

# Draft Development Contributions Policy 2015

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## PART 1: INTRODUCTION

*The 2015 Development Contributions Policy (DCP) was prepared in conjunction with the Christchurch City Council's 2015-25 Long-Term Plan (LTP). This policy applies within the territorial boundaries of Christchurch City Council (Council), including Christchurch City and Banks Peninsula.*

### 1.1 Background

Christchurch has experienced, and will continue to experience, significant growth pressures. Christchurch City Council needs to be able to provide infrastructure and facilities to cater for growth and to do this in a timely fashion and at least cost to the ratepayers of the City. The use of development contributions funding helps the Council to be able to effectively provide for growth.

Following the earthquakes of 2010 and 2011, additional growth in the district now comes from the creation of further new subdivisions. This additional growth is being driven 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 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 and infrastructure and raises legitimate questions about how the Council should fund such new infrastructure.

A development contribution is a contribution from developers of cash, or in some cases land, to fund the additional demand for community facilities created as a result of growth<sup>1</sup>. It is a cost recovery mechanism only and the Council works hard to ensure development contributions are only collected for this purpose.

The Local Government Act 2002 (LGA) defines the purpose of development contributions is to enable Councils to recover from developers a fair, equitable and proportionate portion

<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 development, additional accommodation and additional community services development (such as sporting, educational, religious and charitable activities).

of the total cost of capital expenditure necessary to service growth over the long term. Councils can require development contributions if the effect of a development or developments requires the council to provide new or upgraded infrastructure<sup>2</sup>.

Development contributions can be collected for growth-related projects within the Council's capital programme for the following eleven activities:

#### 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
- Public transport infrastructure

#### Community infrastructure (no projects identified for this category in the 2015 capital programme)

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 development that will accommodate growth.

The Council will collect development contributions for public toilets and for play equipment on neighbourhood parks. While the LGA defines this infrastructure as community infrastructure the cost of providing these types of infrastructure will be included in the development contributions charge for sports or neighbourhood parks as appropriate and

<sup>2</sup> Funding for community facilities 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.

not as a separate activity. This is because public toilets and play equipment are almost entirely related to these reserve activities and it is simpler to manage these together.

Due to the current focus on repairing and rebuilding community centres and halls, no growth-related capital projects for these have been included in the 2015 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 capital expenditure on community centres and halls in a future DCP should the need arise. If the Council decides to introduce projects related to this development contribution activity, it will do so through consultation on a future Annual Plan or Long Term Plan.

## 1.2 The Development Contributions Policy and the earthquakes

The 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 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.

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 infrastructure required for growth. The Council already has significant calls on its funds to replace a considerable amount of earthquake-damaged infrastructure. In addition it aims to open up new development sites to support 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. Appendix 8 includes an example of how the growth portion of individual capital projects are separated from other

drivers of demand<sup>3</sup>. 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.

The Council has taken into account the development contribution principles set out in s197AB of the LGA in the preparation of this DCP.

## 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 building, land use or other work generates a demand for reserves, network infrastructure or community infrastructure.
- (b) The 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>4</sup>
- (c) This policy provides for the payment of a contribution in the circumstances of the development.

The Council's policy is that qualifying consent and service connection request 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 3.8.1 for details on the applicable policy). For such developments, the Council will require a development contribution under Section 198(1) of the LGA when:

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

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

## 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 type of reserve, network infrastructure or community infrastructure the Council planned to provide;<sup>4</sup> or
- The Council has already required a Development Contribution for the same purpose in respect of the same building work (although another development contribution can be requested for the same purpose where a development has increased in scale or intensity since the original contributions was required).
- The Council has received, or will receive, 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 may be imposed under the RMA where provided for by the City Plan and as a condition of resource consent. The Council will continue to require financial contributions in accordance with the City Plan (refer to Appendix 7, section A7.2 of this policy).

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<sup>4</sup> Fund in this sense excludes the cost of community facilities funded by the developer in the short term, but recovered by the developer from the Council in the long term. Also note that s200(2) of the LGA provides that the Council can accept from any person, with their agreement, additional contributions for reserves or infrastructure.

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 expansion of assets over and above the works and services that may be required as a condition of a subdivision consent or resource consent (see section 3.5.1 of this policy), and are usually located beyond the development boundaries.

## 1.6 Effective date of the 2015 Policy

This DCP is effective as of 1 July 2015.

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

The 2013 DCP was updated with changes at the same time as the 2014/15 Annual Plan update and effective 1 July 2014. Further updates were made to the 2013 DCP as required by amendments to the LGA and effective 8 August 2014.

## 1.7 Changes from the 2013-22 DCP

The 2015 DCP builds on earlier DCPs. Important aspects of the 2013-22 DCP that remain relevant in this DCP are:

- Direction on the basis for the valuation of reserve land that is to be vested and 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 red zone by CERA.
- 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.

Significant changes that are new to the 2015 DCP are:

- Clarification of the purpose of development contributions as intended by the LGA and the principles that must guide the development of this policy and its application\*.
- Revised definition of community infrastructure which affects the activities that development contributions may be required for\*.
- Extension of the minor residential unit adjustment to all minor units less than 100m<sup>2</sup>.
- Clarification on the application of this policy to Family Flats.
- Greater clarity of when a special assessment may be undertaken and the process.
- Changes to the reassessment process when a development contribution that has been required has not yet been paid\*.
- Establishment of a formal process to request a reconsideration of the assessed amount of a development contributions charge\*.
- Inclusion of the process for lodging an objection to the assessed amount of a development contributions charge\*.
- Notification that development contributions charges will be updated annually in line with the Producers Price Index (PPI)\*.
- Division of some activities into a number of geographic catchments where appropriate rather than one district-wide catchment\*.

\* These changes respond to or are linked to requirements under the amended LGA.

## 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 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 encumbrance instruments, works and services fees, situations where development contributions are not payable, assessments and development contribution payment requirements.

Part 4: Appendices 1 to 9 - 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.
- Appendix 6: Catchment maps for development contribution activities.
- Appendix 7: Additional information.
- Appendix 8: Calculation of growth portion of individual capital projects.
- Appendix 9: Glossary of terms.

## 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 or additional assets or assets of increased capacity and, as a consequence, the Council incurs capital expenditure to provide appropriately for reserves, network infrastructure and community infrastructure. These effects include the cumulative effects that a development may have in combination with other developments.

Development for the purposes of requiring development contribution means:

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

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

The Council works hard to make the process for calculating development contribution charges as simple as possible, while also being fair, 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 – Identify the number of Household Unit Equivalents (HUE) per activity	Determine the number of HUEs applicable to the development (refer to Section 2.2).
Step 2 – Identify HUE credits per activity	Determine any credits applicable (refer to Section 2.3 and Tables 2.5 and 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 Section 2.6 and 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 for that activity for the relevant catchment (from Steps 4 and 5). Refer section 2.7 and sum the results for each activity to achieve the total charge.
Step 7 – Calculate the total development contribution charge	Refer section 2.8. Add Goods and Services Tax (GST).

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

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

<sup>5</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. Developers who are unsure whether their development is residential are welcome to contact the Council for clarification.

Where the site being developed will not be within the areas of service for water supply, wastewater collection, treatment and disposal of stormwater and flood protection no HUE assessment will be made for those activities. 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.

If a development is providing its own infrastructure, and as a result places no demand on Council infrastructure, no HUE assessment will be made for that activity.

### 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. For any application for resource consent, building consent or service connection for residential activity, a development contribution will be assessed at the rate of 1 HUE per household unit for each activity.

A lot will be assessed as containing 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 that kitchen creates a self contained residential unit (see glossary for definitions).

#### 2.2.1.1 Minor Residential Unit adjustment

A minor residential unit adjustment will apply for each residential unit less than 100m<sup>2</sup> (inclusive of a 17.05m<sup>2</sup> parking allowance per unit). Where there is more than one residential unit in a development the adjustment will be applied to the average size of the units. The adjustment reduces the HUE calculation on a sliding scale from 100% to 60% for each residential unit less than 100m<sup>2</sup>. For example, if the average size of the units is 80m<sup>2</sup> the minor residential unit adjustment reduces the HUE assessment to 0.8 HUEs per unit (80%).

#### 2.2.1.2 Multi-unit stormwater and flood protection reduction

Developments that involve two or more residential units that are attached can receive a multi-unit stormwater and flood protection reduction. The development contribution charge for these attached units can never be less than 1 HUE, neither can it be greater than 1

HUE for each attached residential unit. The development contribution charge will be based on the actual area of ISA to be drained to the reticulated surface water network.

If an existing residential unit has received a minor 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.)<sup>6</sup>

#### 2.2.1.3 Exemptions for family flats

Applications for developing or converting family flats that existed prior to 6 December 2013 into residential units are exempt from development contributions. Applications received under this policy for developing a new family flat or converting a family flat that did not exist prior to 6 December 2013 into a residential unit will not be exempt from development contributions. However these applications will be eligible for a Minor Residential Unit adjustment.

Previous DCPs have provided an exemption for family flats to reflect that these units are intended to provide an extension of accommodation for a member of the existing household to which it is associated. In addition, as these units must be smaller than 65m<sup>2</sup> they are likely to have only 1 or 2 occupants and generate a lower demand for new infrastructure.

This policy introduces the ability to apply the minor residential unit adjustment to individual small dwellings and thus take account of the lower demand of these units more appropriately. This, in conjunction with the intention to effectively remove family flats from the District Plan in favour of more generic treatment of minor residential units means an exemption for family flats is no longer considered necessary.

#### 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 network and applicable

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<sup>6</sup> Except where the residential unit is less than 100m<sup>2</sup>, then the credit will be reduced by the minor residential unit adjustment described in this section, if a small unit adjustment was previously applied.



community infrastructure 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 once the expected demand of the land use has been established.

For non-residential applications for resource consent (land use), building consent or for service connection, HUEs will be assessed for each activity either by zone and site-specific factors, including the GFA of the building, or a special assessment will be done as per Part 2.2.3.

For retirement villages, the residential units will be assessed as per Table 2.2.B. The non-residential elements of retirement villages, such as a hospital, care/assisted living units, day care units, communal kitchen and dining hall, gymnasium, pools/spas/saunas/massage areas, hairdressers/barbers and administration areas will be calculated according to Table 2.2.A. or assessed as a special assessment.

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

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

#### 2.2.2.1 Calculating Non-residential Household Unit Equivalents

The non-residential HUEs for each activity are calculated either according to land use from Table 2.2.A or by activity from 2.2.B.

Where a development falls under a land use classification set out in Table 2.2.A, the land use classification HUE multipliers in Table 2.2.B. will be used for transport related activities but the business zone HUE multipliers will be used for all other activities.

Where the proposed use lies outside the standard land use classifications set out in Table 2.2.B. the business zone HUE multipliers in Table 2.2.A. will be used for all activities including transport, or a special assessment will be undertaken.

The business zones referred to in Table 2.2.A. are defined in the City Plan and in Appendix 9 of this Policy.

Table 2.2.A. Summary of Residential and 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	Cemeteries
All land uses	m <sup>2</sup> ISA					0.0038		
All land uses	Lot	1.0000 (1)						
Central City Business Zone	m <sup>2</sup> GFA		0.0035	0.0035	0.004		0.0099	
Business 1 ((Local centre/District Centre Fringe) Zone	m <sup>2</sup> GFA		0.0034	0.0034	0.0039		0.0209	
Business 2/2P (District centre core/Business parking) Zone	m <sup>2</sup> GFA		0.0035	0.0035	0.0039		0.032	
Business (Retail Park) Zone	m <sup>2</sup> GFA		0.0035	0.0035	0.0039		0.0224	
Business 3 (Inner city industrial) Zone	m <sup>2</sup> GFA		0.0036	0.0036	0.0041		0.0062	
Business 4 (Suburban industrial) Zone (2)	m <sup>2</sup> GFA		0.0036	0.0036	0.0041		0.0078	
Business 5 (General industrial) Zone	m <sup>2</sup> GFA		0.0036	0.0036	0.004		0.0042	
Business 6 (Rural industrial) Zone	m <sup>2</sup> GFA		0.004	0.004	0.0045		0.0021	
Special Purpose (Airport)	m <sup>2</sup> GFA		0.0036	0.0036	0.0041		Spec A (3)	
Holiday home (residential)	Per residential unit	1	1	1	1	1	1	1
Household (residential)	Per residential unit	1	1	1	1	1	1	1

Notes: (1)- Subdivision only

(2) - Developments in Business 7 and Business 8 zones will be assessed at Business 4 equivalents

(3) - Spec A - Special assessment required

Table 2.2.B. Summary of Residential and Non-residential (Business) HUE equivalents by activity

Activity	Measure	Reserves	Water supply	Wastewater collection	Wastewater treatment and disposal	Stormwater & flood protection	Transport-related	Cemeteries
Retirement villages (1)	Per residential unit	0.25	0.5	0.5	0.5		0.3	1
Commercial premises/offices	m <sup>2</sup> GFA						0.0043	
Shopping centres >10,000m <sup>2</sup>							0.0151	
Shopping centres <10,000m <sup>2</sup>							0.0278	
Supermarkets							0.0184	
Service Stations with retail facilities							0.0356	
Markets							0.001	
Bulk goods/ Home improvement stores							0.0098	
Drive-in fast food restaurants							0.0241	
Restaurants							0.0155	
Manufacturing industries							0.0044	
Warehouses/storage							0.0013	
Accommodation in the central city and central city edges							0.0001	
Accommodation not in the central city and central city edges							0.001	

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

### 2.2.2.2 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.

### 2.2.3 Extraordinary circumstances and special assessment

The Council may undertake a special assessment to assess the development contribution payable including the credits that apply to the development if a development has a significantly different impact than is specified in the methodology in Part 2.2.2. and Table 2.2.A. A special assessment will only be undertaken prior to an invoice being issued and in the following circumstances:

1. Where the type of development proposed is not adequately covered by the land uses set out in A4.4, A4.9 and Table 2.2.A. Such developments include but are not limited to applications for education facilities, wet industries, hospitals, medical centres, gymnasia, sports stadia, airports, courier depots, churches, and theatres.
2. Where the Council determines that the demand for an activity from the development is expected to be greater than double the value identified as average (in Tables 2.2A & B and 2.3) for that type or location of development. For example, the change of use of a building from commercial to retail may warrant a special assessment

A special assessment may be undertaken in the following circumstances:

3. For stormwater and flood protection, 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. These works will be required to meet Council's 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) requirement for development contributions.
4. In other situations, at the Council's discretion.

### 2.2.3.1 HUEs when a special assessment is required

Where the Council is satisfied that a special assessment is required, the HUE for each activity is calculated from the base units in Table 2.3, noting that the stormwater and flood protection for non-residential developments is calculated as specified in Part A4.4 at  $(0.0038) \times (\text{area of ISA})$ .

The developer will be required to provide detailed calculations of the present and future demand on community facilities from the development, and will be charged accordingly on the net increase in HUEs. The information provided will be compared with other industrial standards and any other reasonable considerations that need to be taken into account. The Council has discretion to determine whether the information provided is acceptable or not. In the absence of such information a credit of 1 HUE per lot per activity will be applied, or no credit if the development only relates to a portion of a lot.

This additional information may be required 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).

**Table 2.3 Base unit measures for assessment of non-residential development**

Activity	Base unit measure	Demand per HUE	Comments
Wastewater collection /Water supply	Litres per day	645	See A4.2. Design demand from Infrastructure Design Standard
Wastewater treatment and disposal	Litres per day	572	See A4.3 Design demand from Infrastructure Design Standard
Stormwater and flood protection	Impervious area m <sup>2</sup>	427	See A4.4 Assessed average impervious area per household
Transport-related	Vehicles per day	13.21	See A4.5. Assessed as average vehicle kilometres travelled per day (VKD)

### 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 lot.	1 HUE per activity per additional household unit, including units in strata title type developments, subject to the minor residential unit adjustment.
Non-residential	1 HUE per Network and Community Infrastructure activities	Standard table of HUEs per activity in units of 1m <sup>2</sup> GFA / ISA (Table 2.2).
Mixed		To be assessed as applicable based on the proportions of the type of development that are proposed.
Extraordinary circumstances	Special assessments may be done at the discretion of the Council. The developer is to provide detailed calculations of the present and future demand on community facilities from the development utilising the mechanism in Table 2.3. 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 for additional demand on community facilities created by the development. Credits recognise that a development may replace existing demand and thus place no (or limited) additional demand on the community facilities.

