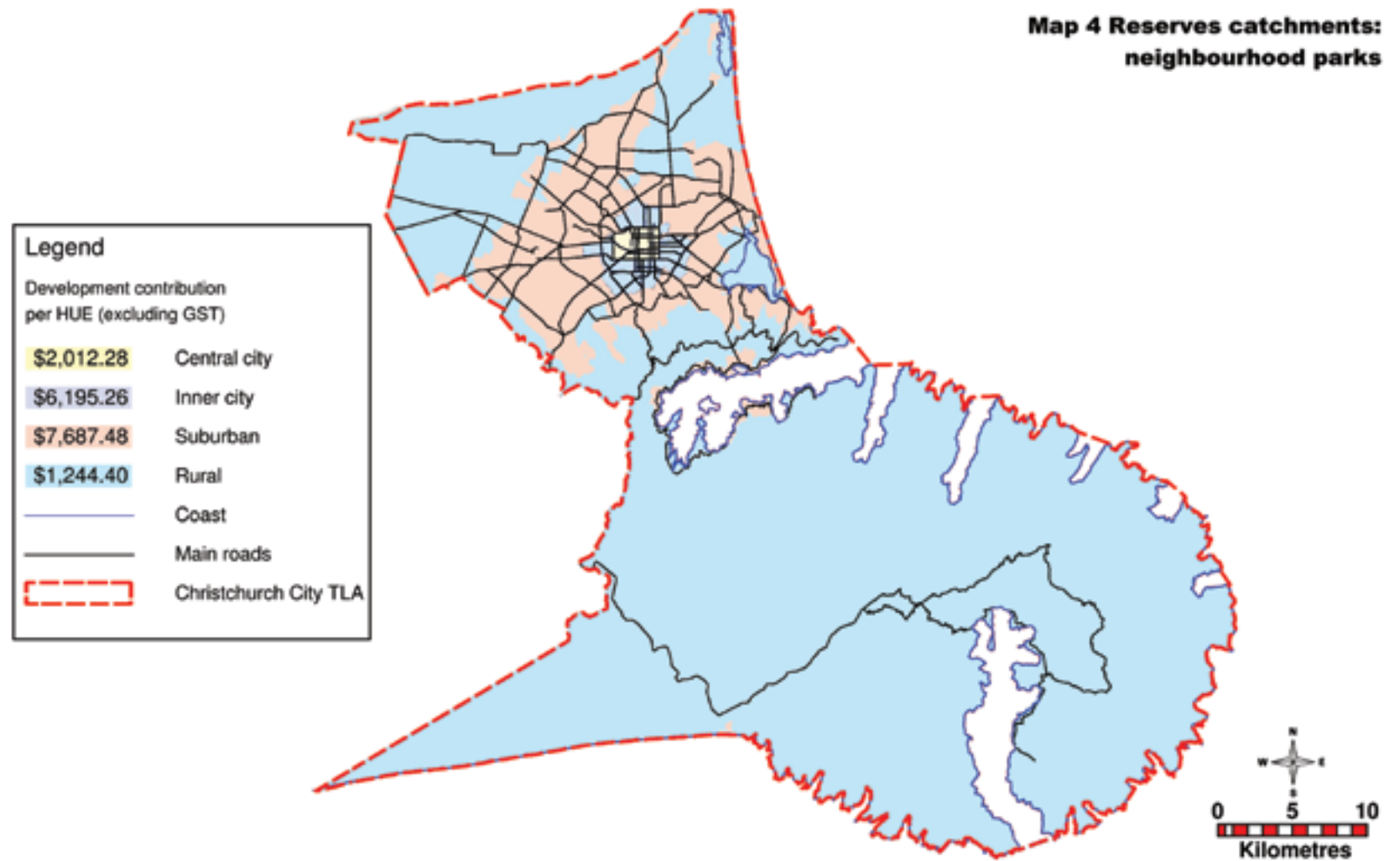
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**Map 3 Reserves catchment:  
sports parks (district-wide)**



