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# POLICIES

- Development Contributions Policy



# DEVELOPMENT CONTRIBUTIONS POLICY

## Policy changes as part of the Selwyn Community Plan update

The council has made the following major changes to the Development Contribution Policy as part of its 2009/2019 Selwyn Community Plan preparation:

- A number of minor wording changes to make the policy in the view of the council more readable;
- Reorganised the structure of the policy to ensure that administration clauses are in one section of the policy. For example the rules relating to deferment of payment of development contributions (previously referred to as 'bonding of contributions') are now found at paragraph 3.9 whereas in the previous policy these rules were included in the reserves section of the policy;
- Paragraph 3.9 of the policy has been rewritten in an effort to clarify the Council's rules on deferment of payment of development contributions, to use correct terminology in setting out those rules and to make those rules easier to administer;
- The area of land that will be provided as a credit for storm water management recognising that such land has a secondary function of open space has been reduced from 50% to 20%;
- New development contributions for roading improvements within the Urban Development Strategy (UDS) area. These improvements were identified in the Christchurch Rolleston and Environments Transport Study (CRETS);
- Change to the Consumer Price Index (CPI) rule which will allow for CPI to be changed based on the 31 December Statistics New Zealand announcement instead of 30 June (paragraph 1.0). This will allow for development contribution schedule to be updated annually and included within the Selwyn Community Plan or Annual Budget;
- All dollar values of development contributions have been reviewed for water and sewerage and adjusted where the Council's book value of a system has changed;
- All capacity projections have been updated and then used to amend the dollar value calculations of development contributions as appropriate;
- All dollar value development contributions have been reviewed for future upgrade requirements to service population growth projections and amended as appropriate;
- A new development contribution for storm water in Lincoln.
- A new development contribution for the Rolleston Lowes Road Outline Development plan area.

Although the above paragraph has been prepared to assist readers of the development contribution policy to identify the major changes as perceived by the Council, readers who are involved in development activities are encouraged to be familiar with the re-written policy. The staff member to contact with questions regarding the development contribution policy is Douglas Marshall, Manager Corporate Services.

## 1. Introduction

Please note :

The Council adjusts all development contributions annually by the CPI as at 31 December based on the Statistics New Zealand information released in the following January. The council applies the All Groups index. CPI information can be found by visiting the Statistics New Zealand website, [www.stats.govt.nz](http://www.stats.govt.nz)

The Selwyn district (the district) has experienced strong population growth since the early 1990s. Recently (June 2008), the Council adopted population projections based on a study by the economic think tank, BERL which projects the growth in our district until 2041. These population projections are used as the basis for establishing the likely future population of the district and can be found on our website [www.selwyn.govt.nz](http://www.selwyn.govt.nz) under the Selwyn Community Plan.

In order to ensure that the projected population growth does not adversely affect existing and new residents of the district, the Council will need to undertake a number of infrastructural developments.

Territorial authorities may require contributions to the cost of infrastructural developments under the Local Government Act 2002 (the Act) and the Resource Management Act 1991 (the Resource Management Act). A territorial authority cannot require development contributions under the Act (development contributions) for the same purpose for which it has required financial contributions under the Resource Management Act.

The Council has decided that the cost of construction of additional infrastructure necessitated by population growth in the district will be funded from two main sources:

- development contributions as outlined in this Selwyn Community Plan; and
- rates and borrowing.

As noted in paragraph 1.4 below, the Council also retains the ability to require financial contributions under the Resource Management Act to avoid, remedy and mitigate the environmental effects of proposed developments in certain circumstances.

### **1.1. Legislative requirements and powers**

The Council is required to have a Developments Contributions Policy as a part of its Funding and Financial Policies. This policy is required to be included within its Selwyn Community Plan under section 102(4) (d) of the Local Government Act 2002. Section 198 of the Local Government Act 2002 gives territorial authorities the power to require a contribution from developments. Development contributions provide the Council with a method to obtain funding to provide infrastructure, which is needed to support growth that occurs within its district.

### **1.2. When is a development contribution required.**

A development contribution is required in relation to a development when:

- the effect of that development requires the Council to construct new or additional assets for any network infrastructure, reserves or community infrastructure; or
- the Council has to incur capital expenditure to increase the capacity of existing assets (e.g. network infrastructure, reserves and community infrastructure) to support the growth from development.

The effect of development in terms of impact on assets includes the cumulative effect that a development may have in combination with another development. A Development Contributions Policy also enables the Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

### **1.3. Limitations to the application of development contributions**

The Council will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

- where it has, under Section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or

- where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- where the territorial authority has received or will receive funding from a third party.

### **1.4. Relationship to Resource Management Act**

Development contributions under the Local Government Act 2002 are in addition to, and separate from, financial contributions under the Resource Management Act 1991. The Council generally intends only to require over time development contributions under this Development Contributions Policy and will no longer require Financial Contributions under the Resource Management Act 1991. However, the Council will still have the authority to require works or services or seek cash or land contributions on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the district plan or any transitional provision under the Resource Management Act 1991.

## **2. Overview of Development Contributions Policy**

Section 201 of the Local Government Act 2002 outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Local Government Act 2002.

### **2.1. Purpose of a Development Contributions Policy**

The key purpose of the Development Contributions Policy is to ensure that growth, and those who cause the need for increased infrastructure to meet that growth, fund the infrastructure required. Development contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service. This cost will be met from other sources (e. g. targeted rates).

### **2.2. Unit of demand and trigger for taking a development contribution.**

The unit of demand is a form of measurement to calculate the level of demand for community facilities from developments. The Council will endeavour to define and calculate units of demand for different types of community facilities and types of developments on a consistent and equitable basis. Depending on the type of community facility or type of development, a differentiation may be made between residential, rural and non-residential development because of the different types and levels of demand these developments make on community facilities. In most, if not all cases, the unit of demand will be an individual allotment.

Under the Act, the Council may require payment of a development contribution upon the granting of:

- a resource consent;
- a building consent;
- an authorisation for a service connection.

The stage at which the Council requires the payment of the development contribution in respect of any development will depend on the nature of the community facility involved. In making this determination, the matters which the Council may consider will include:

- practicality of implementation;
- economies of scale in implementation costs;
- fairness;
- best available knowledge for projections and allocating budgets.

### **2.3. Dominant underlying zone**

The Council's development contributions are based on the predominant zoning being that for residential use. Accordingly, the Council reserves the right to assess an industrial/commercial development at the time of application as follows:

- type of development and impact on infrastructure;
- applicable dollar value that reflects development and impact on infrastructure.

### **2.4. When a contribution may be taken**

While development contributions will generally apply at subdivision consent stage, the Council may however apply contributions at the building consent stage or at the service connection stage on residential and rural development only where additional units of demand are created in the absence of subdivision. The Council's experience is that occasionally units of demand are created by an additional household unit on land already subdivided. In such cases, as a matter of equity, the Council will assess and seek the appropriate development contribution at the building consent stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage the Council will require a development contribution at service connection stage.

### **2.5. Policy commencement date**

Any resource consent, building consent or service connection application received on or after the date the 2009/19 Selwyn Community Plan is adopted by the Council, will be subject to a development contributions charge under this policy. Consent applications received prior to the Selwyn Community Plan being adopted will be subject to contributions payable under the policy that was in place at the time the application was received.

### **2.6. Activities requiring a development contribution to meet the costs of growth**

The Council may require a development contribution from any development of the following:

1. capital expenditure expected to be incurred as a result of growth;
2. capital expenditure already incurred in anticipation of development.

Funding the Council's capital expenditure for growth with development contributions must be considered alongside the Council's other funding tools. Development contributions will be required from development under this policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for community facilities: network infrastructure, community infrastructure and reserves. Table 1 identifies activities the Council will require a development contribution on.