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

Table 2.5 Principles for determining credits

Residential

- 1.1 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).
- 1.2 The credit will be assessed on the basis of 1 HUE per activity per existing residential unit and/or lot, unless an encumbrance instrument or memorandum of agreement exists on the title/s that recognises any credits or arrangements associated with amalgamation or amalgamation reversal.
- 1.3 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 minor residential unit adjustment described in Section 2.2.1.
- 1.4 For any undeveloped residential lot a credit of 1 HUE per lot per activity will apply.
- 1.5 No HUE credit will be given for a lot that cannot legally be developed, or where, following a boundary adjustment with a neighbouring lot, the previously undevelopable lot is then of a size that it can legally be developed.

Non-residential

- 2.1 On any application 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, credits will be assessed for each activity by applying the equivalences in Table 2.3 to the GFA/ISA of the existing development.
- 2.2 On any application for resource consent, building consent or authorisation for service connection in respect of a non-residential development on any undeveloped lot which was created after 1 July 2004, the development will receive a credit for the greater of 1 HUE per lot or the HUE's which were assessed at time of subdivision (under the 2006-07 DCP).
- 2.3 On any application for resource consent (subdivision) on any undeveloped non residential lot which was created prior to 1 July 2004, the development will receive a credit of 1 HUE per lot per activity
- 2.4 On application for building consent for development on any undeveloped non-residential lot which:
  - was created prior to 1 July 2004; and,
  - has been vacant and unused before 1 July 2004 (*i.e.* not including sites where demolition or other destruction has occurred after 30 June 2004)
  - The development may receive a credit per activity of the greater of 1 HUE or HUEs calculated as:
    - i. the average 2004 GFA or ISA ratio for the zone of the development (Table 2.6); multiplied by
    - ii. lot size multiplied by the non-residential land use equivalences for that zone (refer to Table 2.3 Summary of Residential and Non-residential (Business) HUE Equivalents by land use and activity).
 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.
- 2.5 For any other application in respect of an undeveloped non-residential lot, a credit to the value of 1 HUE per activity will apply.
- 2.6 Credits for non-residential developments are calculated the same way as development contribution equivalences are calculated. The highest level of demand from the development during the past 10 years is taken into account.

Apply to both residential and non-residential in addition to the above

- 3.1 For any existing development demolished or destroyed by fire, earthquake 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 properties, the above principles will apply within the 10 years from the date of the land being classified as in the 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.
- 3.2 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. The Council has discretion to determine whether the information provided is acceptable or not.
- 3.3 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.
- 3.4 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 allotments, 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, an encumbrance instrument will be registered on the title/s associated with the amalgamation reversal.
- 3.5 Historical credits 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 Council's discretion. All credits will expire after a period of 10 years.
- 3.6 Lots that have been or are being used by a network utility operator for utility purposes will not be given any credit.
- 3.7 A special assessment can be used if needed, when working out HUE credits.
- 3.8 No HUE credit will be given for a lot that cannot legally be developed, or for a lot that is/was utility site, stopped road or similar site, or where, following a subdivision consent that adjusts the boundary with a neighbouring lot, the previously undevelopable lot is then of a size that it can be developed.

**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 and non-residential lots within an area classified by CERA as 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.<sup>7</sup> The Council considers that owners of red zone properties will have received reimbursement of any development contributions paid as a component of payment received in the acquisition of a red zone property.

## 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

The Council has looked at a number of different catchment options, ranging from a single district-wide catchment to land use or infrastructure specific catchments. After considering

<sup>7</sup> Expire in this case means 10 years from the date of the land being classified as in the red zone by CERA (see Table 2.5).

the merits of the different options the Council has adopted the following configuration of catchments:

### *District-wide:*

- Regional parks
- Garden and heritage parks
- Sports parks
- Water supply
- Wastewater collection
- Wastewater treatment and disposal
- Active travel
- Public transport

### *Activities with multiple catchments:*

- Neighbourhood parks
- Stormwater and flood protection
- Road networks

More information on catchments is provided in Appendix 1. A list of the catchment areas and maps for all network and infrastructure 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 the charge for individual activities.

## 2.7 Step 6 – Calculate the development contributions for each activity

For each activity, multiply the net increase in 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 residential subdivision, being 1 HUE charge for every additional lot created.
- On residential building consent, being 1 HUE charge for every additional household unit created.

The amount of the development contribution for reserves 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 minor residential units as provided for in Section 2.2.1.

## 2.8 Step 7 - Calculate total development contribution

The total end-to-end process for the assessment of development contributions is exclusive of GST. Development contribution 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 is added to the final invoice and charged in accordance with the Goods and Services Act 1985 in accordance with the GST rate applicable at the date of the final invoice. The GST rate as at 1 July 2015 is 15%.

## 2.9 Schedule of development contribution charges

Table 2.7 identifies the individual development contribution charges for each catchment within each activity. The overall charge will depend on the location of the development.

Development contribution charges will be updated annually (1 July) as provided for in section 106(2B) and (2C) of the LGA, using the Producers Price Index output for construction (see Section A7.3). The payment of any development contribution is made in accordance with the schedule of development contribution charges in Table 2.7 (plus any inflation index adjustments) that is applicable at the time of assessment or reassessment.

Activity	Catchment	Development contribution per HUE (excluding GST)	Development contribution per HUE (including GST)	
Parks	Regional parks	District-wide	\$2,489.00	\$2,862.35
	Garden and heritage parks	District-wide	\$162.00	\$186.30
	Sports parks	District-wide	\$2,374.00	\$2,730.10
Reserves		Central City	\$1,499.77	\$1,724.73
		Inner City	\$2,600.58	\$2,990.66
		Suburban	\$1,499.77	\$1,724.73
	Neighbourhood parks	Greenfield	\$8,871.27	\$10,201.96
		Lyttleton Harbour	\$1,499.77	\$1,724.73
		Rural	\$1,499.77	\$1,724.73
		Rest of Banks Peninsula	\$1,499.77	\$1,724.73
	Akaroa Harbour	\$1,499.77	\$1,724.73	

Network infrastructure	Water supply	District-wide	\$2,481.00	\$2,853.15
	Wastewater collection	District-wide	\$5,724.00	\$6,582.60
	Wastewater treatment and disposal	District-wide	\$2,943.78	\$3,385.35
		Styx	\$797.46	\$917.07
		Styx Greenfield	\$7,886.83	\$9,069.85
		Avon	\$863.96	\$993.55
		Avon Greenfield	\$1,266.51	\$1,456.48
		Estuary	\$797.46	\$917.07
		Heathcote Greenfield	\$4,035.79	\$4,641.15
	Stormwater and flood protection	Heathcote	\$2,427.09	\$2,791.15
		Halswell	\$5,968.34	\$6,863.59
		Otukaikino	\$797.46	\$917.07
		Lyttelton Harbour	\$797.46	\$917.07
		Northern Bays	\$797.46	\$917.07
		Southern Bays	\$797.46	\$917.07
		Akaroa Harbour	\$797.46	\$917.07
		Central City	\$850.10	\$977.61
		Inner City	\$882.36	\$1,014.71
		Suburban	\$943.95	\$1,085.54
		Greenfield	\$3,145.61	\$3,617.45
	Road network	Lyttelton Harbour	\$850.10	\$977.61
		Rural	\$850.10	\$977.61
		Rest of Banks Peninsula	\$850.10	\$977.61
		Akaroa Harbour	\$850.10	\$977.61
	Active travel	District-wide	\$326.39	\$375.34

Public transport	District-wide	\$479.69	\$551.64
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Notes regarding Table 2.7

The Council will collect development contributions for play equipment and public toilets in neighbourhood parks as part of the development contributions charge for neighbourhood parks and not as a separate activity.

No capital projects related to community centres or halls were included in the draft Long Term Plan 2015-25 at the time of developing the 2015 DCP. However, the Council reserves the right to charge development contributions for these activities in a future DCP if growth-related capital expenditure for these activities is required. The possible re-introduction of these activities will occur as part of future Annual Plan or LTP consultation.



## PART 3: ADDITIONAL INFORMATION ON ASSESSING THE DEVELOPMENT CONTRIBUTIONS PAYABLE

### 3.1 Development contributions for reserves for residential development

#### 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 an ongoing need for more land to satisfy open space and recreational needs. New areas of land will inevitably become more difficult and more expensive to acquire in appropriate locations as the urban areas become more intensively developed.

In addition to immediate open space needs for infill, brownfield or greenfield subdivisions, the future occupants of these developments will also place pressure on the Council's other open space and recreation resources. The Council must also ensure that it recovers sufficient development contributions towards the acquisition and development of regional, garden and heritage, sports and neighbourhood parks to meet required levels of service across the whole district.

It is a requirement under section 203 of the LGA 2002 that the Council's development contributions for reserves must not exceed the greater of:

- (a) 7.5% of the value of the additional allotments created by a subdivision; and
- (b) The value equivalent of 20 square metres of land for each additional household unit created by the development.

Amendments to the LGA in August 2014 removed the ability of the Council to require development contributions for reserves from non-residential developments. This means

that residential development bears close to the full cost of funding growth related reserves infrastructure.

In some circumstances the Council may, at its sole discretion, consider taking land in lieu of, or in addition to, money where this 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 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 has 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 on 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 must be 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. The Council also benefits in this approach by being able to create open space areas in accordance with its levels of service requirements and may do so without having to outlay large amounts of cash.

The following examples 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 4.5 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 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, biodiversity, natural and cultural landscapes heritage places and buildings, 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 the 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 Space Strategy 2010-2040 and Biodiversity Strategy 2008 - 2035. Land that does not meet these requirements (such as road linkages or gullies) will not be considered for vesting and a cash contribution will be required.

### 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 than that required under the development contribution provisions.

The Council may be prepared to accept the vesting and future maintenance of such land where it is of benefit to all ratepayers. However, 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 for vesting reserve land

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 a Council-appointed 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 equally by the Council and 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 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:

- Where there are different density zonings within a subdivision or Outline Development Plan (ODP), the value will be based on the lowest density zoning,
- The value will include any rights and configuration given by the consents already granted,
- 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).

In calculating the value of the reserve land for the purposes of vesting, the Council will ensure that land purchase cost estimates are based on property valuation evidence in a manner consistent with the Public Works Act 1981, any relevant case law and any other relevant statutory or regulatory regime governing the acquisition of land by local and

central government in New Zealand. This includes both betterment and injurious effects. The only exception to this is where agreement has been reached with a landowner to a specific dollar amount or to an alternative valuation methodology.

#### 3.1.3.2 Resolution of valuation disputes

Where the developer and the Council cannot agree on the valuation of the land to be vested, the matter will be referred to an independent valuation mediator engaged by both the Council and developer for resolution. The cost of the mediator will be met equally by the developer and the Council.

The onus is on the mediator to seek the correct valuation rather than to mediate a mid-point answer. The findings of the independent mediator as to the value of the land will be the final determination of value for the purposes of this policy and the development in question.

The developer and the Council can agree in writing before entering into the independent valuation process, that either party can decide at the end of the process that they will not be bound by the findings of the independent valuation mediator. Any agreement in writing to this effect means the Council may choose to take the development contribution for reserves in money rather than in land or the developer can refuse the voluntary vesting of reserve land to the Council (but must then pay the monetary amount of the development contribution). Any compulsory acquisition of reserve land by the Council will occur pursuant to the relevant legislative requirements such as those in the Public Works Act 1981.

#### 3.1.3.3 Revaluation of land for vesting

If for any reason the relevant land is not vested in the Council as a reserve within 12 months of assessment of the associated development contributions, then a revised valuation may (at the Council's discretion) be required by the Council. Any such revised valuation will be at the developers cost.

#### 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 network and community infrastructure development contributions as non-residential developments.<sup>8</sup>

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

#### 3.1.5 Valuation of land for the purposes of calculating development contributions

Section 203 of the LGA imposes a limit on the maximum development contributions that may be required on reserves. In these cases, the cash payment of development contributions for reserves must not exceed the greater of 7.5% of the value of the additional allotments created by a subdivision and, the value equivalent of 20 square metres of land for each additional household or accommodation unit created by the development.

The Council will use its own valuers for the purpose of ensuring that these LGA limits are not exceeded. The valuation of the land for this purpose will also be consistent with the methodology to be used in the consideration of the vesting of land for reserves. If the development contribution is not paid before a reassessment is required, a revised valuation will also be required. The valuation that will apply will be that done at the time of assessment or reassessment and not at the time an application is lodged.

### 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. The Council and a developer may enter into a PDA for a variety of reasons, but most often this will be on the grounds of efficiency. For example, it may be more efficient for the developer to build all of a portion of the infrastructure required than for the Council to do it. The cost of this work could then be factored against the development contributions required for that activity.

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. Alternatively, land or works may be deferred, reallocated or used as compensation for additional demand placed on infrastructure resulting from development.

The Council may enter into a PDA with a developer if the developer has made a request in writing to the Council, or if the Council requests in writing, that the developer enter into a PDA. The LGA provides details on expected process, content and application of PDAs in sections 207A-F. Under this legislation the Council is obliged to consider any request to enter into a PDA without unnecessary delay. Should the Council decline such a request it must provide written notice of this decision and the reasons for it.

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 Executive Team members of the Council to approve the terms of the PDA.

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 in this Policy, 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.

The Council is likely to be interested in pursuing a PDA where it 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 are examples of situations in which a PDA may be considered:

1. Where a developer supplies additional reserve and/or network infrastructure requirements for a development 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 this will be 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. This concept also applies where 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 Executive Team members, 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:

1. Where the developer of a 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.
2. Where the developer will meet the additional costs of providing above normal levels of service for reserves or infrastructure. This would be provided the Council agrees to levels of service above normal for that particular reserve or infrastructure.
3. 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.

The LGA sets out the following restrictions on the use of PDAs (section 207E):

- (1) A development agreement must not require a developer to provide—
- (a) infrastructure of a nature or type for which the developer would not otherwise have been required to make a development contribution; or
  - (b) infrastructure of a higher standard than that which would have been provided for if the developer had been required to make a development contribution; or
  - (c) infrastructure of a scale that would exceed the infrastructure that would otherwise have been provided for if the developer had been required to make a development contribution.

- (2) However, a developer may agree to provide infrastructure of a nature or scale that is additional to, of greater capacity than, or of a different type to the infrastructure that would have been provided if the developer had been required to make a development contribution.

### 3.3 The use of an encumbrance instrument

#### 3.3.1 Situations where an encumbrance instrument could be used

The Council may choose to work with a developer through the use of an encumbrance instrument registered against the developer's land. This includes without limitation, the following situations:

- To postpone or 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 encumbrance instrument is registered against the relevant balance of lot(s) of the development.

The encumbrance instrument effectively 'locks in' the reserve land and/or reserve improvements for an agreed monetary amount. This encumbrance instrument will provide that the reserve land and/or reserve improvements will be credited against the reserve development contributions at the time the relevant stage of the subdivision is undertaken or a subdivision consent for the relevant stage is issued.

The encumbrance instrument 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 encumbrance instrument must be finalised and an acceptable undertaking to register received from the developer's solicitor before the Section 224 (c) certificate for that stage is issued.

- To secure any development contributions payable when a postponement is otherwise agreed by the Council (refer to section 3.6.1). For example, agreement from the Council to a consent notice on a lot precluding residential development on the lot.
- To document and/or secure a PDA.

The encumbrance instrument will be prepared by the Council's solicitors at the cost of the developer and will be on terms satisfactory to the Council. It may, without limitation, provide for the payment of interest by the developer and/or the reassessment of the development

contributions (which may include revaluation of reserve land and/or reserve improvements where applicable).

The Council requires at least two Executive Team members to approve the use of an encumbrance instrument.

Although the Council's preference in the above situations is to use an encumbrance instrument the Council may consider the use of a memorandum of agreement where appropriate security is available to support the agreement.

#### 3.3.2 Bank Bonds as security

When, in the situations such as those set out in section 3.3.1 above, the value of the development contribution is equal to, or exceeds \$1,000,000, or the Council is otherwise of the view that such security is required, the Council may require a Bank Bond as security for the development contributions payable. This may be in addition to a memorandum of agreement, an encumbrance instrument or a PDA.