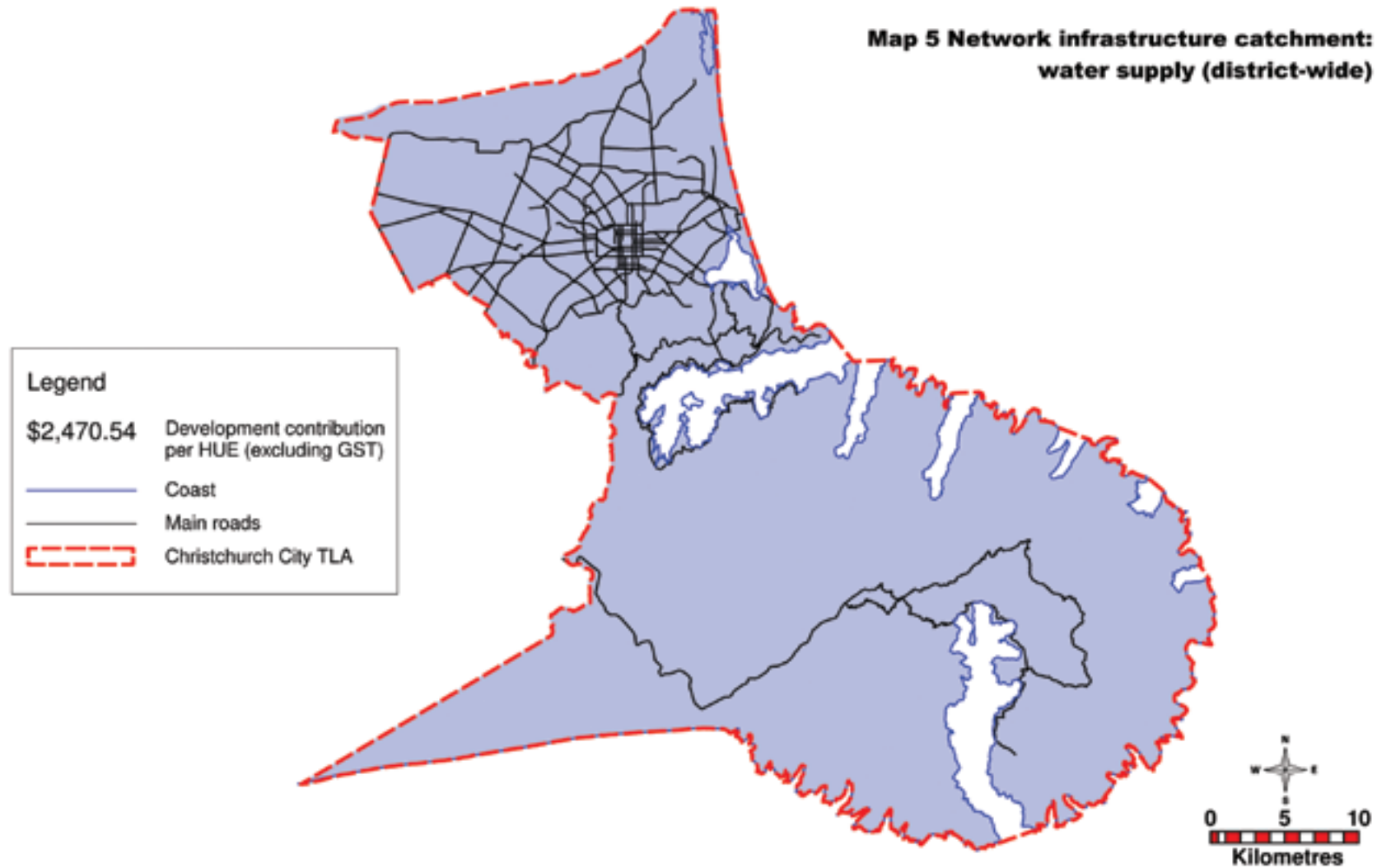
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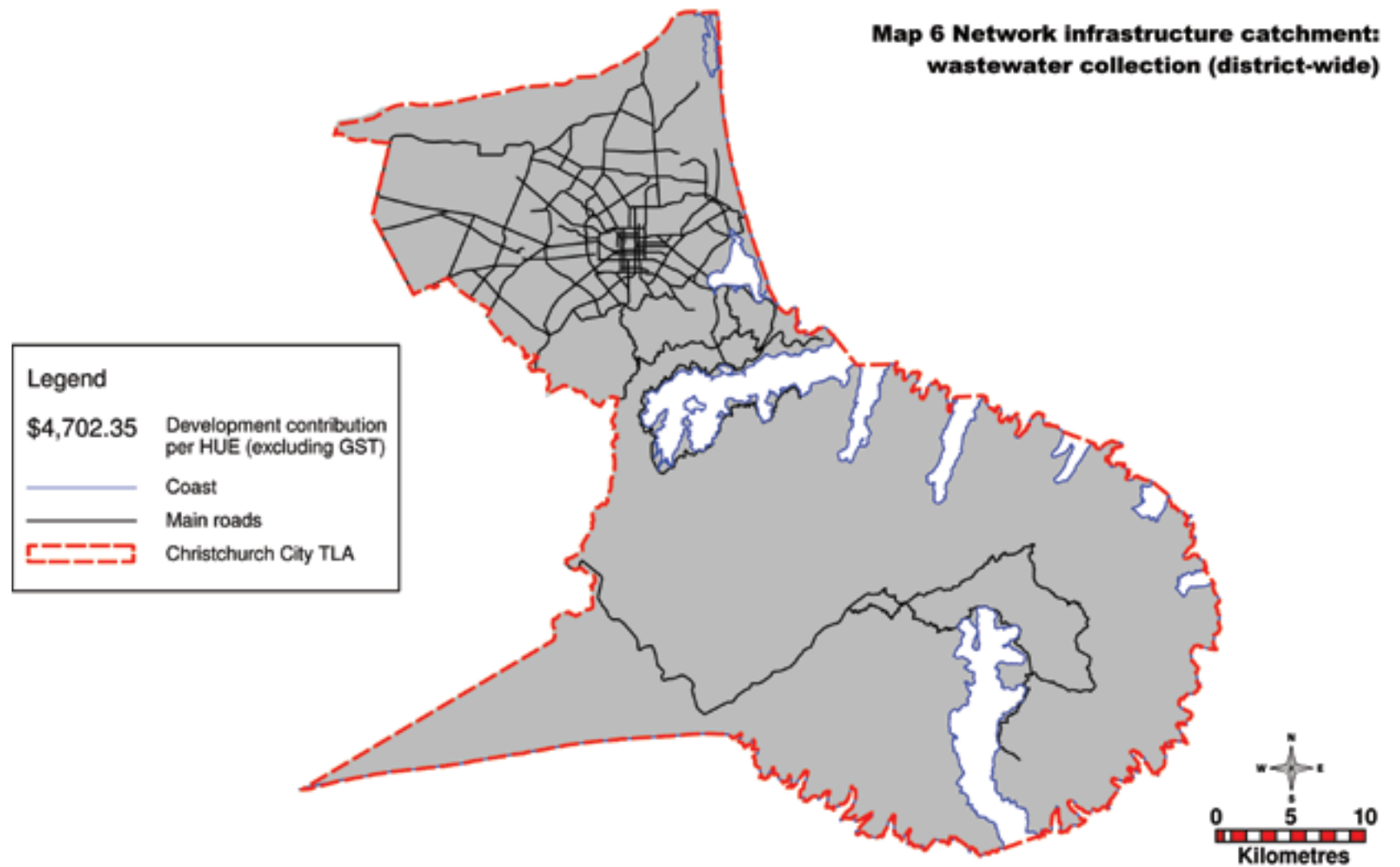
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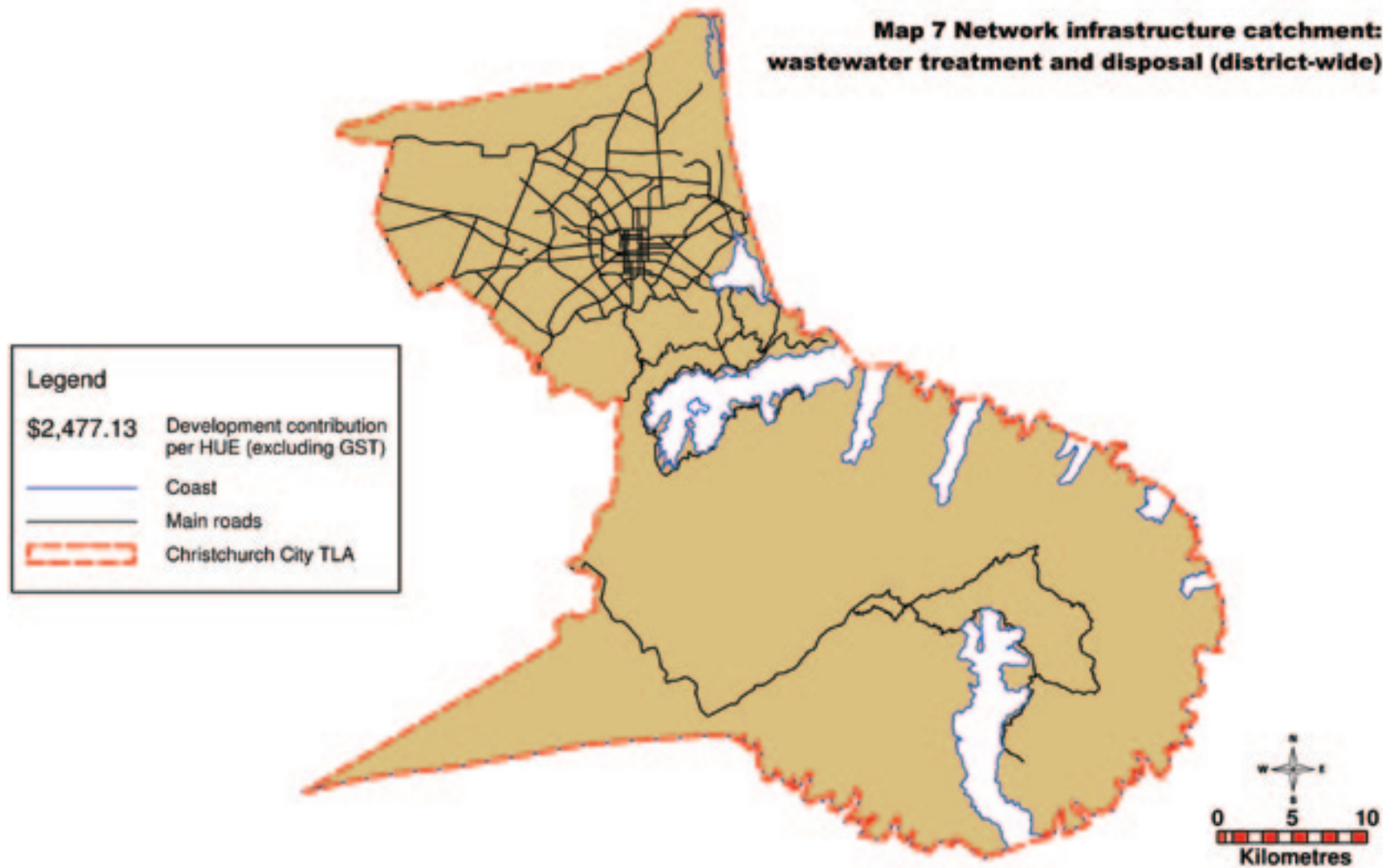