**Table 1: Activities requiring a development contribution.**

Activities	Community Facilities
Water	Network infrastructure
Sewerage	Network infrastructure
Stormwater	Network infrastructure
Roading	Network infrastructure
Community centres/libraries	Community infrastructure
Reserves- land and developments on land	Reserves

### **2.7. Capital expenditure the council has incurred in anticipation of development**

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

The Council since 1995 has accounted for capital expenditure described above as follows:

- Plan Change 21 - this plan change allowed the Council to estimate the future growth that would be serviced by the infrastructure that it was installing. In particular, the sewerage schemes installed by the Council in Prebbleton, Springston, Tai Tapu, Rolleston and Southbridge during the period from 1996 to 2005 may not have been affordable to the existing population if the Council had not considered the future growth opportunities that would occur from the installation of sewerage. Allowing for future growth when designing these systems meant that the funding of the systems could be spread over the future population, not just the current population. The cost of the infrastructure to service the future population as opposed to just the current population is titled 'holding capacity'.
- Holding Capacity (Policy T103) - As the name suggests, this is the dollar value or number of connections between what capacity is required to service the current population and what is being 'held' to service the future population. The Council, in making this decision to have holding capacity in a scheme, has to fund this cost until property owners, who create growth, repay it. Such a decision involves the Council now owning an asset in infrastructure as opposed to having money in the bank. Although this decision is effectively swapping one asset 'cash' for another asset 'infrastructure', cash earns interest income while infrastructure does not. Interest income is used by the Council to reduce/subsidise its general rates. When it does not have interest income, general rates increase. For this Council, this causes an inequity. Approximately half of all Selwyn residents provide their own sewerage disposal system (e.g. septic tanks). It is not fair for half of the district's residents to have a general rate increase because they are not getting the benefit of a Council provided sewerage system. To achieve equity, the Council makes an interest charge on those communities that have 'holding capacity' in their water and sewerage infrastructure. This interest charge is collected with the targeted rate that is levied to run/operate the infrastructure system. As more properties connect, and pay their development contribution, the holding capacity interest charge reduces. Where further community facilities are required to meet an anticipated increased demand for services, the Council may elect to invest in the necessary infrastructure before the development which will generate the increased demand occurs. Again,

this may result in an interest charge being included in the eventual development contribution to recover the opportunity cost of the early investment in the necessary community facilities.

## **2.8. How is interest calculated?**

Where the Council invests in infrastructure, the following occurs:

- forecasts are made as to the population to be served from growth and how many lots will be created;
- the expenditure required to service the growth will be determined;
- when the lots from growth will actually be connected to the infrastructure and ultimately when the lot is liable to pay its development contribution is forecast.

Based on this information, an appropriate financial model can be developed on which development contributions can be calculated to recover all costs of development and the cost of interest incurred as a holding cost until development contributions are received to repay the council investment in infrastructure.

## **2.9. Best available knowledge**

Development contributions are based on capital budgets from Council Activity Management Plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. This Development Contributions Policy will be updated, as practical, to reflect better information as it becomes available.

## **2.10. Calculation of headwork's share**

Included within the development contribution will be an allowance for any headwork's share. This headwork's share is based on the most recent book value of the infrastructure concerned being divided by the growth in the township concerned. This headwork's share is the buy-in by new lots to the existing infrastructure investment. Funds collected from headworks can be used to finance the replacement of existing infrastructure or construction of new infrastructure.

### **2.11. The Council use of development contributions**

The Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

Where the Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions. Similarly third party funding received for capital expenditure the Council has incurred in anticipation of development has also been excluded from figures.

### **2.12. Implementations and review**

It is anticipated that this policy will be updated on a three yearly basis or at shorter intervals if the Council deems it necessary. Any review of policy will take account of:

- any changes to significant assumptions underlying the Development Contributions Policy;
- any changes in the capital development works programme for growth;
- any changes in the pattern and distribution of development in the District;
- any changes that reflect new or significant modelling of the networks;
- the regular reviews of the Funding of Financial Policies, and the Selwyn Community Plan;
- any changes that the Council needs to implement from the adoption of its proposed district plan;
- any other matters the Council considers relevant.

## **3. Administration of development contributions**

### **3.1. Remissions**

At the request of the applicant, the development contribution required on a development may be considered for remission at the Council's discretion on a case-by-case basis.

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

- the development creates no additional unit of demand;
- a contribution has already been paid for the same service;

- Development contributions applicable to a particular development are deemed by the Council to be manifestly excessive for any other reason. (This catchall is inserted because the Council recognises that there may be situations not envisaged at the time this policy was established that justify remission. However where units of demand are created it would only be in exceptional circumstances that the Council would accept that a remission is justified).

Remissions must be applied for before a development contribution payment is made to the Council as they will not allow remissions retrospectively.

### **3.2. Process for consideration for remission of development contribution**

Any request for remission of development contributions shall be made by notice in writing, from the applicant to the Council, before development contributions required on the development are paid. Any request for remission shall set out reasons for the request.

In undertaking the review:

- The Council shall consider the request as soon as reasonably practicable;
- The Council may, at its discretion, uphold, reduce, or cancel the original amount of development contribution required on the development and shall communicate its decision in writing to the applicant within 15 working days of receiving the request;
- The Council will make the decision, by way of delegation to staff.

Where the Council decides to consider such a request the following matters will be taken into account:

- The Development Contributions Policy;
- Any relevant financial/engineering modelling;
- The Council's Revenue and Financing Policy;
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme;
- Existing uses on the site of the proposed development;
- Development contributions paid and/or works undertaken and/or set aside as a result of:



- i. previous developments and contributions paid/payable;
- ii. agreements with the Council;
- iii. financial contributions under the Resource Management Act 1991.
- Any other matters the Council considers relevant.

In any case, the Council retains the right to uphold the original amount of development contributions levied on any particular development.

### **3.3. Postponements**

The postponement of the payment of development contributions will only be considered where an encumbrance is registered against the certificates of title for the allotments in the subdivision.

### **3.4. Refunds**

The refund of money and return of land if development does not proceed and refund of money or return of land if not applied to specified reserves purposes will be applied in accordance with Sections 209 and 210 of the Local Government Act 2002.

Any refunds will be issued to the current landowner of the development to which they apply and will not be subject to any interest or inflationary adjustment.

### **3.5. Payment of development contributions**

Development contributions payable on resource consents, building consent or service connection may be re-assessed at the time the applicant requests to pay.

If payment of development contribution is not received the Council will enforce powers outlined in Section 208 Local Government Act 2002. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may:

- in case of a development contribution required under section 198(1)(a):
  - i. Withhold a certificate under section 224(c) of the Resource Management Act 1991;
  - ii. Prevent the commencement of a resource consent under the Resource Management Act 1991;

- in the case of a development contribution required under section 198(1)(b), withhold a code of compliance certificate under section 43 of the Building Act 1991;
- in the case of development contribution required under section 198(1)(c), withhold a service connection to the development;
- in each case, 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 was required.

To secure the payment of a development contribution, the Council's policy is, and the Council has, the discretion to register an encumbrance against the certificate of title of the land in relation to which the development contribution is payable, pursuant to paragraph 3.9 of this policy.

### **3.6. Extraordinary circumstances**

The Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which has not been assessed in terms of units of demand.

### **3.7. Tax – GST**

Development contributions required will incur a Goods and Services Tax upon assessment of contributions payable.

### **3.8. Calculating contributions over multiple development areas**

In any situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development land area.

### **3.9. Bonding of contributions**

The Council will not normally permit deferred payment of development contributions required in connection with the issue of a land use consent, a building consent or an authorisation for a service connection. These contributions will be paid at the time these consents or authorisations are uplifted from the Council.

The deferment of payment of development contributions for subdivisions is at the discretion of the Council.



Where the Council agrees to allow the deferment of the payment of a development contribution, the Council may require that an encumbrance be registered securing the obligation to pay the development contribution against the certificates of title for each allotment in the subdivision. The encumbrance will record the requirement for the contribution to be paid by a specified date. An encumbrance/undertaking will only be agreed to by the Council, where:

- i. the subdivider pays the Council's legal costs on the preparation of an encumbrance and a release fee; and
- ii. the cash contribution being divided by the total number of allotments, with payment commencing at the first sale ;
- iii. for a minor (e.g. one additional lot being created) development, the council may accept a solicitors undertaking to pay development contributions from a property settlement where an unconditional sale and purchase agreement exists.

Where an encumbrance/undertaking is entered into, the Council will charge interest on any outstanding amount of the cash contribution not paid within two years of the subdivision consent. Interest will be charge on a per annum basis at a rate which is equal to the Bank of New Zealand Commercial Lending Base rate plus 5%. Alternatively, the Council may reserve its right to reassess the cash contribution on the request for full and partial discharge of the encumbrance and require the payment of the reassessed sum prior to providing any discharge.

### **3.10. Unit of demand**

The unit of demand is a form of measurement to allocate units of demand to developments. The Council will demonstrate that it has attributed units of demand to particular developments or types of developments on a consistent and equitable basis. For all activities, a differentiation is made between residential, rural and non-residential development due to demand and use they place on the network activities.