### 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, for example, collecting development contributions on network or community infrastructure to pay for that infrastructure. 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. The Crown is invited to pay development contributions as appropriate on any activities that consume infrastructural capacity and may choose to accept or decline that invitation. 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.

Private developments on Crown owned land are not exempt from paying development contributions.

### 3.4.3 Boundary adjustments

Where a resource consent (subdivision) is granted for a boundary adjustment and no additional developable lots are created, development contributions will not be assessed or payable on the resource consent.<sup>9</sup>

## 3.5 Other charges

### 3.5.1 Works and services

Nothing in this policy will prevent the Council from requiring 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. Should this be required it will be as a condition of resource consent, except where such works are provided for in the LTP.

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). These standards also apply to development fronting existing legal roads. These types of 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.

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<sup>9</sup> See Table 2.5, paragraph 3.8: No HUE credit will be given for a lot that cannot legally be developed, or for a lot that is/was utility site, stopped road or similar site, or where, following a subdivision consent that adjusts the boundary with a neighbouring lot, the previously undevelopable lot is then of a size that it can be developed.

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. This could include for example, 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.

The Council may, at its discretion, reimburse the developer where additional extra-over works for a development that will benefit the current and future requirements of growth and/or levels of service are supplied by the developer, and where the cost of the extra-over part of the works exceeds the development contribution assessed and payable for that development. The reimbursement will be via a contractual agreement entered into between 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.

## 3.6 Postponement, 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 very few specific situations where payment of a development contribution will be postponed. However, in some limited circumstances the Council may, at its discretion, agree to postpone the payment of development contributions following written request from the developer that explains the reasons why a postponement of payment should be considered. Any postponement will be arranged by entering into an encumbrance instrument or memorandum of agreement (as described in section 3.3) to document the terms of a

mutually agreed delay in any development contribution payable under this policy (such as in the situations outlined in 3.3.1).

The terms of any such postponement as set out in the encumbrance instrument or memorandum of agreement shall be at the discretion of the Council and may, without limitation, provide for the payment of interest by the developer and/or the reassessment of the development contributions (which may include revaluation of reserve land and/ reserve improvements where applicable)

This decision to delay payment will only be made with the approval of at least two Executive Team members.

### 3.6.2 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 3.8.6). 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. For reasons of administrative efficiency, the Council will not require payment of development contributions assessed at \$50 or less.

### 3.6.3 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 10 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 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 Request for reconsideration of, or objection to, assessed development contributions

### 3.7.1 Reconsideration of assessed development contributions

Section 199A of the LGA allows an applicant for a resource consent, building consent or service connection, which has been assessed for a development contribution under this

DCP, to request that Council reconsider the development contribution being required by the Council.

*How a reconsideration request is lodged*

A Reconsideration Request form may be found on the Council's website [www.ccc.govt.nz/homeliving/buildingplanning/dcp/](http://www.ccc.govt.nz/homeliving/buildingplanning/dcp/) or from the Council offices at 53 Hereford Street, Christchurch or any service centre.

The Reconsideration Request must be made:

- (a) within 10 working days after the date on which the person lodging the request receives notice from the Council of the level of development contribution the Council requires; and
- (b) by completing the form and sending it with any relevant supporting information by email to: [developmentcontributions@ccc.govt.nz](mailto:developmentcontributions@ccc.govt.nz), or posting it to: Development Contributions Team, PO Box 73014, Christchurch 8154.

If the Council believes further relevant information is required from the applicant before it can make a decision, it will send a Further Information Request in writing to the applicant as soon as possible after the Reconsideration Request is received.

No Reconsideration Request will be accepted by Council if it is received after the 10 day period above, or if an objection has been lodged under section 199C of the LGA. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons. The Council reserves the right to reconsider an assessment if it believes an error has been made.

*Steps in the reconsideration process*

Section 199A of the LGA provides that a request for reconsideration may only be made on the following grounds:

- the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person's development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.

If the Reconsideration Request meets one or more of the ground(s) for reconsideration the Council will reconsider its development contributions assessment, and give written notice of the outcome of the reconsideration within 15 working days after the date all relevant information required by the Council (including any information that Council has requested under a Further Information Request) is received.

Pursuant to sections 199A and 199B of the LGA the following authority on behalf of Council is delegated to:

- (i) either of the Resource Consents Unit Manager and the Team Leader Policy Approvals to make a further information request and carry out any associated administrative functions relating to the reconsideration of development contribution; and
- (ii) the Resource Consents Unit Manager to make a decision on a reconsideration request.

The authority on behalf of Council pursuant to any powers of the Council in sections 199C to 199N (inclusive) and Schedule 13A of the LGA to either of the Resource Consents Unit Manager and the Team Leader Policy Approvals to carry out functions related to a development contribution objection, except that only the Resource Consents Unit Manager has the authority to appoint a commissioner from the approved commissioners list to consider and hear an objection.

Before reaching a decision, the delegated officer will consider all of the information supplied by the applicant, and will consider and apply the requirements of this DCP, along with any other information the delegated officer considers is relevant to the circumstances surrounding the grounds for the Reconsideration Request. The decision on a Reconsideration Request may confirm the original assessment or increase or decrease the development contribution amount being required by the Council.

3.7.2 Process for formal objection to assessed development contributions

A formal objections process has been introduced into the Local Government Act 2002 under which a person who has been required to pay a development contribution may object to the assessed amount of the development contribution. Only applications for resource consent, building consent or service connection lodged on or after 8 August 2014 are eligible to enter into the objection process.



Objections will be decided by Development Contributions Commissioners selected by the Council from a register of commissioners appointed by the Minister of Local Government.

Under section 199D an objection can only be made on the grounds that a territorial authority:

- failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for community facilities;
- required a development contribution for community facilities not required by, or related to, the objector's development;
- was in breach of section 200 (limitations applying to requirement for development contribution); or
- incorrectly applied its developments contributions policy to the development.

Objections are lodged with the Council which is then responsible for administering the objections process and selecting and supporting the development contributions commissioners. An Objection to Assessed Development Contributions form may be found on the Council's website [www.ccc.govt.nz](http://www.ccc.govt.nz) or from the Council offices at 53 Hereford Street, Christchurch or any service centre.

It should be noted that the Council has the ability to recover costs incurred by it from the objector, including the costs of:

- selecting, engaging, and employing development contributions commissioners;
- secretarial and administrative support of the objection process; and
- preparing for, organising and holding the hearing.

### 3.8 Timing of assessment (DC requirement) and payment

#### 3.8.1 Applicable policy

The Council's policy is that only applications for building or resource consents and authorisation for service connections lodged and granted on or after 1 July 2004 (the date on which the Council's inaugural DCP came into force), and applications for a certificate of acceptance will be subject to development contributions.

All complete development applications received by the Council prior to 1 July 2015 will have been assessed under the effective DCP at the time the complete consent application was received by the Council. Any such consents, applications and authorisations assessed and approved under the previous DCPs (2004-14, 2006-16, 2007-09, 2009-19 and 2013-15) will not attract any additional development contributions beyond those applicable under the relevant DCP, and in accordance with the LGA.

However:

Assessment, as outlined in section 3.8.3 a reassessment of the development contributions payable under these previous DCPs will occur if payment for all activities is not made within 12 months of issuing the initial assessment. Any such reassessment will be carried out when an invoice is generated and under the DCP which is current at the time of the reassessment. (Note that the 2006 DCP provides that a reassessment is done under the 2006 DCP.)

On any application for further consent or authorisation in relation to a development after 1 July 2015, 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. The additional development will however, be subject to the terms and conditions of the 2015 DCP.

If a complete application for resource consent, building consent, certificate of acceptance or service connection authorisation is received by the Council before the effective date for this or any previous policy then, subject to paragraph 3.8.3 below, even if the relevant consent or authorisation 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 2015 then the development contribution will be assessed in accordance with this policy.

#### 3.8.2 Assessment

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

- A resource consent (subdivision or land use).
- A building consent or certificate of acceptance.

- 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 the requirement for the development contribution 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 require 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.
- It 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.

An assessment requires and advises the amount of the development contribution but is not a request for payment. An invoice will be issued by the Council when it requires payment of the development contribution, or is issued at the request of the developer if they want to pay the development contribution earlier (see section 3.8.4)

### 3.8.3 Reassessment

An initial development contribution assessment made under this DCP is valid for 24 months. Reassessment of the development contribution assessment will occur after 24 months only when an invoice is generated, and the original assessment (or subsequent reassessment) has expired.

A reassessment of development contributions payable under any previous DCP will occur after 12 months of the initial assessment (and every 12 months thereafter), as provided for in those DCPs, but only when an invoice is generated. The reassessment is made under the 2015 DCP (or the DCP that is current at the time of the reassessment), consistent with the wording in the previous DCPs. The exception is a development for which an initial assessment was made under the 2006 DCP. Any such reassessment will be made under the 2006 DCP.

A reassessment will incorporate any increases to the development contribution charges as a result of indexing as described in sections 2.9 and A.7.3. Any adjustments to the level of charge in line with the Producers Price Index will be incorporated in the reassessment for all years between the original application and the time the reassessment is carried out for the purposes of preparing the invoice. Following a reassessment, and after an invoice is issued, any appropriate enforcement action under section 3.9 will proceed in accordance with the reassessed amount.

Where development contributions have been postponed under section 3.6.1, and an encumbrance instrument or memorandum of agreement has been entered into, reassessment will take place in accordance with the terms of that document.

### 3.8.4 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 or certificate of acceptance – prior to issue of the code compliance certificate or certificate of acceptance.
- 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. The Council may issue an invoice, at its discretion, if it considers the development is utilising Council infrastructure for which development contributions are being required.

### 3.8.5 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.

### 3.8.6 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. If the demand on Council's infrastructure is greater than the underlying HUE credits a development contribution will be required under this policy. However, 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 under land use and building consents that specify a temporary timeframe of five years or less. If an amount is payable,

the 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.

An extension in time to increase the temporary use beyond the five year timeframe may be considered through the use of an encumbrance instrument or memorandum or agreement.

### 3.9 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 (including without limitation a reassessed development contribution), the Council may use the powers outlined in Section 208 of the LGA. The Council may also commence debt recovery action.

Section 208 states that until development contributions required in relation to a development have 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 may 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 also reserves its right to recover the costs incurred in pursuing recovery of the debt on a solicitor/client basis. Debt recovery action commences when the Council sends a letter of

demand for the debt, or sends the debt to a debt collector or a lawyer to be recovered, whether or not any court proceedings are issued.

Where an encumbrance instrument or memorandum of agreement is entered into and payment is not made as required, the Council may pursue recovery under and on the terms of that document.

## PART 4: APPENDICES

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Basis for the policy

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## 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.

The purpose of development contributions is defined within section 197AA of the LGA as being in order to:

*“enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.*

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 recovering from developers a fair, equitable and proportionate portion of the total costs of capital expenditure for growth.

The development and application of this policy is based on the following principles as set out in section 197AB of the LGA:

*(a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:*

*(b) development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding:*

*(c) cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets:*

*(d) development contributions must be used—*

*(i) for or towards the purpose of the activity or the group of activities for which the contributions were required; and*

*(ii) for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required:*

*(e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used:*

*(f) development contributions should be predictable and be consistent with the methodology and schedules of the territorial authority’s development contributions policy under sections 106, 201, and 202:*

*(g) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—*

*(i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and*

*(ii) grouping by geographic area avoids grouping across an entire district wherever practical.*

### 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 requires that the Council consider section 101(3) for each of the activities. These questions include, for each activity:

- how they relate to community outcomes - s101(3) (a) (i)
- who benefits from that activity - s101(3) (a) (ii)
- the period over which those benefits are expected to occur – s101(3) (a) (iii)
- who created the need for that activity to be undertaken – s101(3) (a) (iv)

- the costs and benefits, including consequences for transparency and accountability, of funding that activity – s101(3) (a) (v)
- how any decision about funding this activity will impact on the community – s101(3) (b).

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

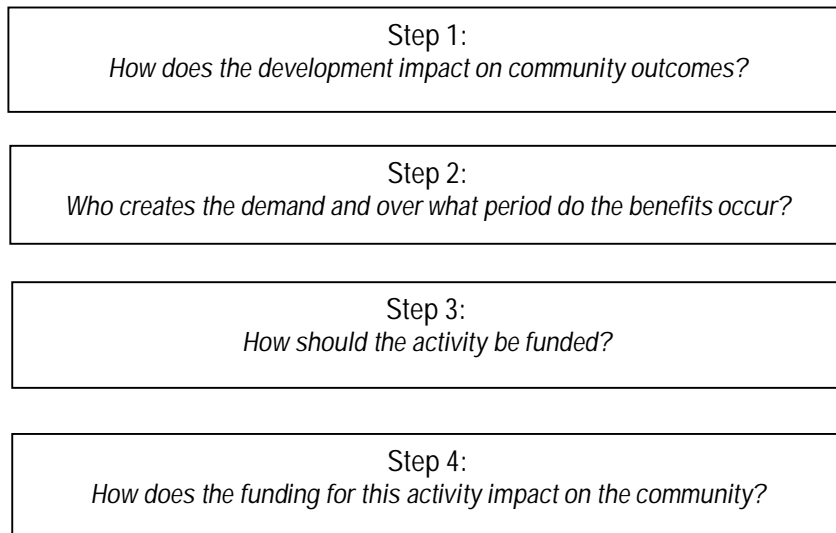


Figure A1.1: Steps in determining whether development contributions are an appropriate funding source for different activities

#### 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:

Community outcomes	Reserves	Network 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 is detailed in the Council's Long Term Plan.2015-25.

### 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 LTP, 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, and helps to ensure the Council takes a proportional approach to cost allocation and avoids over-recovery of cash allocated to development contribution funding.

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.
- growth expenditure – this is the estimated expenditure needed by, and which benefits, the growth community over the next 10 years of this DCP. Asset capacity that provides benefits beyond that period may be allocated to future growth communities and may form part of future development contributions.
- unallocated expenditure – this is any cost that cannot be allocated to any of the categories above.

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 (*i.e.* renewal, backlog, changed (increased) level of service or unallocated) or to the growth community. It also enables the Council to calculate how this cost of growth is spread both across the district, in various catchments and across time. The cost of growth in each part of the district over the DCP 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 facilities 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 locality and the nature of the works required. The LGA encourages the use of catchments and seeks to avoid district-wide catchments wherever practical.

Although development contributions do not incur significant administrative costs once systems are established, the use of very 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, smaller catchments may not be practical and 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 to provide for growth should be paid for by the growth community through development contributions. This is consistent with the principles in the LGA. 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 in 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 to be transparent and consistent and are a cost recovery mechanism only.

### A1.8 The Council's use of catchments

#### A1.8.1 What are catchments and why use them?

In line with the LGA, the Council uses catchments to define geographic areas of the district for each of the activities for which development contributions are required. The Council has used the following principles to guide decision-making in establishing development contribution catchments (in conjunction with the LGA principles):

- wherever possible developments should pay the full capital cost<sup>10</sup> to the Council of servicing new development;

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<sup>10</sup> The full capital cost includes any interest incurred.

- variation in development contribution charges is acceptable to reflect variation in the costs of servicing different types of demand in different area;
- intentional cost sharing will be avoided wherever feasible to support fair and reasonable charges (recognising that some cost sharing is inevitable and potentially desirable in terms of the greater community good).

Catchments have been determined based on the specific characteristics of each activity and in a manner that balances practical and administrative efficiencies with fairness and equity. These characteristics include possible differences in the demand placed on the infrastructure, the differences in physical geography and topography across the district, the nature and level of service delivery associated with each activity, the need to protect environmental and human health and differences in the drivers and behaviours of those using the activities across the district.

Using this type of information, and considering the level of possible development contribution charges, 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). Developments within a catchment will be charged a development contribution for that area including district-wide charges.

For each catchment, estimates of the number of lots, household units or other developments from which development contributions can be expected, are based on an analysis of:

- the current residential and non-residential distribution and forecast growth (for residential, growth in households and for non-residential, growth in floor space);
- the existing zoning in the catchment and the implied likely development based on existing and planned guidance, such as the City Plan and the Canterbury Earthquake Recovery Authority Land Use Recovery Plan (LURP);
- the likely development of localities within the catchment where the City Plan has indicated deferred zoning or identified areas for future growth, or the Council has signalled a proposed variation to the City Plan; and
- other potential development within the district where there is pressure for re-zoning to more intensive land uses.