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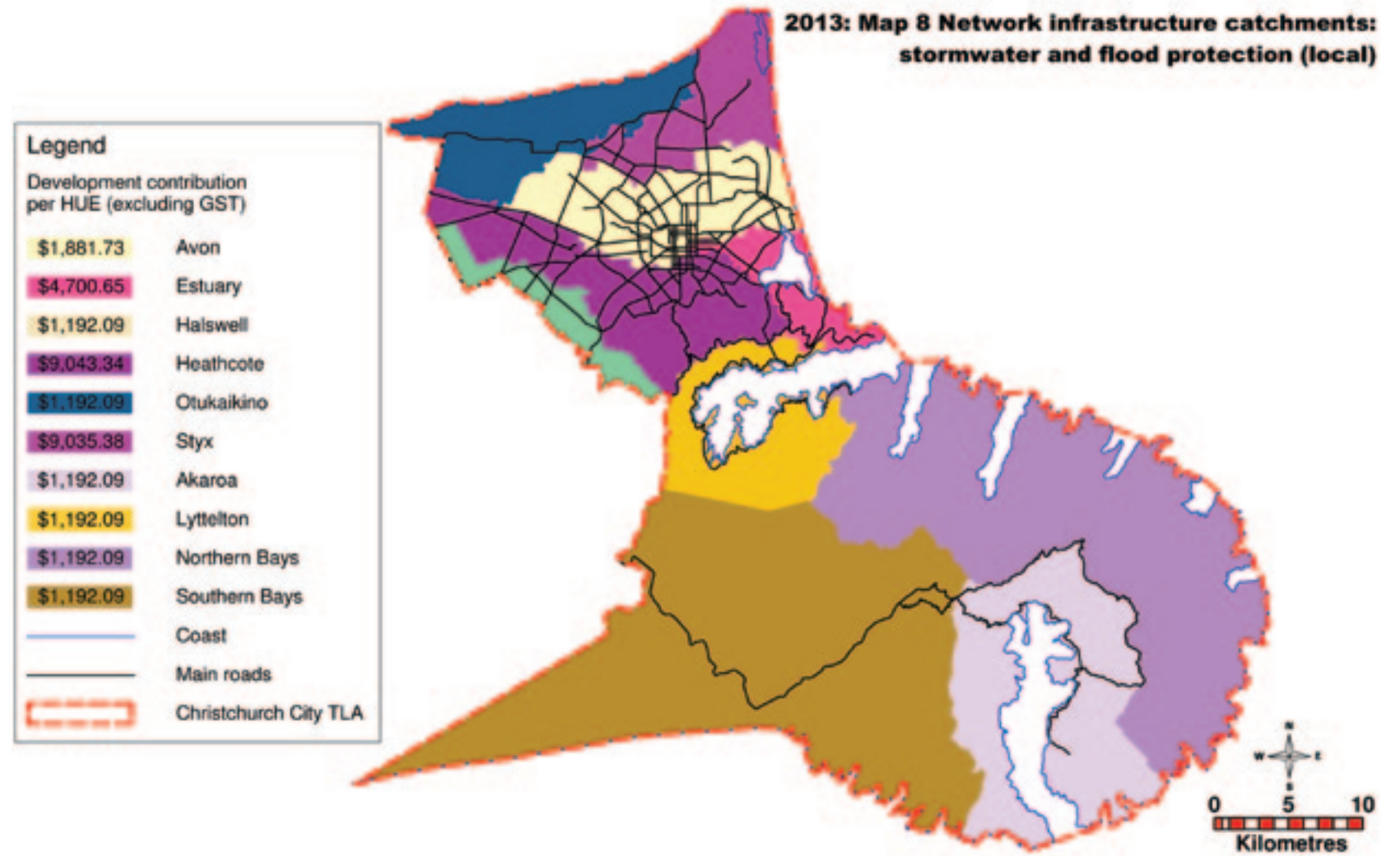
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**Map 7 Network infrastructure catchment:  
wastewater treatment and disposal (district-wide)**