### **3.11. The capital expenditure already incurred to meet increased growth demand – indexed by CPI**

Development contributions are calculated at the time the infrastructure expenditure is incurred. Each contribution is annually indexed by CPI as at 31 December to reflect the change in construction prices from the day the infrastructure was provided until the day development from growth makes use of it.

## **4. Water and sewerage - specific Issues regarding development contributions assessment**

### **4.1. Approaches to methodology**

In developing a methodology for the Development Contributions Policy, the Council has taken the approach to ensure that the cumulative effect of development is considered with a system-wide view. This policy considers the specific infrastructure demands created by individual developments in the context of the Council's wider community responsibilities as an infrastructure service provider.

### **4.2. Development contributions areas**

For the purpose of development contributions the district is broken into 28 water contribution and 12 sewerage contribution areas based on activity service catchments.

### **4.3. Planning horizons**

A 20-year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons.

### **4.4. Best available knowledge**

Development contributions are based on capital budgets from the Council Activity Management Plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The policy will be updated, as practical, to reflect better information as it becomes available.

### **4.5. Water and sewage catchments**

Selwyn has water and sewerage reticulation networks which service defined catchments.

Interdependence within each network creates a need for integrated management of the operation of these necessary components. As such, the management of each network is undertaken with network-wide supply and demand issues in mind.

Development contributions for each defined water and sewerage catchment areas will be based on the value of future identified growth works for each service catchment.

### **4.6. Who gets charged**

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas.

#### 4.7. Justification for approach

All growth works on the 'Integrated water and sewer Networks' are considered to service any lot within the specified boundary, up to a uniform service level, at any time. All components of the integrated networks also have excess capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

#### 4.8. Christchurch City Council (CCC) Charges

A number of the Selwyn sewage systems discharge to the Christchurch system. As at January 2009, these are Lincoln, Prebbleton, Springston and Tai Tapu. For all properties connected to these schemes, a development contribution is payable to Christchurch. This contribution is additional to any Selwyn development contribution.

The Selwyn District Council is currently undertaking investigations to have the above townships sewage treated at the Pines site at Rolleston. This would mean that payments to CCC would no longer be required.

To meet obligations to pay CCC the appropriate development contribution but also to ensure that developments that have development contributions imposed prior to a final decision on the proposed Pines site are known, an amount of \$1,000,000 has been included in the Eastern Selwyn Sewerage System development contribution dollar value. This in effect will ensure commitments to CCC are met and that these commitments are funded over all future connections to the Pines site.

### 5. Roding - specific issues regarding development contributions assessment

#### 5.1. General

The roading and land transport network service catchment is contained within the Selwyn District Council Territorial Local Authority boundary. The roading and land transport network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.

Accordingly on this basis the Council anticipates recovering the majority of its funds for developments from rates income or NZ Transport Agency subsidies. Examples of work to be funded under this approach would be:

- seal widening and intersection improvements on existing arterial roads;
- improve the flow of traffic due to general traffic volume increases.

It will only levy development contributions in specific situations where the roading improvements provide a direct benefit to the development being considered or the development itself requires the upgrade of the roading network adjacent to the development. Examples are listed in 5.2 below.

The present 10 year Capital Works Programme for roading includes a mix of projects which are related to either renewal of parts of the asset, improved levels of service, improved safety, and expectations of increased growth and demand on the system. The major emphasis in terms of roading is improvements, which have been identified through the Christchurch Rolleston and Environments Transport Study (CRETs). The Council recognises the high speed environment in which its major routes operate and is conscious of the need to ensure a network which has a consistent level of service as the anticipated growth occurs in the district.

The growth and changes within the agricultural sector in the district have also led to traffic growth, which is dependent on the particular locality. As growth occurs in townships through new subdivision and commercial developments, this usually leads to the need to upgrade existing streets and roads and intersections to accommodate the new demands placed on them and to maintain the required levels of service. Older streets with limited kerbs and channels, footpaths and street lights are likely to need upgrading where a new development requires frontage to it. Pavements are also likely to need widening and strengthening to cater for the increase in traffic loadings. Connections between existing and new roads, footpaths and cycleways also need to be planned and funded. No provision has yet been made for any works relating to the central plains irrigation scheme, should that scheme proceed, although it is recognised that improvements to the existing network may need to be made in the future in the event of this irrigation scheme proceeding.

## 5.2. When roading development contributions will be taken – works adjacent to development

Development contributions may be requested for, or toward, the cost of roading works adjacent to development, where the roading works are made necessary to provide or improve services to the development or to avoid, remedy or mitigate its effects. The specific nature of works can seldom be identified in detail in advance of consent applications but early discussions with Council staff can assist in identifying potential contributions that may be considered applicable. These development contributions may be applied as a condition of subdivision, land use or building consent. In determining the contribution amount, the Council will estimate the cost of the infrastructure required and establish the percentage of this cost that reflects the extent to which the infrastructure serves the development. The net cost determined above will be further reduced by deducting subsidies and any other credits applying to the works. The anticipated percentage contributions from developers are set out for a number of situations in the following schedule.

Existing situation	Upgrading required	Developer's contribution
All	Establishment and traffic management	100%
Fronting an existing maintained road carriageway (contributions apply to development side only)	No change to existing kerb alignment required	
	Upgrade any existing footpath, berm, drainage and street lighting	50%
	A change to kerb alignment necessary due to the development	
	Upgrade and/or replace existing kerbing and channelling	100%
	Widen road carriageway and upgrade existing footpath, berm, drainage and street lighting	50%
	No footpath, berm, drainage and street lighting exists	
	Widen road carriageway and construction of new kerbing and channelling, new footpath, new berm, new drainage and new street lighting	100%

Access along or fronting an unformed or unmaintained road	Extension from the nearest formed and maintained road carriageway complete with all related infrastructure such as: <ul style="list-style-type: none"> <li>new safety and traffic features;</li> <li>new kerbing and channelling;</li> <li>new footpath;</li> <li>new drainage;</li> <li>new berm;</li> <li>new street lighting</li> </ul>	100%
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## 5.3. When roading development contributions will be taken – SH 1/Rolleston Drive/Hoskyns Road intersections

The Council and Transit New Zealand agreed to the installation of traffic lights at this intersection. The contribution from developments allowed under Plan Change 60 totalled \$322,422 while industrial developers in the Jones Road/Hoskyns Road/Izone Drive area of Rolleston contributed \$268,685.

Each lot created by development in the Rolleston MUL will be levied a contribution of \$112 per lot (annually adjusted by CPI) from 1 July 2009. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational. In 2006/07 the Council agreed to forward fund the installation of traffic lights at the intersections to meet emerging safety and levels of services issues arising with the original Rolleston Drive and Hoskyns Road intersections with State Highway 1.

## 5.4. When roading development contributions will be taken – Lincoln Metropolitan Urban Limit (MUL)

The Urban Development Strategy and Lincoln MUL define the growth strategies for Lincoln. To support this growth, improvements to the existing roading network are required to integrate the new roads created by developments from subdivision activity.

Two upgrade/construction projects will be undertaken to create this linkage. These are:

- the construction of a culvert and associated roading infrastructure on Southfield drive over the Liffey;

- the purchase of 7 Barker Street, removal of the dwelling and subsequent construction of associated roading infrastructure on the vacated lot.

Each lot created by development in the Lincoln MUL will be levied a contribution of \$613 per lot (annually adjusted by CPI) from 1 July 2009. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a percentage of all traffic volumes once the development is operational.

#### **5.5. When roading development contributions will be taken – improvements as outlined in the Christchurch and Environs Transport Study (CRETS)**

Each lot created by development in the Urban Development Area (UDS) of Selwyn will be levied a contribution of \$675 per lot (annually adjusted by CPI) from 1 July 2009 to fund the improvements outlined in the CRETS study. This contribution has been calculated after deducting from the gross costs:

- NZ Transport Agency and Crown grants income as appropriate;
- The public or existing lots share as at 1 July 2009 which will be funded by the council from a variety of sources included general rates, general funds and loan funding. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational.