In general the Council uses district-wide catchments where:

- the impact of growth is independent of where the growth occurs. For example, the additional development creates pressure on the wastewater treatment system, but the increased capacity required is the same regardless of where in the district the development occurs. This effect is also seen on some network-based infrastructure, such as public transport infrastructure and active travel, where the impact of growth is on the entire network and is not localised;
- the capital project(s) within an activity benefits both a specific catchment and the district as a whole although the demand is location specific. In this case a cost sharing approach may be used to reflect the distribution of benefits. For example, the construction of a new wastewater treatment plant serving a specific area but that will create more capacity in the existing city treatment plant by relieving pressure on it;
- the development contribution charge is small. Where the development contribution cost is very small (less than \$100) there is little value in calculating and administering multiple charges for a small amount; and,
- the variation between catchments is minimal. There is little benefit to having catchment-based charges if the charges between catchments are similar.

#### A1.8.2 Catchments used for development contributions

The Council has decided to set district-wide catchments and multiple catchments within activities as follows:

##### *District-wide:*

- Regional parks
- Garden and heritage parks
- Sports parks
- Water supply
- Wastewater collection
- Wastewater treatment and disposal
- Active travel
- Public transport

Activities with multiple catchments:

- Neighbourhood parks
- Stormwater and flood protection
- Road networks

For the activities with multiple catchments, the provision of infrastructure to meet growth is influenced by the location of that growth, where the benefit of infrastructure will fall and infrastructure costs. These vary for different parts of the district. The characteristics previously described in A1.8.1 all influence the catchment configuration for these activities.

Five land use based catchments have been established for the road network and neighbourhood parks activities. These are set with the following boundaries to reflect the differing demand and cost of infrastructure between zones for these activities:

- *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.
- *Existing suburban* - the remaining urbanised part of the city (predominantly Living 1 zoned areas as well as much of the existing business zoned land).
- *Greenfield* - areas that were rezoned from rural to urban and those current rural areas that have been identified within the LURP as future growth areas.
- *Rural* - the remaining areas within the district boundaries including Banks Peninsula).

The neighbourhood parks are based on different demands for the activity and the significant differences in costs of land across the district. These catchments were agreed as a result of the 2007 Joint Council / Developer Working party and were seen as being fair and equitable.

The same catchments have been applied to the road network to reflect that demand on road infrastructure varies with the density of development. For example, lighter traffic use can be expected in the central city where active travel modes are expected to dominate.

The thirteen stormwater and flood protection catchments are based on physical surface water catchment areas (drainage basins) with catchment boundaries mapped to the closest

mesh block boundary<sup>11</sup>. Integrated Catchment Management Plans (ICMP's) specific to Area Plans such as the South West Area Plan (SWAP), may cross development contribution catchment boundaries but efforts have been made to minimise the impact of this.

*Why introduce more catchments?*

Amendments to the Local Government Act 2002 (LGA) that came into force on 8 August this year include the following:

*when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that:*

- (i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and*
- (ii) grouping by geographic area avoids grouping across an entire district wherever practical.*

The use of catchments, where practical, gives effect to the LGA requirements. There are a range of other reasons for using catchments to determine development contributions if this is practical:

- they allow more direct allocation of the costs of growth-related infrastructure to those that benefit from, or create the demand for new or increased infrastructure;
- more direct allocation of infrastructure costs supports charges to be fair and reasonable in relation to the demand developments generate on a more individualised basis;
- improved transparency of the costs of growth and where the demand for new infrastructure is coming from which can provide better price signals for developers and encourage more efficient development choices;
- cost sharing is reduced (although some cost sharing may be inevitable and even desirable in certain circumstances);

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<sup>11</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).

- encourage development in line with city planning and in areas where infrastructure capacity already exists which support efficient and effective infrastructure planning and spending for Council.

#### A1.8.3 Implications of catchments

Development contributions were established under the LGA to help councils pay for specific growth-related capital expenditure (as detailed in Appendix 3). Development contributions are not a general charge going into a 'consolidated fund'. Any development contributions received by the Council for a specific activity (based on a planned growth-related capital programme) must be applied to that activity.

However, due to potential differences in when infrastructure is required or planned for delivery and when expected development occurs and contributions are received, the contributions received from one catchment may not immediately be spent on the infrastructure planned for that catchment. Over time the equivalent amount will be recovered.

Development contributions go into a special fund and are extracted as required depending on the progression of the capital programme. So while a developer may contribute towards a specific infrastructure project in their catchment, they may not immediately see that project progressing as there are other projects on earlier timeframes. However, the Council does ensure that charges do not exceed the planned cost of infrastructure to service growth in that catchment and that developers will not pay more than the Council will invest back into the catchment or the district as a whole where that is the activity catchment.

In this way a more direct allocation of the real cost of developing in a particular area is achieved. Catchments help the Council to ensure those that create the need for, or will benefit from infrastructure pay for it and that those who do not require or use it do not pay. Catchments can also provide clearer pricing signals to developers as to the cost of developing in particular areas and support them to make more efficient choices. This in turn helps the Council manage infrastructure planning more efficiently and effectively into the future.

District-wide catchments do not take account of the fact that developments in certain areas of the city cost the Council more than others. For example, greenfield sites usually require

a much greater level of new infrastructure (potentially 100%) than an infill or brownfield site in the central or inner city where there is often existing capacity available to service the development. It is also often cheaper to replace existing infrastructure with that of greater capacity as part of normal planned renewal or repair work (for example laying a bigger water pipe when replacing an existing pipe) over the installation of entirely new infrastructure.

Overall, the use of catchments has resulted in development contribution costs being lower for existing central, inner and suburban areas than for greenfields or rural areas, reflecting the efficient use of existing infrastructure.

Price signals provided by the catchment approach support Council's policy to encourage medium density development in the central and inner city and to attract more residential development into the central business district area.

#### A1.8.4 Review of catchments

Catchment boundaries may be revised by the Council to better reflect changes in zoning and new areas of development in the City. See appendix 7.1 for further information on reviewing the DCP.

## APPENDIX 2: PLANNING FOR GROWTH

### A2.1 Growth model<sup>12</sup>

District-wide growth assumptions underpin the Council's asset management plans and capital expenditure budgets in the DCP for the 2015-25 period. 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 an "adjusted medium scenario" developed for the UDS partners by Market Economics, in November 2012 and most recently updated in September 2014. This model uses the Statistics New Zealand sub-national population projections for Christchurch, Selwyn and Waimakariri released in October 2012 and adjusted the growth between the three districts to take into account the higher rates of growth in the Selwyn and Waimakariri compared with the City. These were then updated in September 2014 to take into account information from the Statistics New Zealand 2013 census of population and dwellings and the sub-national estimated resident population released in August 2014.

The model takes into account the loss of population, movement within the City due to the residential red zone and areas of high damage, and the release of new greenfield areas, as well as the aspirations of the Canterbury Earthquake Recovery Authority Land Use Recovery Plan. From this household scenario, the population was forecast using the relationship between households and population in the most recent Statistics New Zealand sub-national population and household projections.<sup>13</sup>

<sup>12</sup> Refer to Christchurch City Council, Development Contributions Policy 2015-25 Growth Model Summaries (Households, Business Floorspace and Impervious Surfaces) as at December 2014. These are available on the Council website.

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>14</sup> Employment forecasts were from Market Economics Economic Futures Model<sup>15</sup> which provided employment forecasts to 2046 for 11 areas of the City. These were then distributed using the Council's "business floorspace model" which allocated the employment to commercial and industrial areas of the city and then converted them to business floorspace projections.

Changes in impervious surfaces are based on information provided by Landcare Research derived from Landsat satellite imagery<sup>16</sup>. 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.

Table A2.1 summarises the growth projections used in the 2015-25 DCP.

<sup>13</sup> Statistics New Zealand Subnational Population Projections 2006 base released December 2012, and Statistics New Zealand Subnational Household and Family Projections 2006 Base released December 2010.

<sup>14</sup> [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)

<sup>15</sup> The market economics economic futures model (EFM) is an input output model that is based on a multi-regional economic input-output table. It captures the impacts of growth paths through generating projections of final consumption over a period of time.

<sup>16</sup> Most recent imagery November 2012

**Table A2.1 District growth projections**

	2015	2025	10 year percentage change 2015-25	2056	Percentage change 2015-56
Population <sup>17</sup>	360,700	383,700	6%	430,100	16%
Households	151,234	161,017	6%	206,517	26%
Non-residential floor area (million m <sup>2</sup> )	9.5	10.2	6%	11.3	16%
Non-residential impervious surfaces (million m <sup>2</sup> )	28.7	31.3	8%	32.5	11%

These projections indicate that:

- Residential growth between 2015 and 2025 will produce 9,783 additional households (6% growth) spread across greenfield, infill and rural locations.
- Household growth from 2015 to 2056 is estimated to produce around 55,000 additional households (26% growth).
- Non-residential growth between 2015 and 2025 is expected to be in the order of 0.7 million m<sup>2</sup> of new floor area, a growth rate of 6%.
- Non-residential growth from 2015 to 2056 is expected to be around 1.8 million m<sup>2</sup> (16% growth).
- Impervious surfaces for non-residential areas of the district is expected to increase by 2.6 million m<sup>2</sup> (8% growth) in the 10 years from 2015 to 2025 and by 3.8 million m<sup>2</sup> from 2015 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.

<sup>17</sup> Household and population projections are rounded to the nearest 500.

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>18</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 growth-related capital programmes in future DCPs.

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

The most equitable way to apportion the cost of new reserves and network 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>19</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

<sup>18</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>19</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.

be used, a certain degree of 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.

## 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 total capital expenditure from which development contributions are calculated by activity and by cost allocation. Table A3.1 shows that over \$620 million of capital expenditure will be invested by Council specifically to fund the cost of providing infrastructure to cater for growth across the district over the years 2001 – 2024.

Table A3.1 Components of total capital expenditure from which growth-related development contributions are assessed

(\$2015; GST exclusive)

	Sum past years (2001-15)	Sum future years (2015-24)	Total Capex (2001-24)	Total Renewal capex (2001-24)	Total Backlog capex (2001-24)	Total Unallocated capex (2001-24)	Total Growth capex (2001-24)
Regional parks	\$17,450,044.00	\$760,977.00	\$18,211,020.00	\$3,636,608.00	\$304,416.00	\$0.00	\$14,269,997.00
Garden & Heritage Parks	\$9,627,886.00	\$3,516,931.00	\$13,144,817.00	\$2,276,068.00	\$7,796,277.00	\$0.00	\$3,072,471.00
Sports Parks	\$14,235,690.00	\$3,292,227.00	\$17,527,917.00	\$468,545.00	\$2,104,296.00	\$0.00	\$14,955,076.00
Neighbourhood parks (all)	\$8,644,724.00	\$144,931,178.00	\$153,575,902.00	\$122,747.00	\$51,873,196.00	\$0.00	\$101,579,959.00
<b>TOTAL RESERVES</b>	\$49,958,344.00	\$152,501,313.00	\$202,459,656.00	\$6,503,968.00	\$62,078,185.00	\$0.00	\$133,877,503.00
Water supply	\$43,505,423.00	\$36,836,682.00	\$80,342,105.00	\$13,479,698.00	\$20,285,468.00	\$126,809.00	\$46,450,130.00
Wastewater collection	\$182,862,293.00	\$125,566,304.00	\$308,428,597.00	\$7,959,392.00	\$166,274,281.00	\$7,802,538.00	\$126,392,386.00
Wastewater treatment & disposal	\$182,607,591.00	\$84,571,137.00	\$267,178,728.00	\$9,998,532.00	\$179,085,131.00	\$23,669,639.00	\$54,425,425.00
Stormwater & Flood Protection (all)	\$81,088,728.00	\$120,412,227.00	\$201,500,955.00	\$10,438,425.00	\$79,211,622.00	\$0.00	\$111,850,908.00
Road network	\$96,869,228.00	\$191,757,814.00	\$288,627,039.00	\$34,435,195.00	\$155,382,758.00	\$0.00	\$98,809,089.00
Active travel	\$8,923,338.00	\$45,708,904.00	\$54,632,242.00	\$0.00	\$35,099,393.00	\$0.00	\$19,532,846.00
Public transport infrastructure	\$18,004,259.00	\$18,625,048.00	\$36,629,307.00	\$0.00	\$13,407,902.00	\$0.00	\$23,221,405.00
<b>TOTAL NETWORK INFRASTRUCTURE</b>	\$613,860,860.00	\$623,478,116.00	\$1,237,338,976.00	\$76,311,242.00	\$648,746,555.00	\$31,598,986.00	\$480,682,189.00
<b>TOTAL</b>	\$663,819,204.00	\$775,979,428.00	\$1,439,798,629.00	\$82,815,211.00	\$710,824,740.00	\$31,598,986.00	\$614,559,692.00

Notes:

A: These figures are in 2015 dollars. The full schedule of future growth-related capital expenditure is on the Council website [www.ccc.govt.nz](http://www.ccc.govt.nz) or from the Council's Civic Offices, 53 Hereford Street.

B: No growth-related capital expenditure for community centres and halls has been included in this 2015 DCP.



Table A3.2 Schedule of growth related assets for which development contributions will be used

Group	Project Name	Catchment(s)	Gross Cost	% recovered through Development Contributions	% recovered from other sources
Reserves					
Regional Parks	Play equipment and sports surface renewals	District-wide	1,152,692	20%	80%
	Banks Peninsula walkways development	District-wide	760,977	60%	40%
	Regional Parks - Buildings (new)	District-wide	183,573	100%	0%
	Regional Parks - Car parks, driveways, paths and tracks (New)	District-wide	475,930	100%	0%
	Regional Parks - Furniture	District-wide	15,298	100%	0%
	Regional Parks - Furniture (new)	District-wide	21,966	100%	0%
	Regional Parks - Land Purchase (new)	District-wide	12,224,970	100%	0%
	Regional Parks - Planted areas and trees (existing parks)	District-wide	52,300	100%	0%
	Regional Parks - Structures	District-wide	1,088,278	38%	62%
	Regional Parks - Structures (new)	District-wide	193,510	100%	0%
Garden & Heritage Parks	Botanic Gardens Playground renewal	District-wide	2,545,000	18%	82%
	Garden and Heritage Parks - Furniture (new)	District-wide	151,990	27%	73%
	Garden and Heritage Parks - Green assets (new)	District-wide	234,000	78%	22%
	Garden and Heritage Parks - Hard surfaces (new)	District-wide	393,389	78%	22%
	Botanic Gardens Entry Pavilion	District-wide	9,517,656	22%	78%
Sports Parks	Bishopdale Park Skateboard area renewal	District-wide	239,164	20%	80%
	Canterbury Agricultural Park toilet and changing rooms	District-wide	884,530	60%	40%
	Halswell Domain car park	District-wide	1,291,975	100%	0%
	New Planted Areas, grass and trees (RC 100%)	District-wide	61,664	100%	0%

	New Planted Areas, grass and trees (RC 20%)	District-wide	15,000	20%	80%
	New Planted Areas, grass and trees (RC 25%)	District-wide	90,000	25%	75%
	New Planted Areas, grass and trees (RC 75%)	District-wide	30,000	75%	25%
	Rawhiti Domain Sports Turf upgrade to Premier Park	District-wide	554,427	50%	50%
	Roto Kohatu Reserve (ex landfill site)	District-wide	244,927	100%	0%
	Sports Parks - Buildings (new)	District-wide	1,529,926	100%	0%
	Sports Parks - Car parks, driveways, paths and tracks (new)	District-wide	79,744	100%	0%
	Sports Parks - Land purchase (new)	District-wide	3,446,537	100%	0%
	Sports Parks - Planted areas and trees (new)	District-wide	3,482,184	100%	0%
	Sports Parks - Playgrounds and recreational/sport facilities (new)	District-wide	1,220,802	100%	0%
	Sports Parks - Structures (new)	District-wide	471,071	100%	0%
	Sports parks - structures new	District-wide	1,087,110	75%	25%
	Washington Reserve	District-wide	3,491,031	50%	50%
Neighbourhood Parks	Neighbourhood Parks - Car parks, driveways, paths and tracks (New)	District-wide	240,580	100%	0%
	Neighbourhood Parks - Furniture (new)	District-wide	512,635	100%	0%
	Neighbourhood Parks - Planted areas and Trees (new)	District-wide	6,591,486	100%	0%
	Neighbourhood Parks - Playgrounds and recreational/sport facilities (new)	District-wide	185,105	100%	0%
	Neighbourhood Parks - Playgrounds and recreational/sport facilities (R&R)	District-wide	181,482	32%	68%
	Neighbourhood Parks - Structures (new)	District-wide	933,436	100%	0%
	Neighbourhood Parks Assets - Zone 1	Central City	3,730,735	0%	100%
	Neighbourhood Parks Assets - Zone 2	Inner City	17,099,625	30%	70%
	Neighbourhood Parks Assets - Zone 3	Suburban	25,386,495	46%	54%
	Neighbourhood Parks Assets - Zone 4	Greenfields	98,714,322	77%	23%
Network Infrastructure					