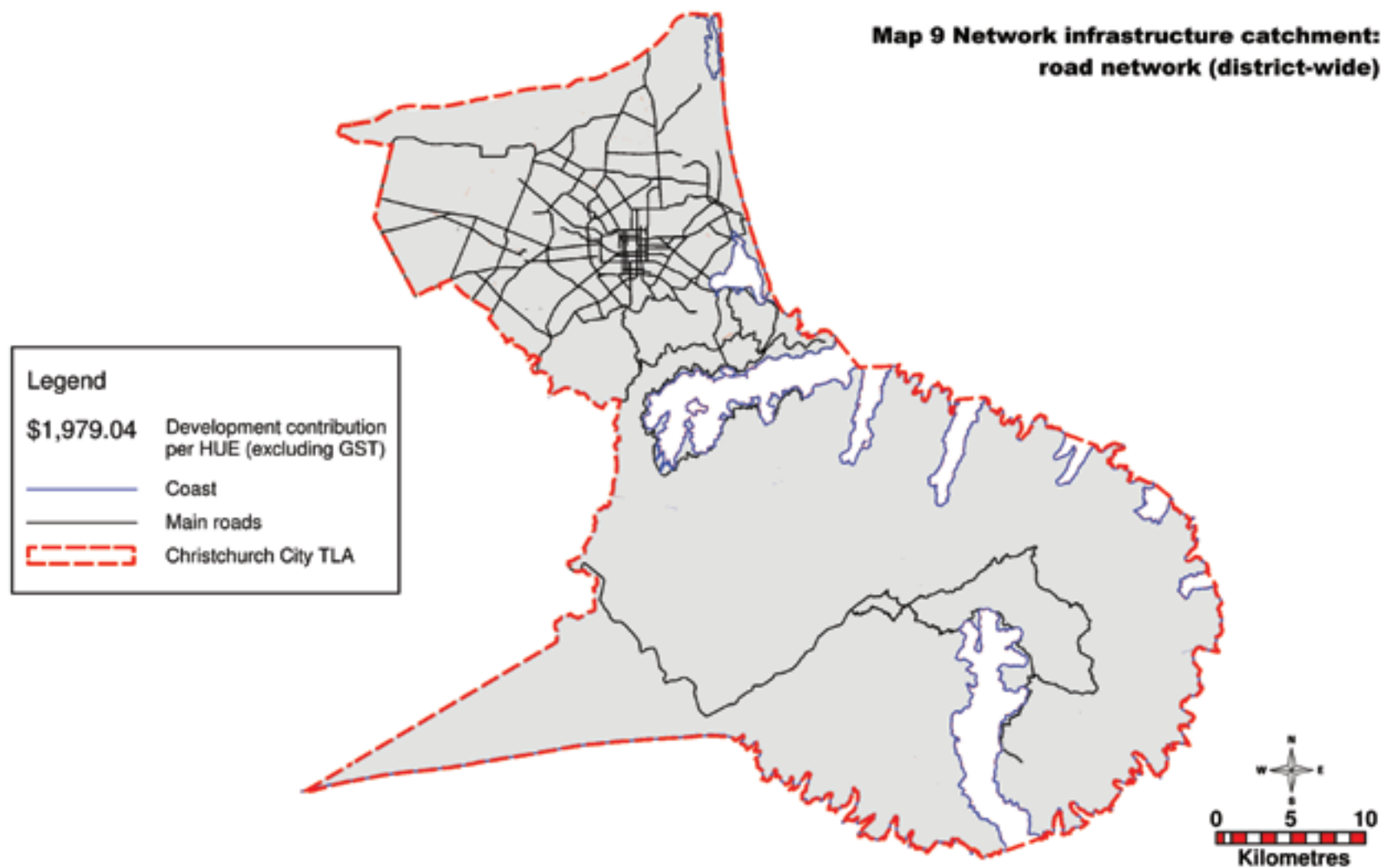
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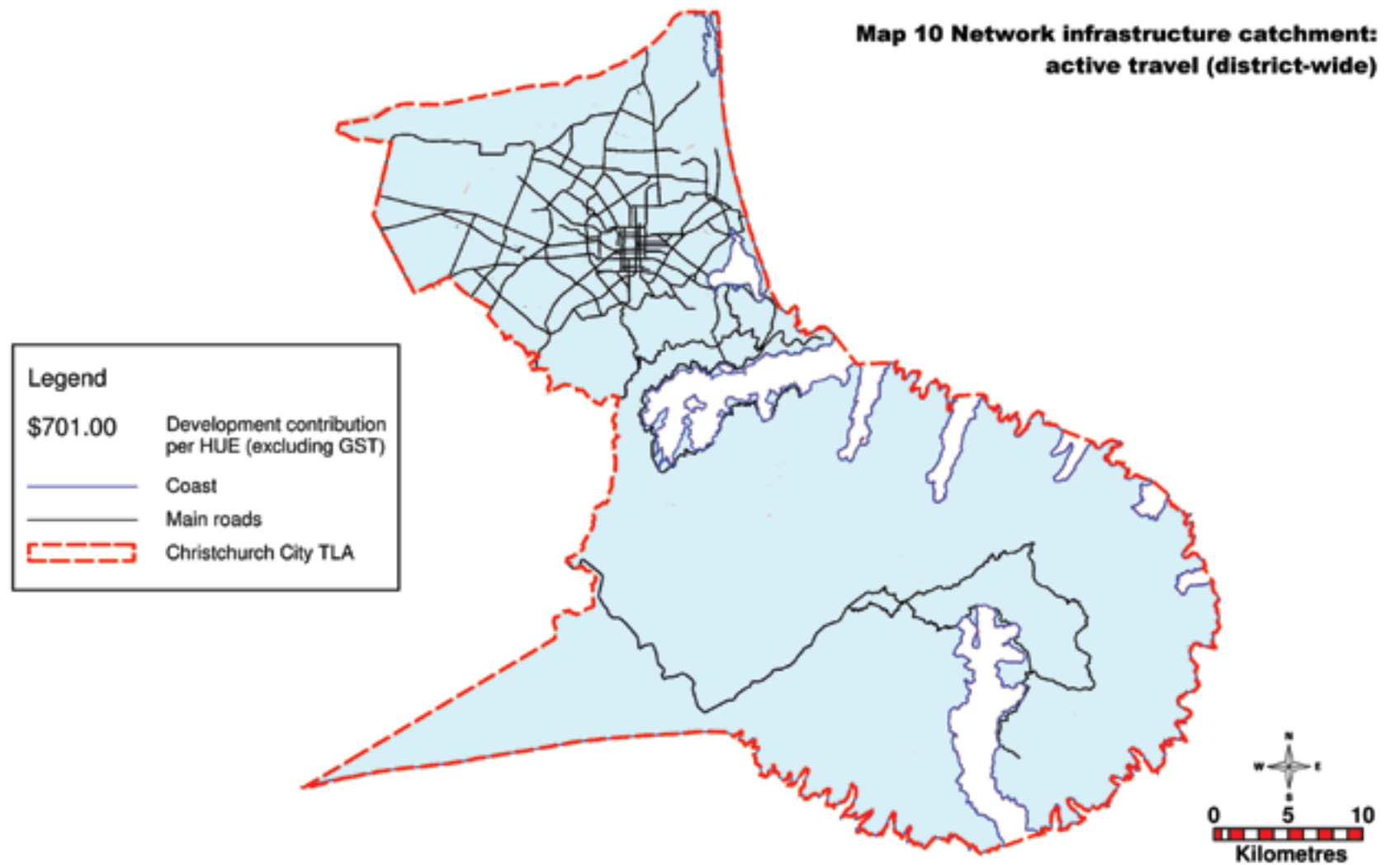
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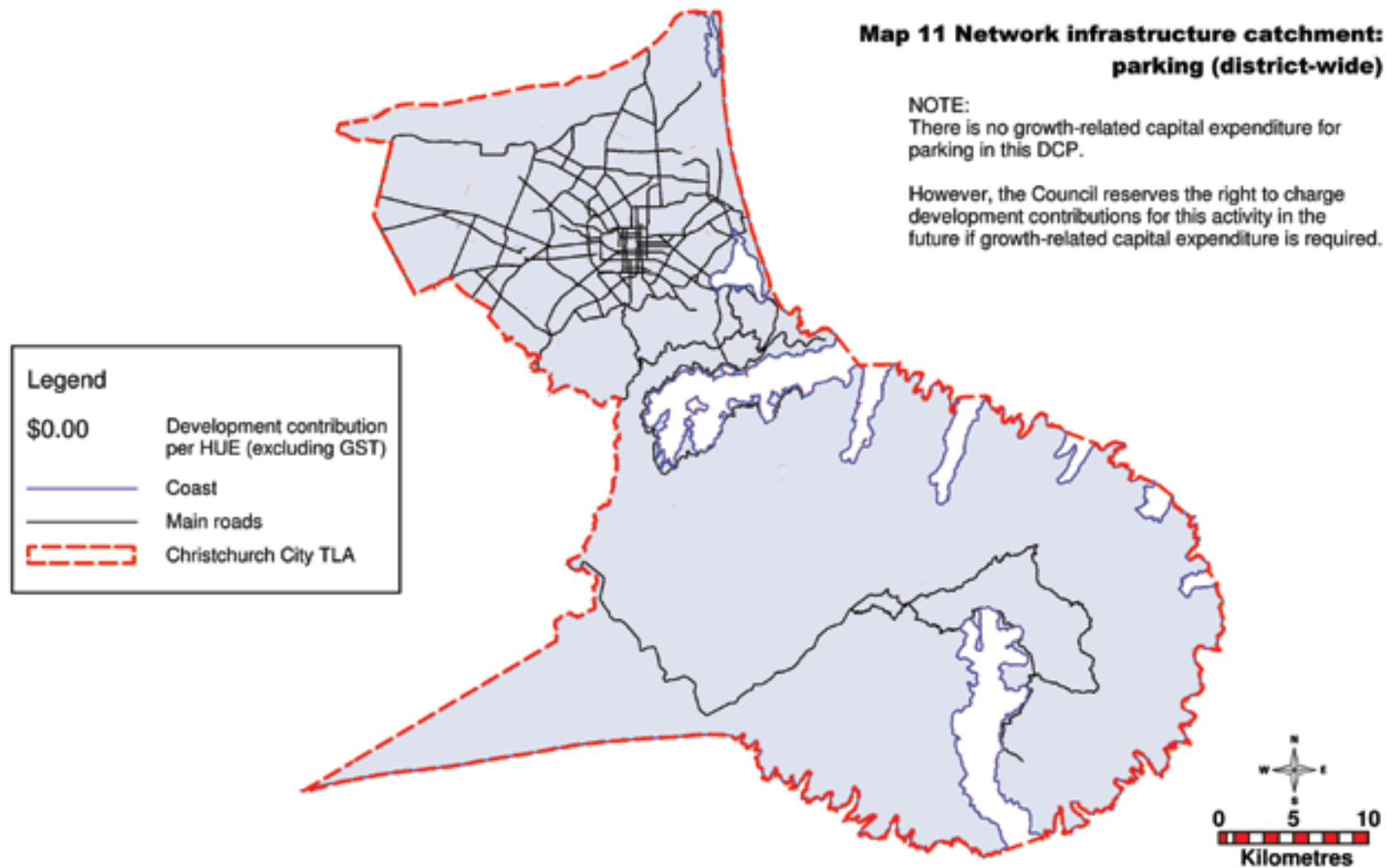