Lots created by development outside the Urban Development Area (UDS) of Selwyn will be levied a contribution of \$100 per lot (annually adjusted by CPI) from 1 July 2009 to fund the improvements outlined in the CRETS study. This contribution has been calculated after deducting from the gross costs:

- NZ Transport Agency and Crown grants income as appropriate;
- The public or existing lots share as at 1 July 2009 which will be funded by the council from a variety of sources including general rates, general funds and loan funding. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational.

This contribution reflects the wider benefits to all developments in Selwyn of the CRETS improvement programme.

#### **5.6. When roading development contributions will be taken – purchase of land and improvements as necessary to create a southern bypass for Lincoln.**

The Lincoln Structure Plan outlines the growth of Lincoln until 2041. Consideration is being given to developing a southern bypass/collector road to service southern Lincoln development. At this time no development contribution is being levied for this bypass/collector road but the council will continue to review the need for this bypass/collector route and may levy a development contribution in the future.

#### **5.7. When roading development contributions will be taken – purchase of land and improvements to allow for roading linkages through the new Rolleston Primary School site between Lowes Road and Goulds Road.**

The Ministry of Education has commenced the construction of a new primary school in Rolleston. The Ministry is only required to provide a road into the site. To ensure an integrated linkage of the school and the balance of the land to be subdivided into residential sections with Rolleston, the Council will construct a road to a major road standard. The road will be funded as follows:

- from the Council's general funds to recover the cost attributable to the school (see note below)
- by levying a development contribution on the residential subdivision to be developed on this land
- by levying a development contribution of \$281 per lot (annually adjusted by CPI) from 1 July 2009 on all land subdivided in Rolleston reflecting the benefit of providing this road linkage to all road users.

Note: the Council's Development Contribution Policy is adopted under the Local Government Act 2002. Section 8 of this act excludes the Crown from being charged under the provisions of this act. Accordingly, development contributions cannot be levied on the new school being constructed. This note is provided to explain why the school is not identified as a funding provider above.

## **6. Reserves – specific issues regarding development contributions assessment**

### **6.1. Effects of community growth on provision for reserves and facilities for open space and recreation**

Open space contributes to the four aspects of community well-being promoted by the Local Government Act 2002. Some of the beneficial environmental outcomes of having open space retained within the district are greater health of the environment, retention of ecosystems, greater biodiversity, retention of views, cleaner air, noise reduction and visual pleasantness. Social benefits may include opportunities for family participation, play and exercise, teamwork, social interaction, and a greater sense of belonging to a community.

Development in the district inevitably changes the ratio of open space to built elements in the environment. Loss of vegetation and the covering up of land with buildings and the hard surfacing associated with structures, roads and car parks cumulatively erodes the benefits of open space previously available to residents and visitors. In addition, the increased population that development brings creates a greater demand for recreational opportunities traditionally provided by the district's parks, reserves, sports fields and walkways.

Failure to provide adequate open space can lead to a sense of alienation from nature and the community, decreased health, an increase in pollution and the loss of freedom to move and explore. Cumulatively, this has the potential to add to the stress of day-to-day living and to contribute to a perceived loss of quality of life.

Inadequate provision of open space and recreational facilities in a growing district usually leads to pressure on the existing facilities, which may accelerate their deterioration and the degradation of the outdoor environment. This may result in friction among competing users leading to competition for scarce resources and loss of goodwill and cooperation.

### **6.2. Objectives of taking development contributions for reserves**

1. Countering the adverse effects of change and development.
2. Linking costs directly to those who create additional demand while giving certainty of revenue.
3. Maintaining an equitable level of service throughout the developing district.

#### **6.2.1. Countering the adverse effects of change and development:**

Development contributions provide a direct means to enable the Council to counter-balance the adverse effects of change and development in the district. Direct adverse effects may include disturbance of soil, loss of hedges, trees and grassed areas, reduction in wild-life habitats and ecosystems and changes in varying land-forms characteristic of the region. Indirect adverse effects can include increased water run-off, loss of views and shelter and the introduction of more people, domestic animals and vehicles. The provision of reserves has traditionally served to give relief from the disadvantages of having more people living in an urban area. Not only must additional land be acquired for public recreational use, but also there is a need for cash to develop reserves to a standard where they can be fully operational. Public expectations have increased and there is an expectation that high standards of recreational experiences will be provided, in easily accessible locations.

#### **6.2.2. Linking costs directly to those who create additional demand while giving certainty of revenue:**

Facilities and assets in a district have been paid for by current and past residents. Although these residents may, in the future, use new assets the provision of which has arisen from growth in the district, it is fairer for the establishment costs to be substantially borne by the person whose actions have led to the demand for the new assets. These costs arise when a development change is initiated, as this is when the link between initiator and payer can be most clearly established. This occurs at the time of a subdivision consent, land use consent or building consent.

Development contributions taken from the initiator of such development changes allocate the costs in a direct and timely manner. The entire cost of increased demand is not intended to be met by development contributions, as some new needs are not directly attributable to a specific development. It is sometimes possible to anticipate where a significant area of land may be needed for recreation in the future, where there are growth projections available. Leaving land purchase to a later stage in the district's development may mean that the opportunity to acquire a particularly suitable tract of land has already passed. Land may be purchased by the Council ahead of time, in anticipation of development. The Council may set up an internal loan for the purchase of such land using revenue from general rates. That land will be held for the Council's general purposes pending the development occurring.

The cash reserve contribution from subsequent developers may be used to repay the internal loan. Where the developer's cash reserve contribution is used to repay an internal loan, then the pre-purchased land will vest as reserve.

### **6.2.3. Maintaining an equitable level of service throughout the developing district:**

Within townships, neighbourhood reserves have traditionally been provided within 400m of a resident's home so there is consistency throughout a township in the provision of a place for children to run and play, together with space for trees and plantings. The regularity of these neighbourhood reserves gives relief from the built environment and adds certainty that a basic provision of service and amenity will be met. Sports fields are not as easily allocated, as there is some variation in the popularity of sports and consequently in the demand for particular facilities. To ensure that travelling distance is reasonable, a figure of within 850m of a resident's home has been used in the district's townships for access to some sports-fields but this is not always appropriate. The Council has the discretion to vary these provisions if there are other facilities within easy reach e.g. play opportunities on an esplanade reserve or in a larger sports park.

Also recognised in the planning for reserves and open space is the value of linking up areas of interest with walkways and protecting riparian environments with esplanade strips or esplanade reserves. Connections to community centres, schools, shops and sports-fields contribute substantially to the enjoyment of moving about the district via green corridors. Landscape features can be appreciated by the provision of open space associated with them, e.g. the Liffey Stream and associated reserve land in Lincoln township.

As Selwyn district is largely rural in character, with townships dotted throughout, the issues of reserves and open space provision are different from those of a large city. Future growth is predicted to be mainly in the major townships, especially Rolleston and Lincoln, so this is where reserve contributions can have the most immediate benefit for a significant number of residents.

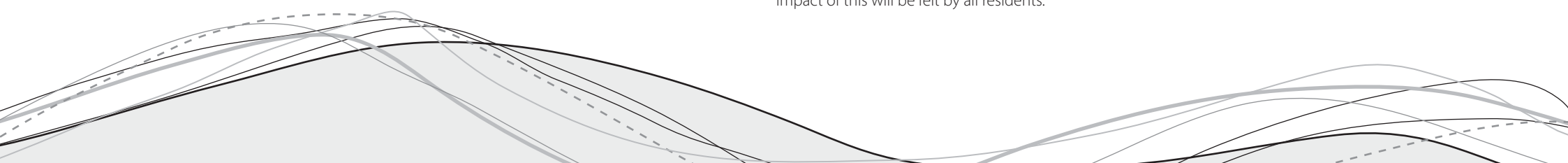
### **6.3. Development contributions for reserves**

Contributions from residential subdivision and/or development are the means that have been chosen by the Council to generate the necessary funds for reserves and facilities for open space and recreation. The percentage taken historically has comprised contributions for reserves and facilities located in the township experiencing the growth, as well as a district contribution for reserves enjoyed by a wider section of the district. No contribution has been charged on business development as an incentive to business growth.

A review of existing reserves in 2000 identified that the district had 21 hectares of reserve land per 1000 head of population. By comparison Christchurch City Council provides a full range of recreational experiences on a provision of 18 hectares per 1000 population. The Council is preparing an open space strategy to determine the most cost effective approach to meeting the open space and recreation needs of the district's growing population. It is likely that the Council will move towards larger reserves with greater benefit catchments, and may need to rationalise its existing reserves in the future. While the per capita target may be revised, the Council is more concerned with ensuring that reserves are of a high quality and are strategically located. To this end, the Council is adopting an approach of anticipating growth locations and purchasing land for reserves before development commences.