Water Supply	Belfast New Well	District-wide	205,968	57%	43%
	Burnside New Well	District-wide	345,588	40%	60%
	Diamond Harbour Submarine Pipeline	District-wide	900,000	33%	67%
	Dunbars New Well	District-wide	326,360	86%	14%
	Farrington New Well	District-wide	265,161	40%	60%
	Grampian New Well	District-wide	53,009	43%	57%
	Thompsons PS	District-wide	849,343	53%	47%
	Victoria Reservoirs 2 and 3 Replacement	District-wide	2,130,985	25%	75%
	WS New Wells for Growth	District-wide	8,063,093	85%	15%
	WS Akaroa Water Upgrade	District-wide	11,504,289	19%	81%
	WS DWSNZ Upgrade Duvauchelle	District-wide	1,526,809	24%	76%
	WS Extension to Charteris Bay	District-wide	3,482,085	45%	55%
	WS Halswell Junction from Wilmers Road	District-wide	2,162,283	59%	41%
	WS Hickory Place HJR to Connaught Drive	District-wide	113,972	28%	72%
	WS HWorks Land Purchase for Pump Station	District-wide	3,342,779	83%	17%
	WS Link Mains Upper Styx Harewood	District-wide	50,000	35%	65%
	WS Little River Increased Supply	District-wide	4,807,256	6%	94%
	WS New Pump Stations for Growth	District-wide	8,783,864	80%	20%
	WS Prestons Infrastructure Provision Agreement	District-wide	100,000	100%	0%
	WS Prestons Marshlands Road Link Main	District-wide	1,300,563	36%	64%
	WS Prestons Pump Station	District-wide	6,028,197	100%	0%
	WS Reticulation New Mains	District-wide	13,410,000	44%	56%
	WS Subdivisions Add Infra for Development	District-wide	3,010,567	100%	0%
	WS Wilmers Road Pump Station	District-wide	6,361,200	100%	0%
	Rapaki Reservoir Renewal	District-wide	513,773	16%	84%
	WS DWSNZ Upgrade Bird Flat	District-wide	443,660	28%	72%
	WS DWSNZ Upgrade Pigeon Bay	District-wide	261,299	4%	96%

Wastewater Collection	Belfast Pressure Main	District-wide	7,764,393	13%	87%
	Belfast Pump Station	District-wide	694,007	35%	65%
	Fisher Ave & Tennyson St Overflows to Pump Station 21	District-wide	269,596	13%	87%
	Land Purchase PS62 Storage	District-wide	319,825	83%	17%
	New Pressure Main 20	District-wide	2,180,742	25%	75%
	New Pressure Main 21	District-wide	1,218,234	22%	78%
	New Pressure Main 22	District-wide	362,529	19%	81%
	No.11 Pressure Main Upgrading	District-wide	4,855,142	3%	97%
	PS 11 Surge & Transient Measures	District-wide	1,401,121	14%	86%
	PS60/PM60 Pressure Main Stage 1	District-wide	1,417,759	37%	63%
	Pump Station 11	District-wide	8,369,464	32%	68%
	Pump Station 11 Tie-In	District-wide	3,868,722	6%	94%
	Pump Station 20 Upgrade	District-wide	738,543	29%	71%
	Pump Station 21 Upgrade	District-wide	739,493	22%	78%
	Worsleys Sewage Scheme (Blocks 1, 2 & 7)	District-wide	889,251	2%	98%
	WW Belfast Area Growth	District-wide	2,392,167	88%	12%
	WW Belfast Area Growth	District-wide	161,369	61%	39%
	WW Buchanans Rd Sewer	District-wide	659,762	88%	12%
	WW Extension to Charteris Bay	District-wide	7,848,164	45%	55%
	WW Heathcote Wet Weather Overflow Reduction	District-wide	21,812,852	22%	78%
	WW New Mains Programme	District-wide	17,732,000	85%	15%
	WW New Reticulation Upper Styx Growth	District-wide	480,489	96%	4%
	WW New WW Reticulation Groynes Park	District-wide	156,633	100%	0%
	WW North Awatea Growth	District-wide	270,000	82%	18%
	WW Northern Relief Grassmere	District-wide	41,555,210	30%	70%

	WW Prestons Infrastructure Provision Agreement	District-wide	5,547,592	94%	6%
	WW PS123 Awatea Pumping Station	District-wide	1,530,029	88%	12%
	WW PS92 Cracroft RM Ext to Cashmere Rd	District-wide	543,556	60%	40%
	WW Pumping New Stns for Growth	District-wide	15,548,000	83%	17%
	WW Pumping Station 60 Upgrade	District-wide	1,320,534	66%	34%
	WW Riccarton Trunk Main Project	District-wide	13,855,241	15%	85%
	WW SE Halswell Sewer	District-wide	11,195,399	91%	9%
	WW South West Area Growth	District-wide	1,538,862	100%	0%
	WW Subdivisions Add Infra for Dev-Gen O/H	District-wide	3,737,696	100%	0%
	WW Wainui Sewer Retic & WWTP	District-wide	10,288,895	14%	86%
	WW Wairakei Diversion	District-wide	11,036,805	20%	80%
	WW West Halswell Growth	District-wide	300,000	94%	6%
	WW WI Stage 1 Bass to Mathesons/Fitzgerald	District-wide	6,668,000	14%	86%
	WW Wigram PM & PS 105	District-wide	39,882,931	76%	24%
	WW Worsleys Sewer (Lower Blocks 3& 4	District-wide	408,104	29%	71%
	WW WI Future Stages	District-wide	43,676,483	14%	86%
	WW Fendalton Duplication	District-wide	13,193,007	2%	98%
Wastewater Treatment and Disposal	Biosolids Dewatering Renewal	District-wide	2,111,359	4%	96%
	WW Duvauchelle Treatment and Disposal Upgrade	District-wide	3,796,000	14%	86%
	WW Lyttelton Harbour WWTP	District-wide	48,517,352	25%	75%
	WW New Akaroa Wastewater Treatment Plant	District-wide	32,059,859	20%	80%
	Biosolids Dryer Project	District-wide	31,200,948	1%	99%
	Clarifiers 1 and 2 finished 2001	District-wide	5,034,068	0%	100%
	Clarifiers 3 and 4 finished 2004	District-wide	6,767,966	29%	71%
	Complete 11 kV Network	District-wide	121,376	66%	34%

	Conversion of tanks to aeration tanks 2000-2001	District-wide	3,293,666	0%	100%
	Digesters 5 and 6	District-wide	24,276,734	63%	37%
	Expansion items 1999-2009	District-wide	25,116,547	7%	93%
	Ocean Outfall	District-wide	83,222,704	18%	82%
	Pump Station B Original Build 2002	District-wide	1,660,149	33%	67%
Stormwater and Flood Protection	Applefields	Halswell	326,134	60%	40%
	Carrs Road S/W Facility	Halswell	4,119,824	100%	0%
	Kirkwood Basin	Halswell	1,454,489	100%	0%
	Knights Basin	Halswell	100,000	100%	0%
	Lower Milns	Halswell	2,857,593	50%	50%
	Natural Waterways (New)	District-wide	3,874,930	80%	20%
	Open Water Systems - Open Drains (New)	District-wide	1,293,905	60%	40%
	Piped Systems - Pipe Drains (New)	District-wide	9,386,064	60%	40%
	Prestons/Clare Park Stormwater	Styx Greenfield	4,500,000	78%	22%
	Quaiffes/ Murphys basin and Wetland	Halswell	1,651,285	100%	0%
	South West SMP - Waterways Detention and Treatment Facility	Heathcote Greenfield	64,255,571	60%	40%
	Styx River Conservation Reserve (Redwood Springs)	Styx Greenfield	835,363	75%	25%
	STYX SMP - Waterway Detention and Treatment facilities	Styx Greenfield	49,878,415	58%	42%
	Waterways & Wetlands Purchases	District-wide	4,500,000	10%	90%
	Ballintines Drain Renewal	Heathcote	453,004	5%	95%
	Heathcote Valley Drain Naturalisation	Heathcote	2,391,247	100%	0%
	Natural Waterways - Land Purchase (New)	District-wide	21,013,745	50%	50%
	Natural Waterways (New)	District-wide	1,674,881	21%	79%
	Natural Waterways (R&R)	District-wide	5,388,856	21%	79%
	Open Water System - Open Drains (New)	District-wide	101,985	100%	0%

	Owaka & Awatea Green Corridor	Heathcote Greenfield	236,516	100%	0%
	Piped System - Pipe Drains (New)	District-wide	6,065,788	50%	50%
	Piped Systems - Pipe Drains (R&R)	District-wide	4,380,262	28%	72%
	Riccarton Main Drain Renewals	Avon	767,102	5%	95%
	Stormwater Drainage - Addington Cluster Rain gardens	Avon	811,122	18%	82%
	Stormwater Drainage - Baxters Drain	Avon	665,339	18%	82%
	Stormwater Drainage - Bulls Drain Diversion	Avon Greenfield	682,511	11%	89%
	Stormwater Drainage - Snellings Drain No.2	Avon Greenfield	2,657,021	69%	31%
	Stormwater Drainage- Matai Street Piping	Avon	90,000	9%	91%
	Surface Water Management and General (R&R)	District-wide	89,185	81%	19%
	Surface Water Piped system - Manholes, catchpits	District-wide	126,399	29%	71%
	Waterways Detention and Treatment Facilities	District-wide	906,668	5%	95%
	Waterways Detention and Treatment Facilities	District-wide	116,029	5%	95%
Road Network	Aidenfield Drive Underpass	District-wide	650,376	57%	43%
	Akaroa School Carpark	District-wide	8,329	57%	43%
	Amyes/ Goulding/ Shands	District-wide	794,335	43%	57%
	Annex / Birmingham / Wrights Route Upgrade	Greenfield South	11,494,670	28%	72%
	Avonside/Fitzgerald	District-wide	517,521	57%	43%
	Awatea Route Upgrade	Greenfield South	2,746,139	31%	69%
	Barbadoes/ Moorhouse/ Waltham	District-wide	125,069	57%	43%
	Barnes Rd	District-wide	27,962	57%	43%
	Blenheim Rd Deviation	District-wide	13,023,746	57%	43%
	Burnside High/CTK	District-wide	135,999	57%	43%
	Clarence/ Riccarton/ Straven	District-wide	1,154,679	46%	54%
	Cranford Street Upgrade (4 Laning)	Greenfield North	19,119,828	26%	74%

Ensors Rd @ Fifield Rd	District-wide	36,650	57%	43%
Fendalton Road Reconstruction	District-wide	3,110,372	43%	57%
Ferry/Humphreys	District-wide	2,733,587	41%	59%
Ferrymead Bridge	District-wide	7,641,114	57%	43%
Fitzgerald Ave	District-wide	30,719	57%	43%
Gasson/ Madras/ Moorhouse	District-wide	42,018.	57%	43%
Gloucester/Linwood Signalisation	District-wide	344,496	47%	53%
Hagley Crossings	District-wide	234,834	57%	43%
Halswell Junction Road Extension	Greenfield South	5,018,500	36%	64%
Intersection Improvement: Belfast / Marshland	Greenfield North	2,079,324	25%	75%
Intersection Improvement: Blakes / Radcliffe	Greenfield North	150,000	33%	67%
Intersection Improvement: Burwood / Mairehau	Greenfield North	1,173,839	27%	73%
Intersection Improvement: Cashmere / Hoon Hay	Greenfield South	750,000	26%	74%
Intersection Improvement: Lower Styx / Marshland	Greenfield North	1,772,401	33%	67%
Intersection Improvement: Mairehau / Marshland	Greenfield North	4,197,648	28%	72%
Intersection Improvement: Marshland / Prestons	Greenfield North	2,848,797	28%	72%
Intersection Improvement: Wairakei / Wooldridge	Greenfield North	764,376	26%	74%
Intersection Improvements: Cranford / Main North	Greenfield North	675,000	29%	71%
Intersection Improvements: Curries / Tanner	Suburban	500,000	24%	76%
Intersection Safety: Barrington / Lincoln / Whiteleigh (3)	Greenfield South	1,275,000	29%	71%
Intersection Safety: Marshland / New Brighton / North Parade / Shirley (8)	Greenfield North	275,000	18%	82%
Jubilee Street Extension	District-wide	540,492	57%	43%
Kerb Cutdowns	District-wide	28,539	57%	43%
Lincoln Road Widening (Curletts to Wrights)	Greenfield South	13,725,501	32%	68%
Linwood/Dyers Signalisation	District-wide	59,594	45%	55%
Marshland Road Bridge Renewal	Greenfield North	4,995,097	21%	79%



Network Management Improvements: Blenheim Road - Main South Road Corridor	Inner City	5,300,000	22%	78%
Network Management Improvements: Dunbars Road	Greenfield South	700,000	22%	78%
Network Management Improvements: Halswell Junction Road (Copper Ridge - Whincops)	Greenfield South	900,000	22%	78%
Network Management Improvements: Main North Road Corridor	Greenfield North	6,100,000	20%	80%
Network Management Improvements: Prestons	Greenfield North	350,000	28%	72%
Network Management Improvements: Waterloo Park	Greenfield South	800,000	36%	64%
New Links: Halswell Junction Road to Connaught	Greenfield South	1,000,000	36%	64%
New Links: Main South Road to CB2/7	Greenfield South	2,000,000	36%	64%
New Retaining Wall at 270 Wainui Main Road	District-wide	300,000	36%	64%
Northern Arterial Extension (Cranford - QEII)	Greenfield North	38,403,729	36%	64%
Opawa Road Stage 2	District-wide	1,779,459	53%	47%
RONs Downstream Intersection Safety: Main North / Marshland / Spencerville (Chaney's Corner) (4)	Greenfield North	950,000	24%	76%
RONs Downstream Route Improvements: Marshland (Queen Elizabeth II - Shirley)	Greenfield North	975,000	18%	82%
Route Improvements: Old Main North Road	Greenfield North	400,000	24%	76%
Subdivisions (Transport Infrastructure)	Greenfield North	8,416,036	36%	64%
Traffic System Relocation	District-wide	400,054	57%	43%
Transport Corridor Optimisation Works	District-wide	2,651,917	18%	82%
Travis Road Traffic Management	District-wide	239,257	47%	53%
University Crossings	District-wide	1,129,000	57%	43%
Wigram Magdala Link	Greenfield South	30,418,570	36%	64%
Wigram Road Extension: Halswell Junction to Marshs	Greenfield South	3,093,634	36%	64%
Wigram Road Upgrade	Greenfield South	1,380,050	32%	68%
Woolston-Burwood Stage 1	District-wide	1,446,318	47%	53%
Woolston-Burwood Stage 2	District-wide	5,706,070	43%	57%