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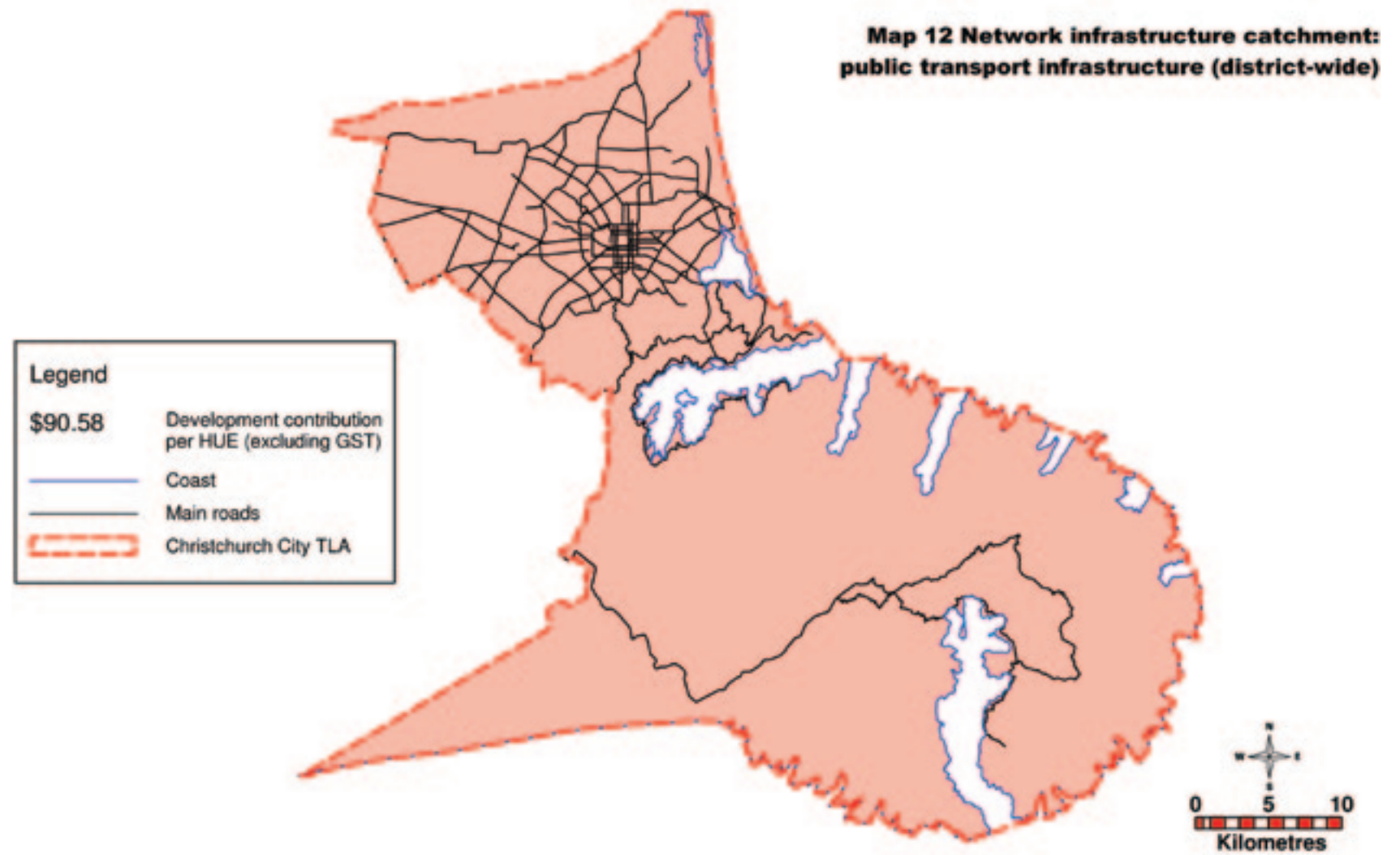
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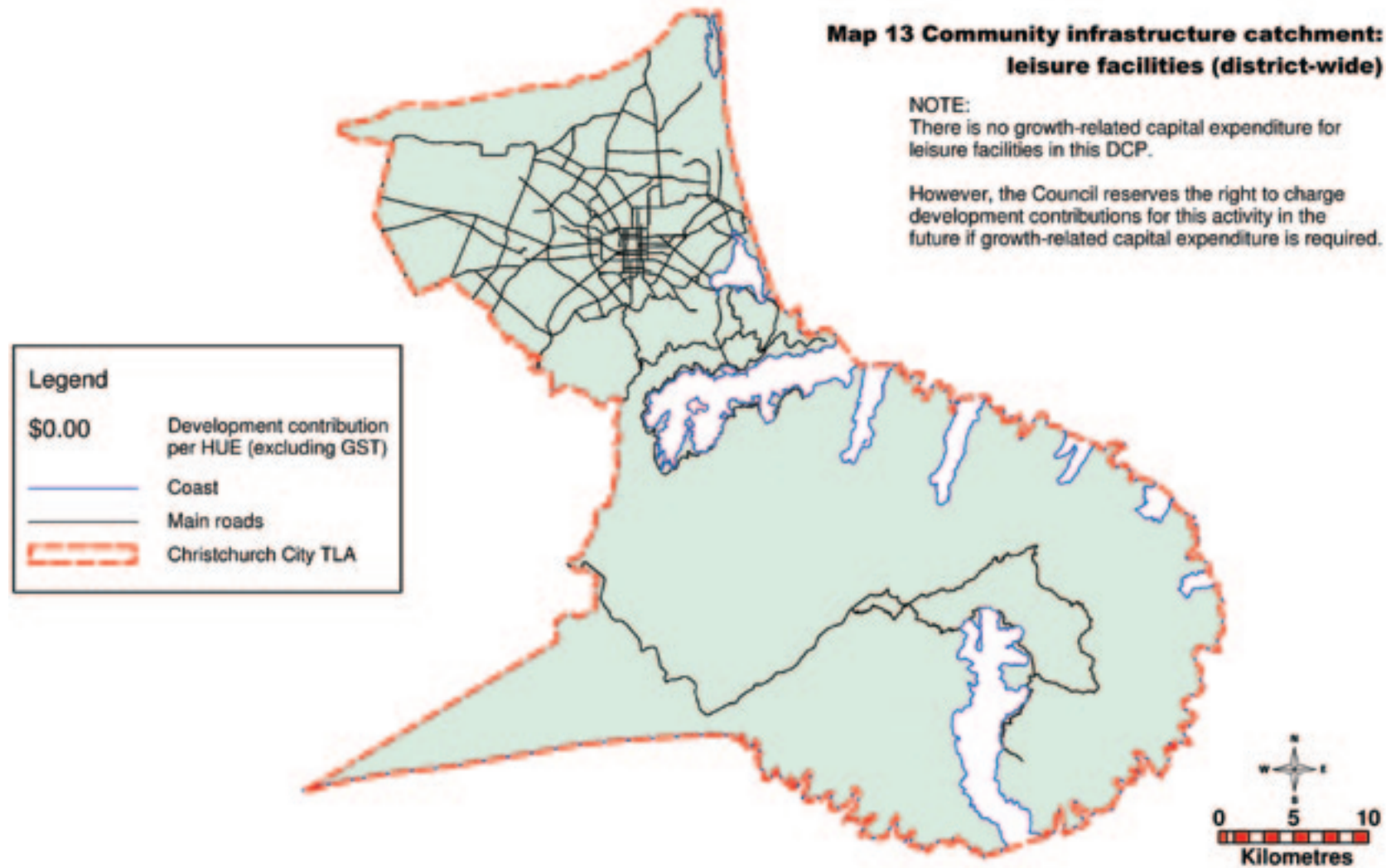
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