Again, where the Council does purchase land in anticipation of development occurring, then an internal loan may be set up and the land will be held for general purposes. Where the development proceeds and a developer's cash contribution are used to repay the land, the land will then be vested as a reserve.

Amounts received from contributions and amounts invested in reserves fluctuate from year to year as land becomes available for purchase, and payment of contributions occurs. For example, in the 2006/2007 year, \$3.383 million was received in contributions, and \$0.722 million was invested, whereas in the following year (2007/2008), \$3.288 million was received and \$1.689 million was invested. The district is experiencing demand for higher quality reserves and facilities with associated increasing costs. The Council is anticipating this will continue into the future and the cost of providing and maintaining reserves will increase overall. Accordingly, the Council considers that it needs to require the maximum contributions provided for under the Local Government Act 2002. Not requiring the full amount of reserve contributions at the appropriate time is likely to mean that the Council will have to find the finance through general rates and/or loans and the impact of this will be felt by all residents.





#### 6.4. Reserve contribution requirements

The Council will require a contribution to be paid in accordance with the table set out below at the time of granting:

- i. a resource consent under the Resource Management Act 1991; or
- ii. a building consent under the Building Act 1991.

Payment of the contribution will be made:

- iii. as a requirement made when granting a subdivision consent, at the time prior to the issue of the Section 224 RMA Certificate; or
- iv. as a requirement made when granting a land-use consent or a building consent, at the time when uplifting the land use or building consent.

In the event of the contribution not being paid at the above specified times, the Council shall take the actions specified in Section 3.5 of this Development Contributions Policy.

#### 6.5. Maximum rate of contribution

Density <sup>1</sup>	Reserve Contribution (% of the mean value of additional allotments) <sup>2</sup>	
>4ha	2%	Assessed on the mean value of 4ha for each allotment >4ha
>1- 4ha	3%	
2500m <sup>2</sup> – 1ha	5%	
1200-2499m <sup>2</sup>	6%	
650-1199m <sup>2</sup>	7%	
<650m <sup>2</sup> or >1 dwelling erected on any sized allotment	7.5%	

The contribution in relation to subdivision consents may be as cash, land or a combination of both. In relation to land use and building consents, the contributions will normally be cash.

<sup>1</sup> Density means the average size of all the allotments created as part of the subdivision excluding:

- i. any allotment created for another purpose which is stated in the resource consent application or is a condition by which the subdivision consent is granted: or
- ii. any allotment which will not have residential unit erected upon it as a condition by which the subdivision consent is granted.

Where land is not being subdivided, the density of the development shall be the size of the allotment on which any residential unit shall be erected. The size of any allotment on which a residential unit shall be erected shall include the

Contributions paid at the time of subdivision consent may be reduced by the amount of any contribution made at the time of a previous building consent on the same land, provided that any previous building was erected within the preceding 10 years. Contributions made at the time of land use or building consent may be reduced by the amount of any contribution made at the time of a previous subdivision consent over the same land, provided that any previous subdivision occurred within the preceding 10 years. There is also provision for approved credits that contribute towards making up the total value of the reserve contribution as set out below.

#### 6.6. Basis of valuations for cash and land equivalent contributions

A registered valuer, engaged and paid for by the subdivider / developer, will assist the Council to calculate each reserve contribution. The calculation of all reserve contributions will be made by a registered valuer - as (a) land alone (b) cash alone, based on the equivalent land value or (c) a combination of the two.

##### 6.6.1. Valuation of land to vest as reserve

The value of the land to be taken as reserve contribution will be calculated at the time the application is made to vest the land as reserve. The valuation will reflect the fair market value of the land once the development is completed, or reflect any other method of valuation as agreed between the Council and the subdivider. If the reserve land is an amalgamation of more than one lot, the valuation will be on the total size of the land as if it were on one title. This land value shall then be reconciled with the cash value of the reserve contribution as calculated in accordance with the table set out above. If the land value is less than the cash value of the required contribution, the difference shall be paid to the Council in cash or through approved development works on the reserve. If the land value is greater than the cash value of the contribution, the Council will purchase the balance of the land at the same valuation, or the Council may transfer the value of the balance of the land to be used as reserve contribution for a subsequent subdivision undertaken by the same subdivider, provided that:

- the subdivision consent for the subsequent subdivision is granted within two years of the first certificates of title being issued for the initial subdivision; and

size of any balance area of land, which the district plan rules require to be kept free of residential units. If more than one residential unit is to be erected on an allotment, the density shall be calculated by dividing the size of the allotment by the number of residential units erected on the allotment.

- 2 Where land is not being subdivided, the area of the additional allotments for the purpose of calculating the mean value shall be the area of the allotments on which any additional residential units shall be erected. If more than one residential unit is to be erected on an allotment, the area of the allotment for the purpose of calculating the mean value shall be determined by dividing the area of the allotment by the number of residential units to be erected on the allotment.



- the land of the subsequent subdivision is located within 500m of the land in the initial subdivision. Such a transfer of reserve contribution from one subdivision to another can only occur once.

### 6.6.2. Cash contributions

If the Council does not require a land contribution, or does not require the full contribution to be made in land, then full payment of the reserve contribution, less any credits for land acquired by the Council, will be paid in cash.

In the case of subdivision consents, the cash contribution for each additional lot will be the average market value of the lots in the subdivision, multiplied by the reserve contribution % as set out in the above table in 6.5. In the event of a single purchaser acquiring more than 25% of the number of allotments in a subdivision, prior to the date that the certificates of title are issued, the valuation of the lots shall reflect their fair market value. Any land may be subject to a reserve contribution at a later date, if it is subsequently subdivided.

In the case of subdivision consents for allotment(s) greater than 4ha in area, the cash contribution for each additional allotment greater than 4ha in area shall be based on the market value of a 4ha allotment in the same area and/or of the same zoning e.g. inner plains. The Council may attribute a market value to land by valuation, or by any other method as agreed between the Council and the developer.

In the case of a consent, other than subdivision, the cash contribution will be the market value for land in the area, multiplied by the reserve contribution % as set out in the above table. The method of determining the area of land to be valued is set out in footnote 2 to the above table. The Council may attribute a market value to land by valuation, or by any other method as agreed between the Council and the developer.

### 6.6.3. Disputes

If the Council challenges the valuation tabled by the developer, the Council can have a second valuation carried out at the applicant's expense. If the applicant disputes the findings of the Council appointed valuer, a second opinion will be sought from another registered valuer approved by both the Council and the applicant, and paid for by the applicant. If agreement still cannot be reached, both parties will seek arbitration on the matter.

### 6.7. Criteria for taking land instead of cash

The Council reserves the right to acquire land that it specifically requires as open space and will pay the owner for the land, in accordance with this policy. The size and the location of the land required will be decided by the Council.

The decision to accept or refuse land the developer offers as a reserve contribution shall be at the Council's discretion, but this will be made in discussion with the applicant at the time of the application or earlier if the Council is notified of the owner's intention. Not all land will be considered by the Council as being suitable for taking as reserve contribution. If land is to be taken as total, or part, reserve contribution, it must function appropriately to offset the effects of development.

In discussion with the subdivider / developer, it will firstly be determined that:

- whether the development will increase the demand for open space and recreational land within the development itself; and
- whether there is a shortage of land for open space and recreational use in the area, and if so, which land in the development can appropriately satisfy.

Secondly, discussions over the suitability of the particular land to be acquired by the Council as reserve contribution will need to be held as early as possible, because one piece of land may be superior to another within the same development. To determine the suitability of the land, reference will be made to the following criteria together with any other matters that are relevant to the Council, for the particular development:

- the Council's need for the land;
- the community's capacity to pay;
- size, location and accessibility;
- frontage to a roading network;
- soils, gradient and topography;
- landscape features and quality;
- potential for linkages and walkways;
- margins of waterways;
- proximity to other desirable features;
- potential for views into or from the site;

- ecosystems and bio-diversity;
- significant mature vegetation;
- existing shelter belts;
- historic and cultural significance;
- safety for users;
- potential for enhancement.