Active Travel	Belfast Park Plan Change 43: Cycle/Pedestrian Rail Underpass	District-wide	1,241,000	36%	64%
	Carrs Rd underpass	District-wide	299,975	57%	43%
	Local Cycleway: Development Connections - East	District-wide	4,200,000	36%	64%
	Local Cycleway: Development Connections - North	District-wide	2,200,000	36%	64%
	Local Cycleway: Development Connections - South	District-wide	4,200,000	36%	64%
	Local Cycleway: Development Connections - West	District-wide	2,200,000	36%	64%
	Local Cycleway: Northern Arterial Link Belfast to Waimakariri	District-wide	3,700,000	36%	64%
	Local Cycleway: Northern Arterial Link Cranford to Rutland Reserve	District-wide	1,000,000	36%	64%
	Major Cycleway: Northern Line Cycleway (Northern Rail Route - Belfast to Riccarton Suburbs)	District-wide	7,969,150	36%	64%
	Major Cycleway: Papanui Parallel (Grassmere Route - Papanui to City)	District-wide	3,898,153	36%	64%
	Major Cycleway: Quarryman's Trail (Halswell to City)	District-wide	4,633,329	36%	64%
	Major Cycleway: South Express (Hornby Rail Route - Templeton to City)	District-wide	13,424,401	36%	64%
	Public Transport Infrastructure	Passenger Transport Infrastructure	District-wide	17,878	20%
Public Transport Initiatives		District-wide	129,294	20%	80%
Route 2: PMH-City (via Colombo St)		District-wide	3,648,032	20%	80%
Route 3: Queenspark-City		District-wide	2,470,818	20%	80%
Core PT Route & Facilities: North (Papanui & Belfast)		District-wide	1,650,000	79%	21%
Core PT Route & Facilities: Orbiter		District-wide	5,000,000	79%	21%
Core PT Route & Facilities: South-West (Wigram & Halswell)		District-wide	7,066,000	79%	21%
Core PT Route & Facilities: West (Riccarton & Hornby)		District-wide	5,925,288	79%	21%

Table A3.3 Summary of past and future growth-related capital expenditure (\$2015; GST exclusive)

	Total Capex (2001-24)	Growth		
		Total past capex (2001-14)	Total future capex (2015-24)	TOTAL capex (2001-24)
Regional parks	\$18,211,020	\$13,879,997	\$390,000	\$14,269,997
Garden & Heritage parks	\$13,144,817	\$2,081,471	\$991,000	\$3,072,471
Sports parks	\$17,527,917	\$12,410,076	\$2,545,000	\$14,955,076
Neighbourhood parks (all)	\$153,575,902	\$13,002,959	\$88,577,000	\$101,579,959
TOTAL RESERVES	\$202,459,656	\$41,374,503	\$92,503,000	\$133,877,503
Water supply	\$80,342,105	\$23,111,130	\$23,339,000	\$46,450,130
Wastewater collection	\$308,428,597	\$70,018,386	\$56,374,000	\$126,392,386
Wastewater treatment & disposal	\$267,178,728	\$35,622,442	\$18,802,983	\$54,425,425
Stormwater & Flood Protection (all)	\$201,500,955	\$46,189,908	\$65,661,000	\$111,850,908
Road network	\$288,627,039	\$41,105,089	\$57,704,000	\$98,809,089
Active travel	\$54,632,242	\$4,822,846	\$14,710,000	\$19,532,846
Public transport infrastructure	\$36,629,307	\$8,560,654	\$14,660,751	\$23,221,405
TOTAL NETWORK INFRASTRUCTURE	\$1,237,338,976	\$229,430,455	\$251,251,734	\$480,682,189
<b>TOTAL</b>	<b>\$1,439,798,629</b>	<b>\$270,804,958</b>	<b>\$343,754,734</b>	<b>\$614,559,692</b>

Table A3.4 Future growth-related capital expenditure 2015-25 by project (\$2015; GST exclusive)											
\$'000											
Activity	Project Name	Plan 2015-16	Plan 2016-17	Plan 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	Total Future Growth Capex (2015-24)
Regional Parks											
	Banks Peninsula Walkways Development	\$0	\$0	\$0	\$65	\$65	\$65	\$65	\$65	\$65	\$390
Regional Parks Total											\$390
Garden & Heritage Parks											
	Garden and Heritage Parks - Furniture (New)	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$36
	Garden and Heritage Parks - Green Assets (New)	\$14	\$36	\$36	\$17	\$17	\$17	\$17	\$17	\$17	\$188
	Garden and Heritage Parks - Hard Surfaces (New)	\$8	\$138	\$17	\$17	\$17	\$17	\$17	\$17	\$17	\$265
	Botanic Gardens Playground Renewal	\$0	\$0	\$4	\$5	\$296	\$197	\$0	\$0	\$0	\$502
Garden & Heritage Parks Total											\$991
Sports Parks											
	Roto Kohatu Reserve (ex landfill site)	\$196	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$196
	Rawhiti Domain Sports Turf Upgrade to Premier Park	\$0	\$0	\$0	\$0	\$5	\$250	\$0	\$0	\$0	\$255
	Bishopdale Park skateboard area renewal	\$0	\$0	\$0	\$4	\$43	\$0	\$0	\$0	\$0	\$47
	South New Brighton reserves recovery and development	\$0	\$30	\$60	\$23	\$50	\$50	\$50	\$0	\$0	\$263
	Halswell Domain car park	\$376	\$0	\$0	\$411	\$206	\$0	\$0	\$0	\$0	\$993
	Sports parks - structures new	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$82	\$738
	Washington Reserve	\$53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53
Sports Parks Total											\$2,545

Neighbourhood Parks										
Vested Assets - Neighbourhood Parks - Zone 2	\$571	\$0	\$0	\$0	\$0	\$0	\$0	\$2,081	\$2,460	\$5,112
Vested Assets - Neighbourhood Parks - Zone 3	\$3,020	\$3,596	\$3,180	\$874	\$1,048	\$0	\$0	\$0	\$0	\$11,718
Vested Assets - Neighbourhood Parks - Zone 4	\$12,822	\$13,617	\$11,875	\$9,390	\$6,900	\$4,690	\$2,502	\$5,472	\$4,479	\$71,747
Neighbourhood Parks Total										\$88,577
TOTAL RESERVES										\$92,503
Water Supply										
WS Prestons Marshlands Road Link Main	\$451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$451
WS Subdivisions Add Infra for Development	\$312	\$312	\$312	\$260	\$260	\$260	\$260	\$260	\$260	\$2,496
WS Reticulation New Mains	\$346	\$923	\$923	\$692	\$692	\$461	\$461	\$461	\$461	\$5,420
Victoria Reservoirs 2 and 3 Replacement	\$137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137
WS DWSNZ Upgrade Duvauchelle	\$76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$76
WS New Pump Stations for Growth	\$1,757	\$1,757	\$0	\$0	\$0	\$1,757	\$1,575	\$0	\$0	\$6,846
WS HWorks Land Purchase for Pump Station	\$520	\$0	\$0	\$520	\$2	\$2	\$2	\$2	\$520	\$1,568
WS New Wells for Growth	\$1,572	\$524	\$524	\$532	\$532	\$1,065	\$532	\$532	\$532	\$6,345
Water Supply Total										\$23,339
Wastewater Collection										
WW Pumping Station 60 Upgrade	\$0	\$0	\$103	\$635	\$0	\$0	\$0	\$0	\$0	\$738
WW Northern Relief Grassmere	\$0	\$93	\$467	\$933	\$3,111	\$3,266	\$3,111	\$1,307	\$0	\$12,288
WW Riccarton Trunk Main Project	\$83	\$455	\$455	\$774	\$190	\$0	\$0	\$0	\$0	\$1,957
WW Heathcote Wet Weather Overflow Reduction	\$228	\$228	\$228	\$1,422	\$1,405	\$1,136	\$21	\$0	\$0	\$4,668
WW Wairakei Diversion	\$862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$862
WW SE Halswell Sewer	\$3,110	\$2,923	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,033
WW Pumping New Stns for Growth	\$1,602	\$2,468	\$1,949	\$1,299	\$1,299	\$866	\$866	\$866	\$866	\$12,081
WW PS92 Cracroft RM Ext to Cashmere Rd	\$0	\$0	\$326	\$0	\$0	\$0	\$0	\$0	\$0	\$326

	WW Prestons Infrastructure Provision Agreement	\$580	\$339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$919
	WW New Mains Programme	\$1,061	\$1,061	\$1,989	\$1,768	\$1,768	\$1,591	\$1,591	\$1,591	\$1,326	\$13,746
	WW Subdivisions Add Infra for Dev-GenO/H	\$364	\$364	\$364	\$312	\$312	\$260	\$260	\$260	\$260	\$2,756
Wastewater Collection Total											\$56,374
Wastewater Treatment & Disposal											
	Biosolids Dewatering Renewal	\$2	\$88	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90
	WW Duvauchelle Treatment and Disposal Upgrade	\$0	\$0	\$0	\$0	\$0	\$37	\$505	\$0	\$0	\$542
	WW New Akaroa Wastewater Treatment Plant	\$1,525	\$3,051	\$1,525	\$0	\$0	\$0	\$0	\$0	\$0	\$6,101
	WW Lyttelton Harbour WWTP	\$260	\$260	\$416	\$2,992	\$1,769	\$3,173	\$2,757	\$442	\$0	\$12,069
Wastewater Treatment & Disposal											\$18,802
Stormwater & Flood Protection											
	Waterways & Wetlands Purchases	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$0	\$0	\$350
	South West SMP - Waterways Detention and Treatment Facility	\$3,572	\$3,751	\$3,541	\$3,744	\$3,744	\$3,744	\$3,432	\$3,432	\$3,732	\$32,692
	Applefields	\$196	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$196
	Natural Waterways (New)	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$261	\$2,349
	STYX SMP - Waterway Detention and Treatment facilities	\$1,296	\$1,627	\$3,150	\$3,315	\$3,315	\$3,616	\$3,616	\$3,014	\$2,110	\$25,059
	Piped Systems - Pipe Drains (New)	\$254	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$4,430
	Open Water Systems - Open Drains (New)	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$585
Stormwater & Flood Protection Total											\$65,661

Road Network											
Marshland Road Bridge Renewal	\$1,202	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,202
Annex / Birmingham / Wrights Route Upgrade	\$2,656	\$813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,469
Intersection Improvement: Cashmere / Hoon Hay	\$0	\$0	\$0	\$0	\$49	\$197	\$0	\$0	\$0	\$0	\$246
Intersection Improvement: Lower Styx / Marshland	\$563	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$564
Network Management Improvements: Dunbars Road	\$0	\$28	\$168	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$196
Network Management Improvements: Blenheim Road - Main South Road Corridor	\$0	\$14	\$14	\$27	\$27	\$274	\$274	\$274	\$274	\$274	\$1,178
Network Management Improvements: Main North Road Corridor	\$0	\$0	\$0	\$25	\$252	\$252	\$252	\$252	\$252	\$252	\$1,285
Network Management Improvements: Prestons	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125
Network Management Improvements: Waterloo Park	\$181	\$181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$362
New Links: Halswell Junction Road to Connaught	\$0	\$0	\$0	\$113	\$339	\$0	\$0	\$0	\$0	\$0	\$452
New Links: Main South Road to CB2/7	\$0	\$0	\$0	\$0	\$453	\$453	\$0	\$0	\$0	\$0	\$906
RONs Downstream Route Improvements: Marshland (Queen Elizabeth II - Shirley)	\$0	\$6	\$57	\$158	\$0	\$0	\$0	\$0	\$0	\$0	\$221
Route Improvements: Old Main North Road	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45	\$45
Intersection Improvements: Curries / Tanner	\$62	\$93	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155
Intersection Improvements: Cranford / Main North	\$0	\$0	\$0	\$0	\$0	\$9	\$56	\$185	\$0	\$0	\$250
Transport Corridor Optimisation Works	\$40	\$40	\$40	\$40	\$40	\$132	\$132	\$79	\$53	\$0	\$596
Intersection Improvement: Burwood / Mairehau	\$0	\$0	\$8	\$50	\$286	\$0	\$0	\$0	\$0	\$0	\$344
Cranford Street Upgrade (4 Laning)	\$115	\$77	\$77	\$77	\$192	\$770	\$4,619	\$1,155	\$0	\$0	\$7,082
Northern Arterial Extension (Cranford - QEII)	\$368	\$158	\$82	\$82	\$165	\$7,369	\$8,948	\$2,632	\$0	\$0	\$19,804
Intersection Improvement: Blakes / Radcliffe	\$62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62
Wigram Magdala Link	\$8,825	\$265	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,090
Lincoln Road Widening (Curletts to Wrights)	\$0	\$40	\$40	\$1,931	\$1,699	\$0	\$0	\$0	\$0	\$0	\$3,710
Wigram Road Extension: Halswell Junction to Marshs	\$244	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$244
Halswell Junction Road Extension	\$1,448	\$453	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,901

	Awatea Route Upgrade	\$275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275
	Wigram Road Upgrade	\$429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$429
	Subdivisions (Transport Infrastructure)	\$260	\$272	\$272	\$272	\$272	\$272	\$272	\$272	\$272	\$2,436
	Intersection Safety: Barrington / Lincoln / Whiteleigh (3)	\$0	\$9	\$93	\$373	\$0	\$0	\$0	\$0	\$0	\$475
	Intersection Safety: Marshland / New Brighton / North Parade / Shirley (8)	\$0	\$0	\$6	\$59	\$0	\$0	\$0	\$0	\$0	\$65
	Intersection Improvement: Belfast / Marshland	\$0	\$8	\$16	\$32	\$479	\$0	\$0	\$0	\$0	\$535
Road Network Total											\$57,704
Active Travel											
	Belfast Park Plan Change 43: Cycle/Pedestrian Rail Underpass	\$197	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197
	Local Cycleway: Development Connections - East	\$0	\$0	\$0	\$0	\$20	\$59	\$395	\$395	\$395	\$1,264
	Local Cycleway: Development Connections - North	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$59	\$395	\$474
	Local Cycleway: Development Connections - South	\$0	\$0	\$0	\$0	\$20	\$59	\$395	\$395	\$395	\$1,264
	Local Cycleway: Development Connections - West	\$0	\$0	\$0	\$0	\$0	\$0	\$20	\$59	\$395	\$474
	Local Cycleway: Northern Arterial Link Cranford to Rutland Reserve	\$0	\$0	\$0	\$39	\$158	\$197	\$0	\$0	\$0	\$394
	Major Cycleway: Quarryman's Trail (Halswell to City)	\$62	\$62	\$681	\$805	\$0	\$0	\$0	\$0	\$0	\$1,610
	Major Cycleway: South Express (Hornby Rail Route - Templeton to City)	\$1,185	\$1,185	\$1,185	\$1,523	\$0	\$0	\$0	\$0	\$0	\$5,078
	Major Cycleway: Papanui Parallel (Grassmere Route - Papanui to City)	\$433	\$216	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$649
	Major Cycleway: Northern Line Cycleway (Northern Rail Route - Belfast to Riccarton Suburbs)	\$949	\$825	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,774
	Local Cycleway: Northern Arterial Link Belfast to Waimakariri	\$0	\$0	\$0	\$0	\$83	\$207	\$621	\$414	\$207	\$1,532
Active Travel Total											\$14,710
Public Transport Infrastructure											



Core PT Route & Facilities: North (Papanui & Belfast)	\$0	\$0	\$0	\$380	\$380	\$814	\$0	\$0	\$0	\$1,574
Core PT Route & Facilities: Orbiter	\$542	\$2,169	\$2,712	\$0	\$0	\$0	\$0	\$0	\$0	\$5,423
Core PT Route & Facilities: South-West (Wigram & Halswell)	\$0	\$271	\$1,514	\$3,710	\$2,169	\$0	\$0	\$0	\$0	\$7,664
Public Transport Infrastructure Total										\$14,661
TOTAL NETWORK INFRASTRUCTURE										\$251,251
TOTAL GROWTH EXPENDITURE										\$343,754

A full breakdown of the Council's capital programme is available in the Long Term Plan 2015-25. The Long Term Plan also provides information about the Council's capital programme, including a breakdown of why capital expenditure is being incurred (e.g. for renewals or growth) and how it is being funded (rates, debt or development contributions).

### Reserves

Development contributions will be required for the growth-related capital expenditure associated with:

- The purchase of new reserves and vesting of new reserves from subdivisions, to:
  - maintain the existing level of service of 18.0 ha of regional parks and 3.5 ha of sports parks per 1000 people; and
  - maintain the existing level of service of 1 ha of neighbourhood parks per 1000 people 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' community 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. The improvements to a sports park can include public toilets and car parks. Sports parks can host large numbers of people on a regular basis and for safety and hygiene reasons, toilets and car parks are considered part of the infrastructure of a sports park.
- Neighbourhood parks – small to medium sized reserves intended to provide for informal local, passive and active recreation and open space. In new developments

neighbourhood parks are located in central residential areas primarily for the local community. These parks often become a focal point for residents and during the development of the park the infrastructure can include a playground, seating, paths and plants.

- 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. This recognises the financial and marketing benefits that such additional development will accrue to that particular development.