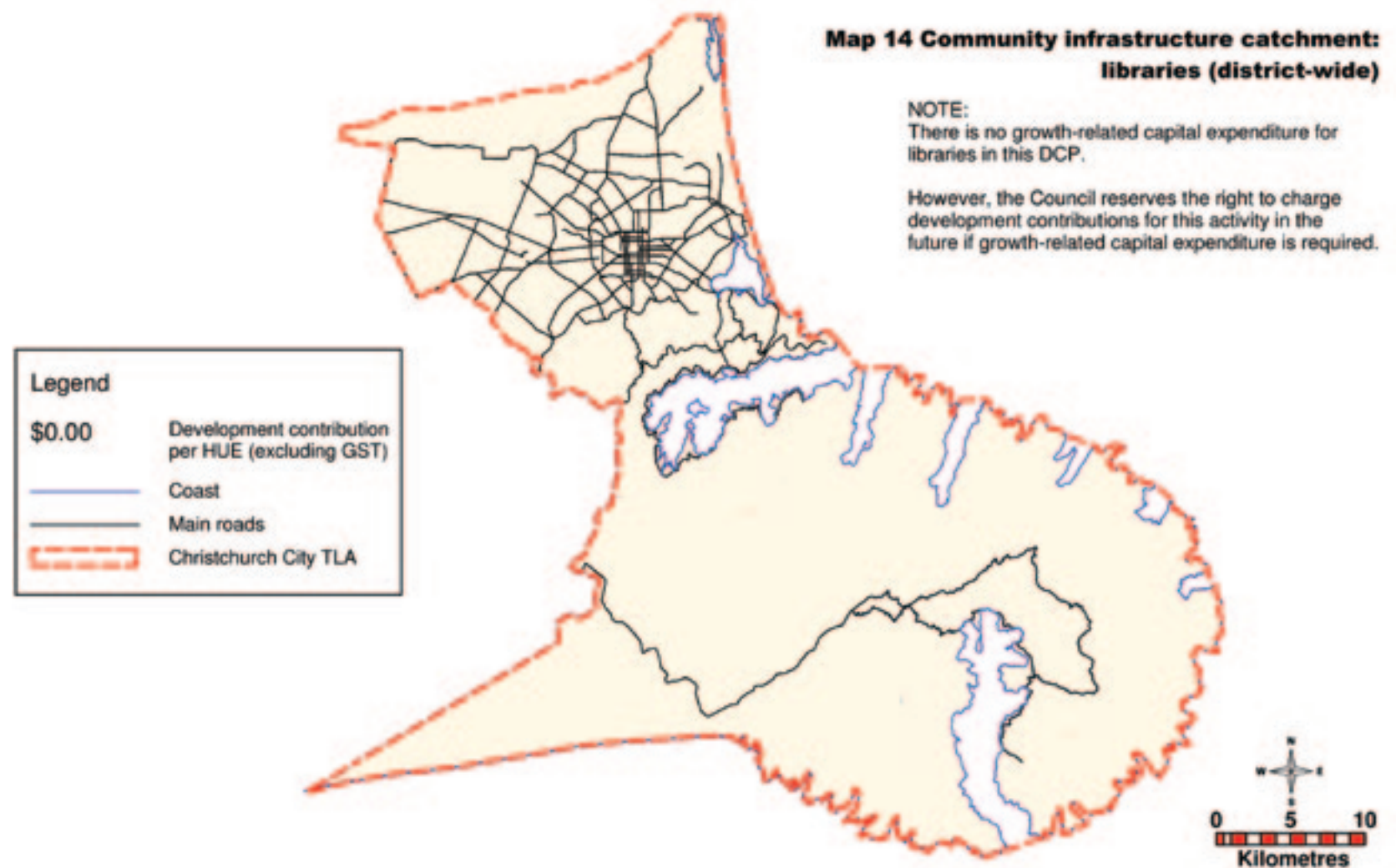
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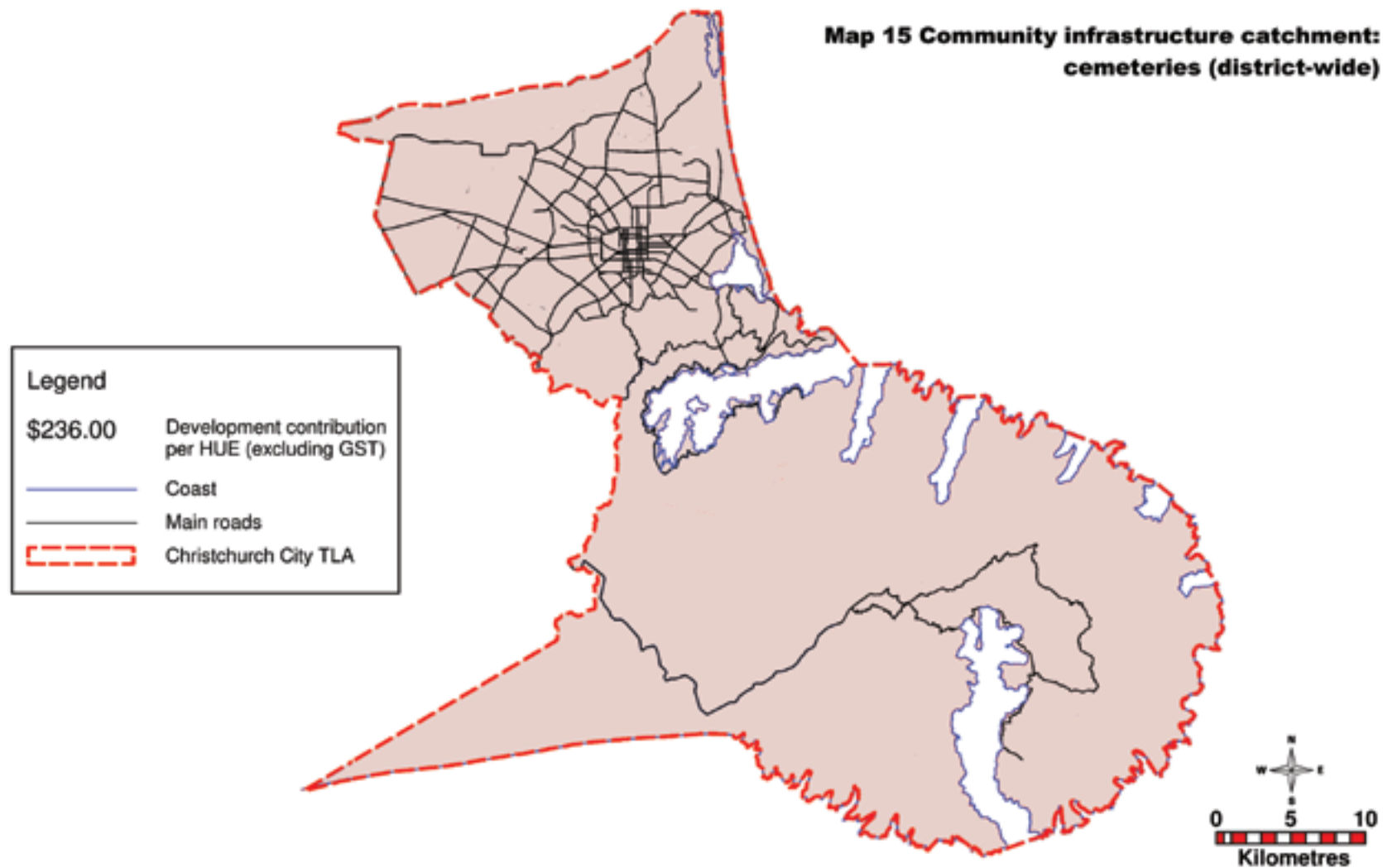
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#### Appendix 7: Additional information