With respect to the size of reserve land:

- a local neighbourhood park, should be 2000 to 3000m<sup>2</sup> in size, unless it serves primarily an open space function and is adjacent to other open space, where a smaller area may be acceptable;
- a district sports field should be a minimum of 4 hectares;
- if the district sports field is to also accommodate club buildings, the size should be increased to 8 hectares.

The Council will not accept land which clearly benefits only a limited number of users and whose prime function is to add saleability to the development rather than to fulfil the recreation needs of the community.

If agreed by both parties, more land than is required as reserve contribution may be vested as reserve at no extra cost to the Council and without additional credits being granted to the developer, but increased development and maintenance costs may be a deterrent to the Council accepting more land than it needs. It will be at the Council's discretion whether it would rather take additional land or cash for future capital improvements.

#### **6.8. Use of cash contributions**

Cash taken as part or all of a reserve contribution may be used for:

- the purchase of land for reserves;
- capital improvements to newly acquired land, or existing Council-owned land, to provide open space and facilities for sports and recreation needed as a result of development;
- the repayment of loans (be they loans to the council from external and/or internal funding sources) taken out for the purchase of land for possible future reserves or for capital improvements;

- any other purposes provided for in section 205 of the Local Government Act 2002.

Cash acquired through the reserve contribution process cannot be used to pay for maintenance. Cash may also be used as a contribution from the Council to another authority or public body which controls land in the district and wishes to make provision for recreational facilities important to the residents of the district. Cash will be held in the reserve development fund earning interest until it is required. Cash taken as part or all of a reserve contribution will be used in such a way as to provide a benefit to the wider locality from which the contribution was required.

#### **6.9. Credits**

Credits, up to a maximum of 20% total, towards the value of reserves contributions may be gained by a subdivider / developer for the retention of valuable existing features on the land, or for improvements to the land, or a combination of both. Credits will be given on a case-by-case basis at the request of the subdivider / developer, in the following circumstances:

##### **6.9.1. Existing features**

###### *Trees/vegetation:*

Before a developer takes out existing trees and/or shelter belts, it would be appropriate to approach the Council to see if the retention of existing vegetation would have value as a credit for the calculation of reserves contributions. The trees, together with the land they exist on, may have a greater value than the cleared land if they provide shade and shelter and clear benefits for the community. Another reason to retain trees and to give a credit for their retention may be the value they have as part of the district's identity and history and their role as a habitat for birds and wildlife. The amenity that existing vegetation adds to the community can be considerable and its value is often noticed after its removal, particularly in the case of shelter. It may only be possible to retain large trees and shelter belts if sufficient land is set aside around them to enable trimming and maintenance to take place. Vegetation needs to be in a well maintained condition and have a minimum of 20 years' life remaining to be acceptable. Its location is also critical. Any land that is to come into the Council's ownership will be cleared of noxious weeds.

###### *Landform:*

Land which has topographical interest may have value additional to its basic land value. Features may include natural river terracing, riparian edges, wetlands, natural water features, rock formations, elevation for views, or the land may be part of those areas that

come under 'Outstanding Natural Features and Landscapes' B1.4 of the District Plan, Volume Two.

If the land which is to become reserve has been excavated, filled, polluted or in any way devalued, the developer will, in consultation with the Council, restore, fill, topsoil and grass down the land, to the Council's satisfaction.

***Structures of historic or cultural interest:***

It may be possible to base a subdivision theme on existing man-made features which add variety and interest to the district. Structures may include fencing, stone or brick walls, gates, paving, garden layout, farming structures, small buildings or remnants thereof, bridges, canals, memorials and historic markers. Reserve land may be taken in places where such items are located, in order to preserve them for future interest.

## **6.9.2. Improvements to the land**

The main criterion for deciding if a credit should be given would be that the work comes within the category of reasonable improvements of a standard the Council might itself have made to the land, over time. These might include the laying of grass, planting of trees and shrub borders, implementation of pathways and fencing, installation of seats and litter bins, construction of play facilities and shelter or enhancement of waterways and wetlands. It would not normally extend to elaborate structures, works of art, walls and gateways, special paving, fountains and water features, or anything that is intended to enhance the development to increase its market appeal rather than to offset the impact of development and the loss of open space which results. Such improvements would be assessed to ensure they do not lead to greater than normal maintenance costs for the Council, once it becomes owner of the improvements. The Council reserves the right to take cash in lieu of improvements so it may develop either the land in question or land elsewhere in the community, where increased demands for facilities are already being felt or are anticipated. The Council may want to involve the new residents in the design of their reserve land at a later date, in which case cash will be taken to pay for this work.

Examples of improvements which may constitute a credit for an average neighbourhood reserve are:

- asphalt paths through a reserve which connects it to walkways, play areas, community facilities, stream banks, shelters or seating;
- classic seats with backs, as often installed by the Council;
- litter bins;
- amenity trees of approved species which have the potential to grow to a minimum of 10m in that location, planted at 3.0m and staked. - street trees are not included owing to the loss of trees that frequently occurs when construction begins;
- amenity grade grass where agreed with the Council;
- play equipment which is needed in the area and which meets all health and safety standards in its design and installation.

## **6.9.3. Stormwater management areas**

There has been a move away from regarding storm water as something that must be disposed of as quickly as possible to seeing a storm water system as an asset that has multiple values. This has changed the focus from underground pipes to above ground facilities which can include swales, retention basins, wetlands and streams, together with riparian planting. The objectives of the above-ground approach are to slow down storm water run-off thereby reducing its destructive force, settling out solids, pollutants and silt, releasing the cleaner water slowly into streams which nurture riparian environments and gently release storm water to the sea or to ground. Landscape, recreation, ecology, and culture are thereby enhanced, in addition to land drainage.

A reserve contribution may therefore consist partly of land also required to be set aside and vested in the Council as a development contribution for the collection, retention and disposal of storm water. While its primary purpose may be for storm water management, the land can serve a secondary function as open space. Up to a maximum of a 20% credit may be gained on the basis of an area of land set aside for this purpose.

The gain for the community may be that the area of land is larger than a normal reserve, owing to the fact that parts of it will at some times be under water. The design of the stormwater management area should take this into account when siting features such as paths, seating, play areas and planting. Such areas can also be useful as green linkages to other publicly accessible open space. Clearly the location and design of the stormwater features must work from an engineering point of view. However, if the land is to serve as open space it should also meet some of the criteria set out above under

Criteria for Taking Land instead of Cash. Discussions should be entered into as early as possible if the developer is contemplating the inclusion of a combined stormwater/open space feature as it will be dependent on a number of factors which should be identified at the outset and which may affect other infrastructure, for example, the roading layout.

## **7. Stormwater – specific issues regarding development contributions assessment**

The district has a number of storm water networks. Developments in towns with a storm water network will be assessed on their merit as to:

- i. how stormwater created by the development should be managed;
- ii. what impact that storm water discharge will have on existing systems to manage the new flow - based on the specific assessments, a development contribution will be calculated.

## **8. Community centres - specific issues regarding development contributions assessment**

Community centre contributions will be taken for the construction of the Castle Hill community centre. The development contribution is \$550 per lot.

## **9. Development areas**

These are defined areas where the Council has established an Outline Development Plan (ODP) in the District Plan as a way to co-ordinate the development of land in fragmented ownership.

This involves the building of infrastructure by the Council to allow development to occur in an integrated fashion in keeping with community expectations for an urban area.

The cost of this infrastructure will be recouped from developers (who are the beneficiaries), by means of development contributions.

Note that this policy applies only to the areas identified below and not to all ODPs in the District Plan.

### **9.1 Rolleston Lowes Road ODP Area**

In its District plan the Council has determined the position of roads and walkway / cycleways in the area to allow for orderly subdivision and for higher density (Living 1 zoning) north of Lowes Road.

#### **9.1.1 Planning Horizon**

A 20 year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons. It has been assumed that 80% of the maximum development potential will be realised in this time.

#### **9.1.2 What is being provided?**

The Council will assume responsibility for the provision of the following infrastructure within the ODP area. Developers will be required to cover the proportion of costs indicated:

- All roads shown on the Lowes Road Outline Development Plan area as shown in the District Plan, including associated stormwater disposal and street lighting (90%).
- Water and sewer pipes along the road corridors shown in the structure plan (90%).
- Electricity and telephone infrastructure along the road corridors shown in the structure plan (90%).
- The purchase of land for and formation of walkways and cycleways shown in the ODP (50%).
- Upgrading of Lowes Road, Jozecom Place and Fairhurst Place (100%).