Funding provision for growth-related capital expenditure 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 the increase in 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 arising from a

growing and diverse population. 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. Increasingly, residential units are being developed above businesses in the light industrial zones which is supported by the greater mixed-use zoning proposed by the UDS. Where mixed development occurs development contributions for reserves will only be required for the residential component of the development.

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 detailed 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 are based on five location-specific catchments (central city, inner city, suburban, greenfields and 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.

#### *Water supply*

Development contributions will be required for the provision of growth-related capital expenditure for the water supply network of pipes and pumping stations, and capital works to provide additional reservoir capacity to cater for demand from growth.

#### *Wastewater collection*

Development contributions will be required for the provision of growth-related capital expenditure for the network of wastewater pipes and pumps.

#### *Wastewater treatment and disposal*

Development contributions will be required for the provision of growth-related capital expenditure for wastewater treatment plants.

#### *Stormwater and flood protection*

Development contributions will be required for the provision of growth-related capital expenditure for the network of pipes and streams that make up the surface water management system and which benefit the urban parts of Christchurch and Banks Peninsula as a whole.

#### *Road network*

Development contributions will be required for the provision of growth-related capital expenditure for the public road network, particularly intersection improvements around new subdivisions. Development contributions are also required for additional capital expenditure and infrastructure 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) that are required as a result of growth.

#### *Active travel*

Development contributions will be required for the provision of growth-related active travel capital expenditure, including walking networks (such as public footpaths, public pedestrian malls and open spaces), cycling networks and public on-road and off-road cycle linkages and travel behaviour change programmes.

#### *Public transport infrastructure*

Development contributions will be required for the provision of growth-related capital expenditure required for public transport infrastructure bus priority systems and bus stop infrastructure.

#### *Community centres and halls*

Due to the current focus on repairing and rebuilding community centres and halls, no growth-related capital projects have been included in the 2015-25 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 capital expenditure on community centres and halls in a future DCP should the need arise. If the Council decides to introduce projects related to this development contribution activity, it will do so using an appropriate community engagement approach.

### A3.2 Capital expenditure already 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. The cost of the growth component is determined from the actual total cost to implement these projects.

### A3.3 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>20</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:

- Cash – within 10 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, resulting from cost increase associated with the provision of relevant infrastructure 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.

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<sup>20</sup> Section 200(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.

## APPENDIX 4: METHODOLOGY TO ESTABLISH NON-RESIDENTIAL HUE EQUIVALENCES

### A4.1 Reserves

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

### A4.2 Water supply and wastewater collection

The methodology to establish the equivalences for both water supply and wastewater collection 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.

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

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

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%	
Central city and central city edge – CBD	5%	60%	25%	0%	5%	5%	100%
Special Purpose (Airport)	5%	75%	5%	0%	15%	0%	100%

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	196,822	2.21	0.0034	291
Business 2 – large retail areas	511,539	2.26	0.0035	286
Business 3 – light industry	1,224,625	2.33	0.0036	277
Business 4 – industry	1,672,844	2.33	0.0036	277
Business 5 – general Industrial	2,198,856	2.31	0.0036	279
Business 6 – rural Industrial	80,574	2.56	0.004	252
Business Retail Park – large format retail and trade supply	125,386	2.23	0.0035	289
Central city and central city edge – CBD	1,984,177	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.
- (10) Weighted average of household equivalents based on total floor area in each business zone

### A4.3 Wastewater Treatment & Disposal

**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 (m <sup>2</sup> per person)	Discharge per person (litres per person per day)	Discharge per floor area (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 (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%	
Central city and central city edge – CBD	5%	60%	25%	0%	5%	5%	100%
Special Purpose (Airport)	5%	75%	5%	0%	15%	0%	100%



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	196,822	2.21	0.0039	258
Business 2 – large retail areas	511,539	2.26	0.0039	253
Business 3 – light industry	1,224,625	2.33	0.0041	246
Business 4 – industry	1,672,844	2.33	0.0041	246
Business 5 – general Industrial	2,198,856	2.31	0.004	247
Business 6 – rural Industrial	80,574	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	1,984,177	2.28	0.004	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
- (10) Weighted average of household equivalents based on total floor area in each business zone

## A4.4 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.

### A4.4.1 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	<u>232 m<sup>2</sup></u>
=	427 m <sup>2</sup>

### A4.4.2 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:

$$\text{Share of 1 m}^2 \text{ of non-residential impervious surface related to flooding and erosion} = 1\text{m}^2 \times \text{flooding and erosion portion} = 1\text{m}^2 \times 40\% = 0.40 \text{ m}^2$$

$$\text{Share of 1 m}^2 \text{ of non-residential impervious surface related to surface water quality} = 1\text{m}^2 \times \text{contaminant load ratio} \times \text{surface water quality portion} = 1\text{m}^2 \times 60\% \times 2 = 1.20 \text{ m}^2$$

$$\text{Effective equivalent area} = \text{Flooding and erosion share} + \text{contaminant loading share} = 0.40\text{m}^2 + 1.20\text{m}^2 = 1.60 \text{ m}^2$$

$$\text{Equivalence 1 m}^2 \text{ of non-residential impervious surface} = 1.60 \div 427 \text{ HUE/ m}^2 = 0.0038 \text{ HUE}$$

## A4.5 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 day (VKD). 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>21</sup>

For current or planned projects, demand drivers for transport activities are all based on vehicle kilometres per year. A 2012 baseline of residential vehicles kilometres per day is taken from the Council's traffic modelling system and compared with forecast for 2021 under two scenarios: a no-growth scenario to control for increase in vehicle kilometres associated with other factors (such as increased vehicle ownership), and the Council's forecast population growth scenario. This enables the allocation of project costs between backlog and growth as outlined in table A4.11.

Table A4.11 Transport growth allocation for the 2015 DCP				
Scenario	Residential vehicle kilometres per day (VKD)	Total Change (C-A)	Backlog (B-A)	Growth (C-B)
A: Base capacity (2012)	2,949,204	65,995 (100%)	42,477 (64.4%)	23,518 (35.6%)
B: 2021 with no growth	2,991,681			
C: 2021 Growth scenario (quick)	3,015,199			

On the basis of these estimates of residential growth, 35.6% of transport projects are allocated to growth, with the balance (64.4%) considered backlog that will be funded by ratepayers.

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 one-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 for business zones (applicable across the district) have therefore been used. These are the same as that used in the 2013 DCP.

<sup>21</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).

Table A4.12 Non-residential (Business) Transport Equivalences			
Land Zone	Base trips per 100 m <sup>2</sup>	Floor area per HUE (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		
All Business	13.21	110	.0091

Transport HUE equivalents for specific activities remain unchanged from the 2009 DCP and are summarised in table A4.13:

Table A4.13 Activity-based transport equivalents		
Activity	Measure	HUE Equivalent
Retirement villages	Per residential unit	0.3000
Commercial premises / offices	m <sup>2</sup> GFA	0.0043
Shopping centres >10,000m <sup>2</sup>	m <sup>2</sup> GFA	0.0151
Shopping centres < 10,000m <sup>2</sup>	m <sup>2</sup> GFA	0.0278
Supermarkets	m <sup>2</sup> GFA	0.0184
Service stations with retail facilities	m <sup>2</sup> GFA	0.0356
Markets	m <sup>2</sup> GFA	0.0010
Bulk goods / Home improvement stores	m <sup>2</sup> GFA	0.0098
Drive-in fast food restaurants	m <sup>2</sup> GFA	0.0241
Restaurants	m <sup>2</sup> GFA	0.0155
Manufacturing industries	m <sup>2</sup> GFA	0.0044
Warehouses / storage	m <sup>2</sup> GFA	0.0013
Accommodation in Central City and Central City Edge Zones	Unit	0.0001
Accommodation not in Central City and Central City Edge Zones	Unit	0.0010

## 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
One	<p>From the capital expenditure projects included in the LTP:</p> <ul style="list-style-type: none"> <li>• Determine the activity for the purposes of assessing the development contribution.</li> <li>• Record the catchment where the project provides capacity to meet demand.</li> <li>• Summarise in the DCP the capital works (with a component of capacity for growth) from the LTP that have been included in the determination of the development contribution charge (refer to Table A3.1).</li> <li>• 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.</li> <li>• 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 Financing Policy).</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<p>Section 106(2)(a) Section 106(2)(d) Schedule 13(1)(a) Schedule 13(1)(a) Section 106(2)(a) Section 200(1)(c) Schedule 13(1)(b) Section 199(2) Section 200(1)(a) Section 200(1)(b) Section 101(3)(a)</p>
Two	<p>Undertake a cost allocation analysis using the Modified Shared Drivers methodology to determine the share of cost to growth (Refer to Section A5.3).</p> <ul style="list-style-type: none"> <li>• The cost allocation methodology provides a procedure based on the capacity and demand requirements of the current levels of service identified in the TYP to determine the growth cost share of the project cost.</li> <li>• The cost allocation methodology provides a consistent and equitable methodology for assessing the project growth cost share.</li> <li>• 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 Tables A3.1 and A3.2).</li> </ul>	<p>Schedule 13(1)(a) Schedule 10(2)(1)(d) Section 106(2)(a) Schedule 13(1)(b) Schedule 13 (2) Section 106(2)(b) Schedule 10(2)(1)(d)</p>

Three	<p>The growth model forecasts changes in household numbers and business floor areas (refer to Appendix 2).</p> <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> <li>• Include measures of both household and business demand.</li> </ul>	<p>Schedule 13(1)(a)                  Schedule 13(1)(b)</p>
Four	<p>Undertake a funding analysis of each project to determine the total cost of growth for each unit of demand.</p> <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> <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>	<p>Schedule 13(1)(a)                  Schedule 13(1)(b)</p>
Five	<p>Identify and summarise significant assumptions underlying the calculation of development contributions and impacts of uncertainty. Refer to sections A5.5 and A5.6                  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.</p>	<p>Section 201 (1)(b)                  Section 202(1)                  Section 202(3)</p>
Six	<ul style="list-style-type: none"> <li>• Present the Schedule of development contribution charges (refer to Table 2.7).</li> </ul>	<p>Section 201(2)                  Section 202</p>
Seven	<p>Audit and review.</p> <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> <li>• Internal reviews are comprehensive. External reviews are based on a mixture of selected and random samples.</li> </ul>	
Eight	<p>Consider overall impact on the community</p> <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 sections A1.7 and A1.8)</li> <li>• Based on this consideration, determine the appropriate amount of the development contribution charges for each activity.</li> </ul>	

## A5.2 Level of Service

The Council's activity management plan for each activity defines 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 10 years of capital works projects expenditure set out in the 2015-25 LTP 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 LTP.<sup>22</sup>

Programmes are planned capital expenditure to deliver the levels of service, while projects are planned or completed works delivering the programmes. The programmes and projects needed to deliver the defined level of service to existing and growth communities are developed by the Council through its LTP planning process. 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.

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<sup>22</sup> The methodology is based on Local Government New Zealand's 'The Best Practice Guide to Development Contributions', 2003.

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
- Unallocated.

A summary of the cost allocation methodology is as follows, (also see Appendix 8, which includes an example of how the growth portion of individual capital projects are separated from other drivers of demand):

- 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 catchments 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 capital infrastructure;
- the equitable application of those funding requirements to the incoming growth community;
- recognition that the backlog components of the capital expenditure 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 new infrastructure;
- interest on development contributions received in advance of provision of new infrastructure; and,
- 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 presented in the Council's Long Term Plan 2015-25. 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.

### 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 DCP period. 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 LTP. 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 and adjust through the annual plan or LTP processes.
- All costs in the DCP are based on current known infrastructure prices in current 2015 dollars.
- Any interest rates used within the development contributions funding model are those defined in the budget assumptions for the LTP.

## 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 expenditure 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.