##### 7.1 Review of the policy

Following changes to the LGA in 2010, the DCP can be amended outside the special consultative procedure (SCP) of a local authority's long-term plan. While the DCP will remain a key component of the Council's three-yearly plans, the Council may choose to review the DCP at shorter intervals in parallel with the Annual Plan cycle or at any time, if the Council deems it necessary to take account of:

- Any changes to the significant assumptions underlying the DCP;
- Any change in policy as the Council continues to develop and implement the UDS and other strategies of significance for the district;
- Any changes to the Christchurch City Plan and the Banks Peninsula District Plan;
- Any changes in the capital works programme for growth;
- Any changes in the pattern and distribution of development in the district, particularly as a result of the Canterbury rebuild;
- Any corresponding changes necessary to the growth catchments for development contributions for each activity;
- Any audits and reviews of the policy;
- Any significant changes in cost indices; and
- Any other matters the Council considers relevant.

In addition to the above, it is intended that the schedule of development contribution charges will be updated annually (1 July) to account for inflationary impacts to the capital costs of projects and any changes to the capital expenditure programme.

Opportunities for interested or affected parties to seek amendment to the policy are only available whenever

the special consultative procedure is used. However, the Council welcomes suggested amendments at any time and will consider these as it prepares its 2015 Long-Term Plan and DCP review or any non-SCP amendment. The Council's decision to adopt this policy is subject to judicial review to the High Court only.

At the time of preparing this policy, the Council does not expect future versions of the DCP to require development contributions for any activities additional to those for which this policy already provides.

##### 7.2 Financial Contributions and development contributions

This DCP is distinct from the City Plan provisions that allow the Council to require financial contributions under the Resource Management Act 1991 (RMA). Financial contributions are contributions that can be imposed under the RMA where provided for by the Christchurch City Plan and as a condition of resource consent. Development contributions are based on provisions within the LGA, not the RMA. The Council cannot collect development contributions and financial contributions for the same purpose.

The key purpose of financial contributions is to take account of the wider impact of a specific development, which may include offsetting or mitigating any adverse effects on the natural and physical environment, including infrastructural services, of a new development. The following financial contributions are provided for in the Christchurch City Plan and will remain in that document because they do not fall within the scope of the LGA provisions for development contributions:

###### A7.2.1 Christchurch City Plan

- A financial contribution towards the provision of parking spaces where it is not practical to physically provide the required amount on-site as part of the development in specified Central City and business zones (refer to Part 13: Transport, Appendix 2 in Volume 3);

- A financial contribution towards the conservation of heritage assets where the development causes the demolition or alteration of a protected building, place or object (refer to Part 9: General City Rules, Section 7.3.3 in Volume 3); and
- A financial contribution towards the provision of esplanade reserves where a development occurs without subdivision, but which would have invoked esplanade reserve provisions had subdivision occurred (refer to Part 9: General City Rules, Section 7.3.1 in Volume 3). Esplanade reserves do not therefore fall within the ambit of reserves for development contributions and will continue to be dealt with under the RMA.

###### A7.2.3 Banks Peninsula District Plan

Financial contributions are able to be collected for:

- road names and plates.
- in lieu of car parking.
- esplanade reserves or strips in circumstances other than subdivisions except within the Lyttelton Port Zone or the Port Environs Overlay.
- Network and community infrastructure and reserves to serve new developments if provisions for that infrastructure has not.

Additionally the Plan provides for possible contributions reductions where cultural and natural heritage is protected as part of the development.

The Plan contains criteria for determining the circumstances, the amount and the type of financial contribution that may be reduced or waived.

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#### 7.3 Development Contributions cost indices

As mentioned in section 2.9, the Council intends to adjust the schedule of development contributions (Table 2.7) each year (1 July) to account for changes in the capital cost of the activities to support the growth community. The inflation index used will be based on the BERL Local Government cost indices which cover:

- Roading & transport costs
- Reserve costs (including land and cost of development)
- Watersupply, wastewater and stormwater costs (including pipes)
- Community facilities costs

These indices are used across most Territorial Local Authorities to adjust their long-term plans. The indices are also based on Statistics New Zealand data which should reflect the same cost adjustments that developers are also experiencing. The net effect of these annual adjustments will be to maintain the Council's real capital expenditure requirements in line with the forecasts and plans at the start of the Three-year Plan.

#### 7.4 Additional supporting information for the 2013-22 DCP

Additional or more detailed supporting information for this policy is obtainable online at <http://www.ccc.govt.nz> and at the Council's Civic Offices, 53 Hereford Street, Christchurch:

- Christchurch City Council 2013-22 Growth Model (Business)
- Christchurch City Council 2013-22 Growth Model (Households & Population)
- Schedule of growth-related capital expenditure
- Catchment maps (both district-wide and location-specific)

#### Appendix 8: Glossary of terms

In this policy, unless the context otherwise requires:

Active travel means walking, cycling and other non-motorised forms of transport.

Activity means the provision of community facilities by the Council, as grouped within

the following capital programmes:

- Reserves:
  - Regional parks
  - Garden and heritage parks
  - Sports parks
  - Neighbourhood parks.
- Network infrastructure:
  - Water supply
  - Wastewater collection
  - Wastewater treatment and disposal
  - Stormwater and flood protection
  - Road network
  - Active travel
  - Parking
  - Public transport.
- Community infrastructure:
  - Leisure facilities
  - Libraries
  - Cemeteries.