The balance of costs not funded from development contributions levied over this structure plan area will be funded by either the Council's general rate or development contributions levied over the wider Rolleston area. The level of this funding reflects the Council's assessment of the distribution of benefits arising from the new infrastructure.

### 9.1.3 Who gets charged?

Developers in the area will pay the costs of infrastructure outlined above.

The Lowes Road Structure Plan area is comprised of three sub-areas. These are based on the road network which naturally divides into these areas which have different development intensities and therefore quite different roading costs. The cost of road upgrading has also been assessed separately for each area. In the same way, the costs of walkway cycleways in the north have been treated separately from those in the south.

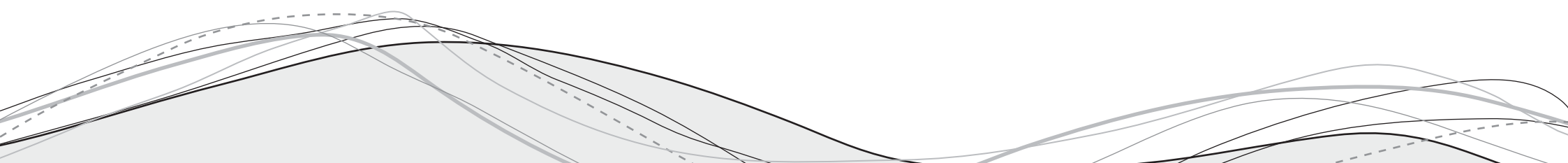
It is recognised that some allotments will receive a very high degree of benefit from the structure plan and that others will receive a lower degree of benefit.

Some developments derive direct benefits as they have direct access onto the new roads. It is appropriate that these lots should pay a higher proportion of the costs of development than those who do not benefit so directly. There are other lots which pay a lower proportion as they have no direct access onto the new roads although they benefit from greater connectivity. These allotments will pay a 'low' charge. In the area north of Lowes Road there are a small number of deep allotments which benefit from new roading on one side but which will still need to provide substantial internal roading. These lots have been assessed to pay an intermediate amount.

In the north, 'low' benefitting properties pay 20% of what 'high' properties pay. 'Medium' benefitting properties pay 70%.

In the south, low benefitting properties pay 10%. This is because the need for roading in the south is less to do with general connectivity and more to do with providing access.

The level of benefit has been assessed for each allotment in the area (as at 1 January 2010). Contributions will be levied according to this assessment on the subdivision of the allotment and any on subsequent subdivision of child allotments.



Map 1 below shows the contributions applying to each allotment.



Lowes Road Outline Development Plan Development Contributions



## 10. How to work out the development contribution payable

<b>[STEP 1]</b>	Determine in which location within the district your development is to occur
<b>[STEP 2]</b>	Go to the Development Contributions Schedule and identify the fees payable per unit of demand for your development contribution area
<b>[STEP 3]</b>	Establish how many units of demand your development will create for each of the community facilities
<b>[STEP 4]</b>	Multiply the units of demand (step 3) by the fee per unit of demand (step 2) to determine the total development contributions payable

## Forecast development contribution funding by significant activity

*Updated for West Melton Sewerage and Lowes Road Development Area*

Activity	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Reserves	363	365	2048	2090	2090	2090	2090	2090	2374	1842
Roading	1723	976	1006	1019	1029	1051	826	838	966	951
Sewerage	240	248	2906	3821	3926	4030	4140	3825	4330	4487
Stormwater	1296	60	759	795	815	836	857	878	1021	1057
Water	85	87	712	855	874	893	913	934	1048	1074
	3707	1735	7431	8580	8734	8900	8825	8564	9739	9412

## 11. Development contribution and connection fees

### NOTES:

All connections are subject to water capacity.

A standard 20mm water connection is where the Council main is within 20m of the consumer's point of supply. All other connections to be quoted.

Where the word 'Actual' appears this requires the connector to pay the actual costs of the physical connection from the Council system to the property boundary.

The Kirwee water supply despite having a development contribution, can only expand subject to changes to the existing resource consent for take from Environment Canterbury. Accordingly resource consents for subdivision will still be subject to the Selwyn District Council being able to achieve this change.

Some schemes have a development contribution narration of 'NCA'. For these schemes, the assessment as at 1 March 2009 is that there is no capacity available. Individual applications will be assessed on their impact to the supply.

Some schemes have a development contribution narration of 'LCA'. For these schemes, the assessment as at 1 March 2009 is that there is limited capacity available. Individual applications will be assessed on their impact to the supply.

In accordance with the Council's Development Contribution Policy, development contributions are indexed by CPI as at 31 December annually. Additionally, each development contribution, when imposed by the Council as a resource consent, notes that it will be indexed by CPI until paid.



## DEVELOPMENT CONTRIBUTIONS

For the year ending 30 June 2012

NCA = No Capacity Available

LCA = Limited Capacity Available – development contribution will be calculated on enquiry

Development contribution and connection fee per lot (including GST)							
			Water			Sewer	
	Scheme	Standard water connection fee - see notes above	Development contribution	Total fee	Sewer connection fee - see notes above	Development contribution	Total fee
1	Armack Drive		NCA				
2	Arthur's Pass		NCA				
	Arthur's Pass (Sunshine Terrace)				Actual	\$12,950	Actual + \$12,950
3	Branthwaite Drive		NCA				
4	Burnham		NCA				
5	Castle Hill		LCA			LCA	
6	Coleridge	\$1,048	\$5,874	\$6,922	Actual	\$8,751	Actual + \$8,751
8	Darfield						
	Residential	\$1,048	\$8,310	\$9,358			
	Rural						
	Residential	\$1,048	\$8,310	\$9,358			
9	Darfield						
	Rural A Zone (3.5m <sup>3</sup> /day)	\$1,048	\$8,310	\$9,358			
	Rural B Zone (2.0m <sup>3</sup> /day)	\$1,048	\$8,310	\$9,358			
10	Doyleston	\$1,048	\$4,998	\$6,045	Actual	\$7,093	\$7,093
11	Dunsandel	\$1,048	\$8,985	\$10,033			
12	Edendale		NCA				
13	Fisherman's Point (Taumutu)		NCA				
14	Johnsons Road		NCA				

Development contribution and connection fee per lot (including GST)							
		Water			Sewer		
	Scheme	Standard water connection fee - see notes above	Development contribution	Total fee	Sewer connection fee - see notes above	Development contribution	Total fee
15	Jowers Road		NCA				
16	Kirwee Urban	\$1,048	\$5,658 – refer note above	\$6,705			
17	Kirwee Rural R	\$1,048	\$5,658 – refer note above	\$6,705			
18	Kirwee Rural A	\$1,048	\$5,658 – refer note above	\$6,705			
19	Kirwee Rural Extensions	\$1,048	\$5,658 – refer note above	\$6,705			
20	Leeston	\$1,048	\$4,887	\$5,935	Actual	\$7,227	Actual + \$7,227
21	Lincoln	\$1,048	\$1,645	\$2,693	Actual	\$10,738	Actual + \$10,738
22	Malvern Hills Existing This water supply services the townships of Glentunnel, Coalgate and Whitecliffs, including the 1999 Waireka Extension A domestic connection is two units	\$1,048	Headworks contribution  \$2,573 per unit Quality improvement  \$2,579 per dwelling	\$1,048  \$2,573 per unit Quality improvement  \$3,626 per dwelling			
23	Prebbleton						
	• Township	\$1,048	\$4,325	\$5,373	Actual	\$10,738	Actual + \$10,738
	• Kingcraft Drive	\$1,048	\$5,825	\$6,873			
24	Rakaia Huts		NCA				
25	Raven Drive		NCA				