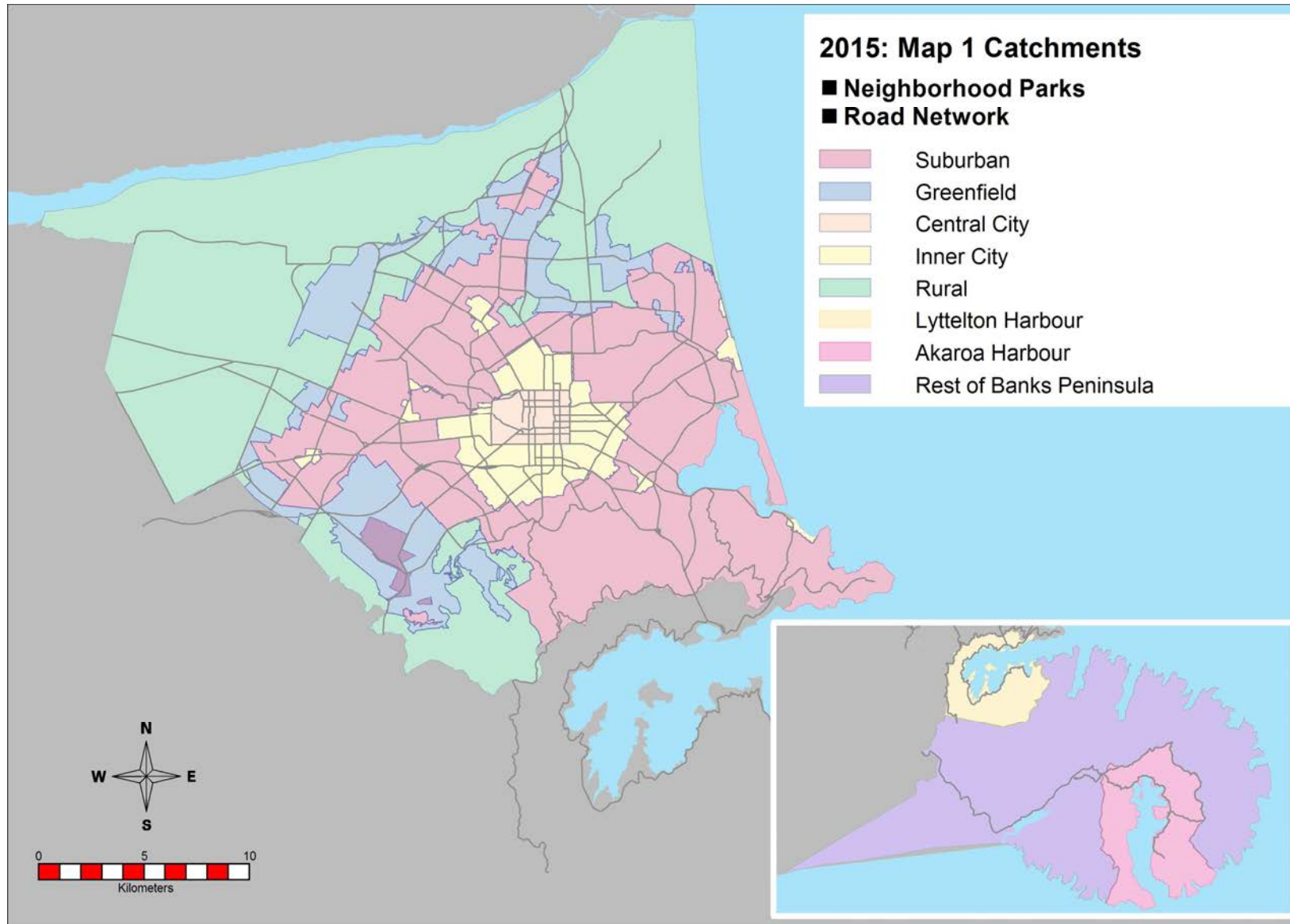
## APPENDIX 6: CATCHMENT MAPS FOR DEVELOPMENT CONTRIBUTION ACTIVITIES

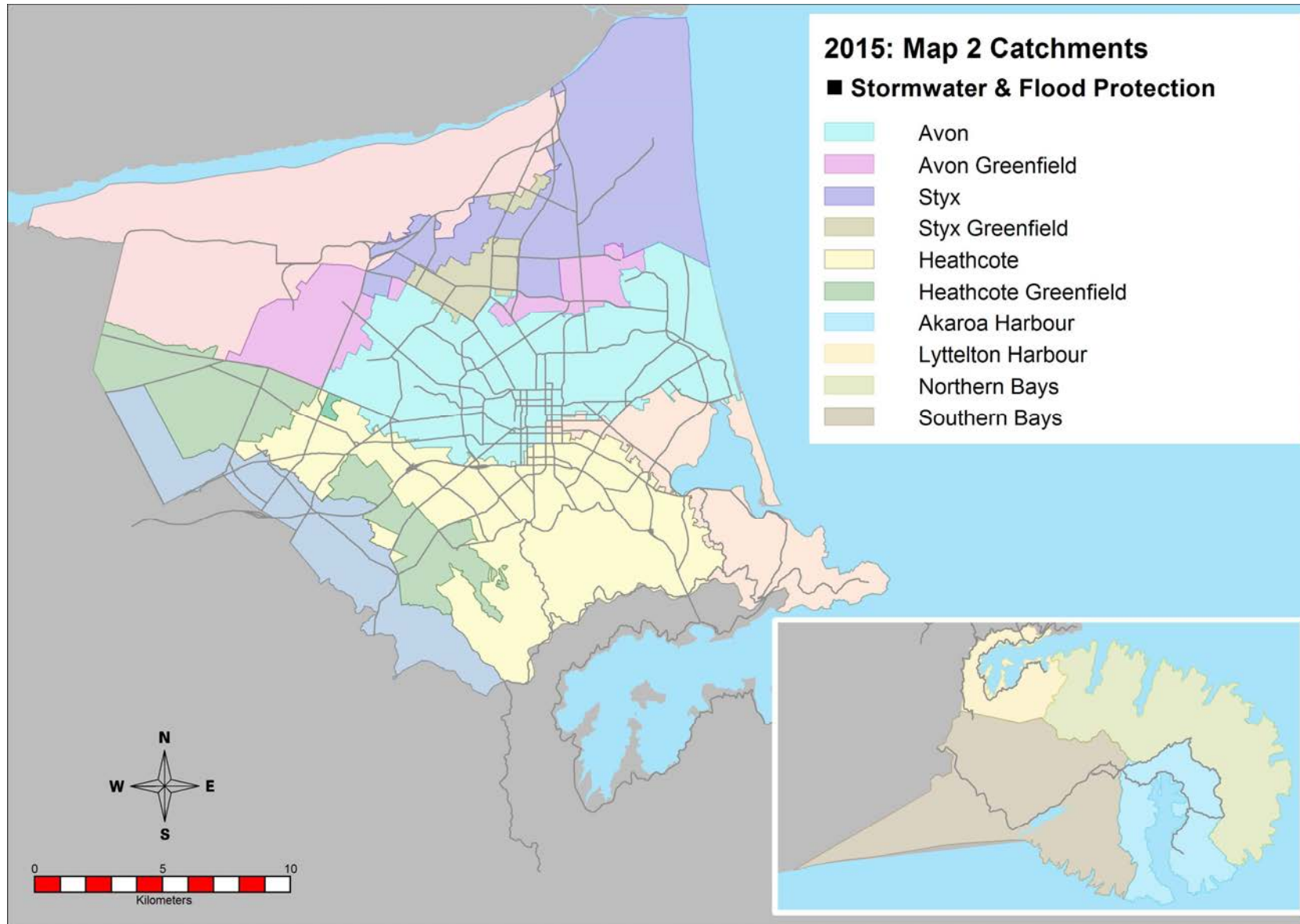
The following maps are an overview of the catchments for which development contributions are required for activities that use area specific catchments. For activities which use a district-wide catchment approach no map is provided – the catchment is all parts of the Christchurch City Council territorial local authority area.

The maps are also available online at [www.ccc.govt.nz/homeliving/buildingplanning/dcp](http://www.ccc.govt.nz/homeliving/buildingplanning/dcp) or 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).

Map 1 Reserves catchment: neighbourhood parks  
Network infrastructure catchment: road network

Map 2 Network infrastructure catchments: stormwater and flood protection





## APPENDIX 7: ADDITIONAL INFORMATION

### A7.1 Review of the policy

The DCP will be reviewed every three years as part the Council's process to prepare its LTP. The policy may be amended at any time outside this regular process. Reasons the Council may decide the policy should be reviewed ,may include the following:

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

In addition to the above, the schedule of development contribution charges may be updated annually (1 July) to incorporate any cost changes (see section A7.3) without the requirement for community consultation.

An amendment to the policy provisions must be undertaken in such as a way as to meet the community engagement requirements of section 82 of the LGA.

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 the

three yearly LTP and DCP review. The Council's decision to adopt this policy is subject to judicial review to the High Court only. Reconsiderations and objections to development contributions required for developments will be undertaken as set out in section 3.7 of this DCP.

### A7.2 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 already been addressed by the DCP.

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.

#### A7.3 Development contributions cost indices

The Council may adjust the schedule of development contributions (Table 2.7 in this DCP) using the Statistics New Zealand Producers Price Index for Construction as the basis. The Council has determined it will do this each year (1 July), by following the requirements in sections 106(2B) and (2C) of the LGA, which state:

##### 106 (2B)

Subject to subsection (2C), a development contribution provided for in a development contributions policy may be increased under the authority of this subsection without consultation, formality, or a review of the development contributions policy.

##### 106(2C)

A development contribution may be increased under subsection (2B) only if—

- (a) the increase does not exceed the result of multiplying together—

- (i) the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased; and
  - (ii) the proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs; and
- (b) before any increase takes effect, the territorial authority makes publicly available information setting out—
- (i) the amount of the newly adjusted development contribution; and
  - (ii) how the increase complies with the requirements of paragraph (a).

#### A7.4 Additional supporting information

Additional or more detailed supporting information for this policy is obtainable online at [www.ccc.govt.nz/homeliving/buildingplanning/dcp/](http://www.ccc.govt.nz/homeliving/buildingplanning/dcp/) and at the Council's Civic Offices, 53 Hereford Street, Christchurch:

## APPENDIX 8: CALCULATION OF THE GROWTH PORTION OF CAPITAL PROJECTS

### 1. Project and Description:

- *Example: WS Westmorland 2 Reservoir Replacement. The project is to install a new reservoir to service the Westmorland catchment. Existing reservoir is too small and in the wrong location for further development.*

### 2. Inflation is included based on the BERL estimates.

- *Example: Inflation is set accordingly, consistent across all units.*

### 3. Remove other funding, e.g. NZTA.

- *There is no other funding associated with this project.*

### 4. Allocate a proportion of capacity between backlog and growth taking into account growth model predictions, existing and proposed capacities of plant, section 101 (3) requirements etc. The following process takes place for capacity.

- *Example: The split between backlog and growth was determined by using the following units of measure and methodology:*

<i>Capacity – Volume (m3)</i>	
<i>Existing capacity – 250</i>	
<i>Existing demand – 262</i>	<i>Backlog = 8%</i>
<i>Design capacity – 400</i>	<i>Growth = 92%</i>

### 5. A stand alone project is estimated (Renewal) that is the cost of constructing the assets renewed by the project without consideration of any other aspect of the project.

- *Example: The gross replacement cost is \$430,000. The renewal cost is determined by the age of the asset and the proportion of renewal funded by past depreciation. In this case the asset is 31 years into an expected life of 100 years. The renewal cost is therefore 31% of the gross replacement cost \$133,300*

### 6. The renewal component of the project is determined and removed from the analysis.

- *Example: Total project cost is \$689,700 less the renewal cost of \$133,300 leaves \$556,400.*

### 7. A stand alone project is estimated (New Work) that is the cost of achieving the capacity requirements of the project without consideration of the renewal component.

- *Example: The cost of new work is assigned based on the project estimate.*

### 8. The growth proportion of the project is checked to ensure that the cost to the growth community is no more than what it would have cost to do it themselves.

- *Example: The cost is checked to ensure that Council does not charge the growth community more than it would cost for them to do it themselves.*

### 9. A summary then indicates per outcome percentage splits between renewal, backlog, growth and unallocated. At this stage a funding source is defined for each of these. E.g backlog rates, growth DC, renewal rates, unallocated rates.

- *Example: Funding sources are allocated. The backlog and unallocated cost allocation is allocated to rates, the renewal to depreciation reserve and the growth to development contributions.*

### 10. The funding model completes a DC calculation. Calculates non growth charge, growth charge and removes backcharges, generally speaking the growth component of the cost is divided amongst the HUE growth as identified in the growth model. Backcharge relates to the amount the growth community will be paying in rates in the future. This is removed to avoid any future double dipping.

- *Example: The backcharge is identified as \$0.21 cents per household. This charge is deducted from the DC charge of \$19.29*

### 11. DC charge (the growth cost is divided amongst the HUE in the area).

- *Example: The DC charge for the project is established as \$19.08 per HUE.*

### 12. Elected members stand back and consider the overall DC charge and confirm that the charge is reasonable in terms of s101(3).

- *Example: Confirmed at Council workshop*



## APPENDIX 9 GLOSSARY OF TERMS

Please note that terms may be used, applied or applied differently within the Development Contributions Policy than they are in other Council documents or processes, as they have a different context that needs to be more specific to allow consistency and certainty for policy application.

In this policy, unless the context otherwise requires:

Accessory building means a building, which is separate from the principal building or buildings on the site, the use of which is incidental to the use of the principal building or buildings on the site or (where there is no principal building) the use of the site. In respect of land used for residential activity "accessory building" extends to include a sleep out (but not a family flat) garage or carport (whether free standing or attached to any other building), shed, glasshouse, fence, swimming pool, or similar structure

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
- Public transport.

- Community infrastructure: (no projects identified for this category in the 2015 capital programme)

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.

Business zones: The business zones as defined in the City Plan are:

- (a) The Central City Business Zone, comprising a large part of the area within the four avenues, and the city's greatest concentration of commercial and cultural infrastructure and investment.
- (b) The Business 1 (Local centre/District Centre Fringe) Zone, consisting of approximately one hundred small local commercial areas in the city, generally located within suburban living areas, and also forming part of a number of the district centres.
- (c) The Business 2 (District centre core) Zone, currently numbering 29 located throughout the city. Generally the distribution of these centres, and the range of services provided is good, providing benefits in terms of accessibility, convenience and energy use.
- (d) The Business 2P (Business parking) Zone is a specialist zone associated with district suburban centres, and as well as ensuring parking provision it provides a buffer for adjoining residential areas.
- (e) The Business RP (Retail Park) zone is a variant of traditional commercial centre zonings. It has been established to enable large format retail activities. The type of activity and its associated amenity and built form is more akin to the range of effects

- historically provided for in commercial zones, such as high levels of traffic, moderate levels of advertising and a strong public presence.
- (f) The Business 3 (Inner city industrial) Zone comprises the city's oldest industrial areas, located south and east of the Central City and extending into Waltham and Sydenham. A small pocket is also located in Kilmore Street, adjacent to Fitzgerald Avenue. The Business 3B (Inner city industrial buffer) Zone is an associated light industrial transition zone with some commercial activity, located between the Business 3 zone and older inner city housing areas.
  - (g) The Business 4 (Suburban industrial) Zone is a light industrial zone with some commercial activity such as offices and some limited retailing, located within predominantly residential areas, or serving as a buffer zone between residential and the general industrial areas. The Business 4P (Suburban Industrial-Produce Park) Zone is a variant of the Business 4 Zone established in 1990 specifically for the processing of rural produce and associated activities on a 40ha area in Halswell Junction Road. The Business 4T (Suburban industrial - technology park) Zone is another Business 4 zone variant established under the Transitional Plan to encourage high technology uses. Both of the latter zones have some higher than normal amenity standards and landscape treatments. The Business 4 location at 2 Waterman Place is a variant which recognises the extent of retail development that is operating on the site, and the area's relationship with the nearby Business 2 zoned Ferrymead District Centre and the potential integration of these two areas in the long term.
  - (h) The Business 5 (General industrial) Zone includes large areas of industrial land in Hornby, Middleton, Sockburn, Woolston and Bromley, and smaller areas at Belfast and Papanui, characterised by a range of both light and heavy industries.
  - (i) The Business 6 (Rural industrial) Zone applies to two areas of land surrounded by rural zones, one at Chaney's bounded by the railway and the northern motorway, and the other adjacent to Johns Road north-east of Christchurch International Airport.
  - (k) The Business 7 (Wilmers Road) Zone comprises some 63ha of land located on the eastern side of the Hornby industrial area and to the north of Halswell Junction Rd and to the west of McTeigues Road.
  - (j) The Business 8 (Islington Park) Zone includes an area of land bounded by Pound Road and Waterloo Road and is based around the old Islington Freezing works. This area is to be redeveloped as a modern business park and contains provisions designed to ensure groundwater is adequately protected.

Special purpose zone (airport) contains facilities associated with the operations of Christchurch International Airport including runways, airport buildings and surrounding land used for airport support services. It is bounded in the north by McLeans Island and Jessons Roads, to the west by Pound Road, the east by Russley Road and extends southwards to Grays and Ryans Roads.

Holiday homes / household fall under the same definitions as residential unit.

Other non-residential are non-residential developments that are located in a zone where they are not normally anticipated. For example, this could apply to a retail business such as a café in an industrial zone.

Catchment means a geographical area of the district for which separate development contributions exist (see section A1.8 and Appendix 6).

City Plan means Christchurch City Plan, operative in part from 21 November 2005, and the Banks Peninsula Proposed District Plan, operative from 15 October 2012, including as amended or substituted.

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

Community infrastructure is defined in the Local Government Act 2002 as meaning the following assets when owned, operated, or controlled by a territorial authority:

- (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
- (b) play equipment that is located on a neighbourhood reserve;
- (c) toilets for use by the public.

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.

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.

DC means development contribution.

DCP means Development Contributions Policy. This policy is effective as of 1 July 2015 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, construction of a building, change in land use or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) excluding the pipes and lines 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 / 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.

Encumbrance instrument means a legal instrument registered against a property by agreement between the developer and the Council. An encumbrance instrument contains covenants which are legally enforceable by the Council against the owner of the land for the time being.

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. A family flat existing at 6 December 2013 may be converted to a separate residential unit occupied by any person(s) and without the need to be encumbered by a legal instrument.

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 2013-22 LTP which is 9 years. Otherwise it is the lesser of the asset capacity life, asset useful life or 30 years.

Garden and Heritage Parks means 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.

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. This includes all areas of impervious surfaces as defined in the Christchurch City Plan, but also includes roof area and any areas that are or will be compacted gravel.

Kitchen or kitchenette means a part of a building with a sink that is capable of being used as a cooking area. (See section 2.2.1 of this policy: if a kitchen in an area means there is a self-contained residential unit, then this constitutes a household unit (unless it is a kitchen in a family flat).

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, with the additional requirement that the lot is 'developable'. A lot is considered undevelopable if it does not meet the density requirements and/or the minimum lot size for the zone it is in or it cannot contain a fully complying development under the city plan effective at the date the assessment is undergone.

LTP means Long-Term Plan (previously known as the LTCCP). The LTP covers a period of not less than 10 consecutive financial years from the date of adoption.

Neighbourhood parks means small to medium sized reserves intended to provide for informal local, passive and active recreation and open space. In new developments neighbourhood parks are located in central residential areas primarily for the local community. These parks often become a focal point for residents and during the development of the park the infrastructure can include play equipment, seating, paths and plants.

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) has the same meaning as a development agreement in the LGA and 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.

Public transport infrastructure means bus priority systems and bus stop infrastructure.

Red zone refers to land classified by CERA as red zone

Regional parks means 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' community outcomes for Christchurch and Banks Peninsula.

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. For the purposes of this definition:

- A building used for emergency or refuge accommodation shall be deemed to be used by a single household;
- Where there is more than one kitchen on a site and where that kitchen is capable of creating a self-contained residential unit (other than a kitchen in a family flat) there shall be deemed to be more than one residential unit; and
- 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.

Road network mean the public road network, particularly intersection improvements around new subdivisions. It also includes 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) that are required as a result of growth.

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.

Minor 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.

Sports parks means large reserves intended primarily to provide for formal, city-wide, active recreation (sporting activities and events) and open space. The improvements to a sports park can include public toilets and car parks. Sports parks can host large numbers of people on a regular basis and for safety and hygiene reasons, toilets and car parks are considered part of the infrastructure of a sports park

Stormwater and flood protection means the network of pipes and streams that make up the surface water management system and which benefit the urban parts of Christchurch and Banks Peninsula as a whole.

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).

VKD means vehicles kilometres travelled per day (see section A4.4).

Wastewater collection means the network of wastewater pipes and pumps.

Wastewater treatment and disposal means wastewater treatment plants.

Water supply means water supply network of pipes and pumping stations, and capital works to provide additional reservoir capacity.