**Activity Management Plan** means the detailed plans showing the relationships between an activity's capital and operating expenditure, levels of service and the achievement of community outcomes.

**BA** means Building Act 2004.

**Backlog** means that portion of a project that relates to historical catch-up to meet the required level of service for the existing community.

**Base units** means the demand of an average household unit for each activity.

**Capital programme** means the capital programme as developed for the Three-year Plan (see Appendix 3 for the growth component).

**Catchment** means a geographical area of the district for which separate development contributions exist (see Appendix 7).

**City Plan** means Christchurch City Plan, operative in part from 21 November 2005, and the Banks Peninsula Proposed District Plan, operative from 15 October 2013, including as amended or substituted.

**Community facilities** means reserves, network infrastructure or community infrastructure for which development contributions may be imposed.

**Community infrastructure** means land, or development assets on land, owned or controlled by the Council to provide public amenities, including land that the Council will acquire for that purpose.

**Community services development** means land or development assets on land owned or controlled by private providers of public amenities (including land leased from the Council) which consume infrastructural capacity, such as sporting, educational, cultural, religious and charitable activities.

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**Complete application** means an application that the Council considers is complete including applications that are prescribed in Section 88 of the RMA and/or Section 45 of the Building Act 2004.

**Cost allocation** means the allocation of the capital costs of a project to the various drivers for the project, such as renewal, backlog and additional capacity to meet growth (see Appendix 5).

**Council** means the Christchurch City Council.

**Credits** means credits as calculated under Section 2.3 of this policy.

**CTM** means Christchurch Transport Model

**DC** means development contribution.

**DCP** means Development Contributions Policy. This policy is effective as of 1 July 2013 until such time as it is reviewed or amended.

**Developed** means land on which physical improvements have been made or where development to land has occurred (refer to the definition of 'development').

**Developer** means an individual or firm, or a group of individuals or firms, who is/are an applicant for a consent or service connection for which a development contribution is assessed under this policy.

**Development** means:

- a. any subdivision, building, land use or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b. excluding the pipes, lines or lots of a network utility operator.

Examples include residential development, being the creation of additional lots and/or household units, and non-residential development, being the creation of additional lots and/or an increase in gross floor area (GFA), water usage, impervious surface area (ISA) and traffic movements (VPD), including through a change in land or building use.

**District-wide** means applicable to the territorial boundaries of Christchurch city and Banks Peninsula

**Effective date** means the date on which any version of the DCP took or takes effect as set out in Section 1.6.

**Equivalence** refers to the process of ensuring that both residential and business demands are expressed in a common unit – the Household Unit Equivalent (HUE). The equivalence is based on typical measures derived from the Council's understanding of the existing and planned mix of business uses permitted by the District Plan and by observed development patterns (see section 2.2).

**Family flat** means self-contained living accommodation, whether contained within a residential unit or located separately to a residential unit on the same site, which is occupied by family member(s) who are dependent in some way on the household living in that residential unit; and which is encumbered by an appropriate legal instrument which ensures that the use of the family flat is limited to dependent family members of the household living in the residential unit.

**Funding model** means the funding model developed by the Council to support the DCP.

**Funding period** means the period over which the funding model applies, which is not less than 10 years (except the current 2013 DCP, which is 9 years). Otherwise it is the lesser of the asset capacity life, asset useful life or 30 years.

**GFA** means gross floor area, being the sum of the total area of all floors of all buildings. The GFA is measured from the exterior walls or from the centre line of walls separating two buildings and excludes:

- car parking
- loading docks
- vehicle access and manoeuvring areas/ramps
- plant and equipment enclosures on the roof
- service station canopies
- pedestrian circulation space in an enclosed retail shopping centre, and any foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

**Growth model** means the processes used to determine the anticipated future residential and non-residential growth for each catchment (see Appendix 2).

**GST** means Goods and Services Tax.

**HUE** means household unit equivalent (see Appendix 4).

**Industrial** means the use of land, infrastructure and buildings for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles; the servicing and repair of goods and vehicles whether by machinery or hand; or any other similar activities.

**Infrastructure Design Standard** means Infrastructure Design Standard, operative 1 July 2009, including as amended or substituted. The IDS replaces the Christchurch Metropolitan Code of Urban Subdivision.

**ISA** means the impervious surface area to be drained to the reticulated surface water network.

## Development Contributions Policy 2013

## Part 4: Appendices

**Memorandum of encumbrance** – In this case, it describes a claim against a property by the Council. Encumbrance will usually impact on the sale or transferability of the property and can restrict its free use until the encumbrance is removed.

**Leisure facilities** means facilities used for leisure purposes and includes swimming pools and other sporting facilities.

**Level of service** means the standard of service provided for each activity. These are spelt out in the Council's Activity Management Plans.

**LGA** means Local Government Act 2002 and its amendments.

**Lot** means the same as 'Allotment' in the Christchurch City Plan.

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

**Non-residential** means any development of land or buildings that does not fall under the definition of 'residential.'

**NZTA** means New Zealand Transport Agency.

**Private developer agreement (PDA)** means any private agreement relating to a development that is assessed for development contributions and signed between a developer and the Council under Section 3.2 of this policy.

**Red zone** refers to land classified by CERA as red zone

**Renewal** means that portion of project expenditure that has already been funded through depreciation of the existing asset.

**Reserves** means land acquired or purchased for a reserve, including the cost of providing improvements necessary to enable that land to function as a reserve useable for its intended purpose as defined in the Reserves Act 1977.

**Residential** means the use of land and buildings for living accommodation purposes, including residential units, serviced apartments (except where used for travellers' accommodation) and unit/strata developments, but excluding travellers' accommodation (such as hostels, hotels and motels) and prisons.

**Residential unit** means a self-contained building (or group of buildings, including accessory buildings) used for a residential activity by one or more persons who form a single household. Where there is more than one kitchen on a site (other than a kitchen in a family flat) there will be deemed to be more than one residential unit. A residential unit may include no more than one family flat as part of that residential unit.

**Retail** means the use of land, a building or parts of a building for the sale or display of goods or the offer of goods for hire.

**Retirement village** means a development that contains two or more residential units and shared-use community facilities for the residential accommodation of people who are predominantly retired and/or require residential care (including a hospital). Retirement villages are the only residential activity that have a HUE equivalence.

**RMA** means Resource Management Act 1991.

**Rural** means the use of land or buildings for the purposes of agricultural, horticultural or pastoral farming; intensive livestock management; boarding or training of animals; outdoor recreation activity; or forestry; or any other similar activities; and may include a residential unit.

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

**Site** means the area covered by the development being assessed for development contributions, being made up of one or more lots or part lots.

**Small residential unit** means a residential unit less than 100m<sup>2</sup> (plus a 17.05m<sup>2</sup> parking allowance). Examples include an elderly person's housing unit, high-rise apartment and serviced apartment.

**Subdivision** means the same as a 'subdivision' under the RMA.

**UDS** means The Greater Christchurch Urban Development Strategy.

**Unallocated means** that proportion of a capital project that cannot be attributed to backlog, growth or renewal.

**Undeveloped** means land on which development, as defined in this policy, has not been undertaken and includes lots deemed to be undeveloped under Section 2.3 of this policy.

**Unit**, for the purposes of accommodation, means a separate and habitable area, e.g. a motel unit or hotel room.

**Unit of demand** means a HUE, being the typical demand for an activity by an average household (see Appendix 4).

**VKT** means vehicles kilometres travelled per year.