Development contribution and connection fee per lot (including GST)							
		Water			Sewer		
	Scheme	Standard water connection fee - see notes above	Development contribution	Total fee	Sewer connection fee - see notes above	Development contribution	Total fee
26	Rolleston						
	Residential	\$1,048	\$2,765	\$3,813	Actual	\$10,738	Actual + \$10,738
	Business Zones (Jones Road)	\$1,048	\$19,356 per ha	\$20,404 per ha	Actual	\$75,169 per ha	Actual + \$75,169 per ha
27	Selwyn RWS	\$1,048	Headworks \$1,196 per unit	Headworks \$2,224 per unit			
	Per ha		Upgrade to \$788 per unit	Upgrade to \$788 per unit			
	Per unit		Supply treatment installation \$533	Supply treatment installation \$533 + \$1,048			
	(Domestic Connection) (This water supply services the township of Hororata)	\$1,048					
28	Sheffield	\$1,048	\$8,044	\$9,092			
	Sheffield Rural	\$1,048	\$8,044	\$9,092			
29	Southbridge		LCA		Actual	\$7,109	Actual + \$7,109
30	Springston	\$1,048	\$3,182	\$4,230	Actual	\$10,738	Actual + \$10,738
31	Springston South Upper Huts		NCA			NCA	
32	Springfield		NCA				
33	Tai Tapu Township		LCA		Actual	\$11,744	Actual + \$11,744
	Rising Main SH75 (incl CCC fee)				Actual	\$8,002	Actual + \$8,002
	Lincoln – Tai Tapu Road				Actual	\$8,494	Actual + \$8,494
34	Te Pirita		On Enquiry				
35	West Melton		NCA				
	• Properties connected on West Melton to Rolleston pipeline route				Actual	\$12,146	Actual + \$12,146
	• Preston Downs subdivision				Actual	\$12,146	Actual + \$12,146
	• Existing West Melton township and all other connections from subdivision activity				Actual	\$13,342	Actual + \$13,342
	• Gainsborough subdivision				Actual	\$5,685	Actual + \$5,685
36	Whitecliffs		NCA				

Roading development contributions		
Area	Work for which contribution required	Fee (including GST)
Rolleston	Rolleston Drive/Hoskyns Road/ State Highway 1	\$119 per Lot
Lincoln	Lincoln roading projects within the Lincoln MUL	\$652 per Lot
UDS	CRETS roading improvement projects	\$718 per Lot
Outside UDS any subdivision rural or residential	CRETS roading improvement projects	\$106 per Lot
Rolleston	New school road	\$299 per Lot
Rolleston, land between Lowes Road and Goulds Road	New school road	\$1,590,096

Stormwater development contributions		
Area	Work for which contribution required	Fee (including GST)
Lincoln	Lincoln stormwater management	\$9,930 per Lot

Development area development contributions		
Area	Work for which contribution required	Fee (including GST)
Rolleston Lowes Road ODP Area		
• North High	New and upgraded roads, walkways and cycleways	\$23,988 per Lot
• North Medium	New and upgraded roads, walkways and cycleways	\$16,833 per Lot
• North Low	New and upgraded roads, walkways and cycleways	\$5,454 per Lot
• Fairhurst High	New and upgraded roads, walkways and cycleways	\$23,225 per Lot
• Fairhurst Low	New and upgraded roads, walkways and cycleways	\$8,798 per Lot
• Jozecom High	New and upgraded roads, walkways and cycleways	\$21,583 per Lot
• Jozecom Low	New and upgraded roads, walkways and cycleways	\$10,675 per Lot

## Water capital expenditure - funded by development contributions

Defined geographical area	Capital incurred prior to 1 July 2008 for growth	Capital to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per Lot
	\$	\$	\$	\$	\$
Armack Drive	-	-	-	-	-
Arthurs Pass	-	-	-	-	-
Branthwaite Drive	-	-	-	-	-
Burnham	-	-	-	-	-
Castle Hill	-	-	-	-	-
Darfield	404,802	1,816,318	2,221,120	1,300,000	7,970
Doyleston	51,689	-	51,689	-	4,793
Dunsandel	422,400	-	422,400	-	8,617
Edendale	-	-	-	-	-
Fisherman's Point	-	-	-	-	-
Johnson Road	-	-	-	-	-
Jowers Road	-	-	-	-	-
Kirwee	45,432	308,300	353,732	-	5,426
Lake Coleridge	165,720	-	165,720	-	5,634
Leeston	325,220	318,150	643,370	-	4,687
Lincoln	1,701,700	-	1,701,700	-	1,578
Malvern Hills Rural	544,875	-	544,875	-	7,409
Prebbleton	569,380	-	569,380	-	4,148
Rakaia Huts	-	-	-	-	-
Raven Drive	-	-	-	-	-
Rolleston	1,888,657	2,705,793	4,594,450	-	2,652
Sheffield	151,280	-	151,280	-	7,715
Selwyn Rural	232,815	-	232,815	-	4,317
Southbridge	-	-	-	-	-
Springfield	-	-	-	-	-
Springston	35,904	-	35,904	-	3,052
Te Pirita	-	-	-	-	-
Tai Tapu	-	-	-	-	-
West Melton	-	-	-	-	-
	<b>6,539,874</b>	<b>5,148,561</b>	<b>11,688,435</b>	<b>1,300,000</b>	

## Sewerage capital expenditure - funded by development

Defined geographical area	Capital expenditure incurred for growth prior 1 July 2008	Capital expenditure forecast to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per lot
	\$	\$	\$	\$	\$
Arthurs Pass	121,765	-	121,765	-	12,420
Castle Hill	-	-	-	-	-
Doyleston	173,407	-	173,407	-	6,803
Lake Coleridge	32,913	-	32,913	-	8,393
Leeston	7,814,719	-	7,814,719	-	6,931
Lincoln*	-	35,349,597	35,349,597	-	10,299
Prebbleton*	-	10,803,790	10,803,790	-	10,299
Rolleston*	-	46,325,036	46,325,036	-	10,299
Southbridge	407,719	-	407,719	-	6,818
Springston*	-	30,291	30,291	-	10,299
Tai Tapu	1,026,923	-	1,026,923	-	11,263
West Melton*	-	3,807,813	3,807,813	-	11,805
	<b>9,577,446</b>	<b>96,316,527</b>	<b>105,893,973</b>	-	

\* The capital costs identified for these areas includes expenditure on the Eastern Selwyn Sewer Scheme that will be incurred beyond the 10 year period of this LTCCP

## Stormwater capital expenditure - funded by development contributions

Defined geographical area	Capital expenditure incurred for growth prior 1 July 2008	Capital expenditure forecast to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per lot
	\$	\$	\$	\$	\$
Lincoln	-	32,688,837	32,688,837	-	9,524

### Roading capital expenditure - funded by development contributions

Defined geographical area	Capital expenditure incurred for growth prior 1 July 2008	Capital expenditure forecast to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per lot
	\$	\$	\$	\$	\$
District	-	Varies per consent	Varies per consent	Varies per consent	Varies per consent
Traffic lights Rolleston Drive/ SH1/Jones Road, Rolleston	591,000	-	591,000	-	114
Lincoln roading projects within the Lincoln MUL	-	980,000	980,000	-	625
UDS area - CRETS	-	15,565,000	2,075,000	13,490,000	689
Rolleston - new school road	-	379,000	379,000	-	287
Rolleston - new school road, land between Lowes Road and Goulds Road	-	1,329,000	1,329,000	-	1,525,028
	<b>591,000</b>	<b>18,253,000</b>	<b>5,354,000</b>	<b>13,490,000</b>	

### Reserves capital expenditure - funded by development contributions

Defined geographical area	Capital expenditure incurred for growth prior 1 July 2008	Capital expenditure forecast to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per lot
	\$	\$	\$	\$	\$
District - various reserves		2,136,000	2,136,000	-	Varies per consent
Darfield		527,000	527,000	-	Varies per consent
Lincoln		9,347,000	9,347,000	-	Varies per consent
Prebbleton		2,802,000	2,802,000	-	Varies per consent
Rolleston		10,552,000	10,552,000	-	Varies per consent
		<b>25,364,000</b>	<b>25,364,000</b>	-	



## Development area capital expenditure funded by development contributions

Defined geographical area	Capital expenditure incurred for growth prior 1 July 2008	Capital expenditure forecast to occur from 1 July 2008 for growth	Total capital costs to recover from development contributions	Total capital costs to recover from other sources	Development contribution per lot
	\$	\$	\$	\$	\$
North High	-	3,341,087	3,023,180	317,907	23,006
North Medium	-	943,742	853,380	90,361	16,144
North Low	-	202,990	182,680	20,310	5,231
Fairhurst High	-	706,695	593,875	112,820	22,275
Fairhurst Low	-	408,837	310,970	97,867	8,438
Jozecom High	-	221,841	188,170	33,672	20,700
Jozecom Low	-	516,348	408,215	108,133	10,238
	-	<b>6,341,539</b>	<b>5,560,470</b>	<b>781,069</b>	

The capital expenditure includes expenditure that will be incurred beyond the 10 year period of the LTCCP.