

# Development Contributions

## **1.0 INTRODUCTION**

This policy sets out what monetary contributions or contributions in the form of land will be required by the Council when development occurs that results in a growth related impact.

Under the Local Government Act 2002, (LGA) the Council is required to adopt a Development Contributions Policy, if it wants to fund or partly fund capital projects from development contributions. This allows the Council to adopt a framework to manage growth and ensure that its costs are suitably attributed.

The Council first adopted a Development Contributions Policy as part of its LTCCP in June 2004, and it has been regularly reviewed since. The current policy aligns with the 2015-25 LTP.

Development contributions under the LGA are in addition to, and separate from, financial contributions imposed as a condition of a resource consent under Section 108 of the Resource Management Act 1991 (RMA).

Development contributions taken by the Council under the LTP relate directly to the assumed cost of development on current and future community facilities.

## **2.0 PURPOSE**

The purpose of the development contributions provisions (and the need for a policy) is:

*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.*

The policy has been developed to meet the principles of the Act that (amongst other principles) require development contributions to be required:

- a) If the effects or cumulative effects of developments will create or have created a requirement for the Council to provide or to have provided new or additional assets or assets of increased capacity;
- b) Once consideration has been given to the capacity life of the assets in a way that avoids over-recovery of costs allocated to development contribution funding;
- c) Once consideration has been given to the persons who will benefit from the assets , including the community as a whole, as well as those who create the need for those assets;
- d) For or towards the purpose of the activity or the group of activities for which they were required, and for the benefit of the district or the part of the district where they were required.

The policy will apply to the type and/or location of development, where applications are received for:

- a) Resource consent (land use and subdivision consents); or
- b) Building consents; or
- c) Authorisations for service connection.

This policy applies to any applications received for resource consent, building consent or authorisations for service connections on or after 1 July 2015, for the type of activity or within a defined area as stipulated in this policy.

### **3.0 BACKGROUND**

Levels of development throughout the District are currently low and are generally not a major driver of costs to our infrastructure. However, there are specific growth areas that will require additional capacity of community facilities.

While the rate of growth in new dwellings and businesses is low, there are a number of new houses being constructed in Whakatāne and Ōhope urban areas and in some rural areas. Coastal locations are still a popular choice for new home buyers and those building. The opportunity for investment and the growth potential of the area is still being increasingly recognised and actively encouraged by regional and local economic development initiatives. It is very likely that this opportunity will be taken advantage of by developers over the medium and long term.

The infrastructure required to support new developments includes, but is not limited to:

- a) Water supply,
- b) Sewage treatment and disposal
- c) Stormwater drainage.

### **4.0 POLICY DIRECTION**

The Whakatāne District Council wishes to foster development and growth in the district, both in terms of population and the local economy. Consideration has therefore been taken to ensure that this Policy does not unnecessarily hinder or obstruct investment opportunities, but that the demand on community facilities growth initiatives do not place unfair costs on the wider ratepayer base.

**The Council will only charge development contributions for growth related works for:**

- a) **Water, sewerage and stormwater infrastructure, in the identified residential growth areas (catchments), with a primary focus on residential accommodation, such as houses, units, apartments, and temporary accommodation;**
- b) **Industrial or commercial development in the Mill Road area (in the defined catchment).**

This balances the Council's desire to encourage economic development and investment for a static population across the District, whilst recognising that new residential and industrial development in Whakatāne and Ōhope is likely to continue, and will need infrastructure to be provided.

The Council will update the Development Contributions Policy at least every three years, alongside the LTP cycle, to take account of:

- a) Any changes to the significant assumptions to the Development Contributions Policy (refer section 15.0);
- b) Any changes in policy as the Council deals with growth issues (or a lack of growth);
- c) Any changes in the capital works programme for growth;
- d) Changes in growth assumptions;
- e) Any changes in the pattern and distribution of development in the District;
- f) The regular reviews of the Financial Strategy, including the Revenue and Financing Policy;
- g) The use of financial contributions under the RMA.

## **5.0 FINANCIAL CONTRIBUTIONS**

Development contributions under the LGA are different from financial contributions under the RMA.

A financial contribution may be in the form of money or land or a combination of both. While Council generally considers development contributions as its main funding tool for growth related costs towards community facilities, it may also require financial contributions for other activities as set out in the District Plan.

Development contributions will not be required where a financial contribution has been applied as a condition on consent for the same purpose on the same development.

The RMA restricts the charging of financial contributions to only those activities that avoid, remedy or mitigate environmental effects.

The current Whakatāne District Plan (operative in 2010) does not contain a Financial Contributions Policy. The Council cannot therefore charge a financial contribution under the Operative District Plan.

However, the Proposed District Plan notified in June 2013 includes objectives, policies and rules to charge financial contributions once that section of the plan or the plan in total becomes operative. That is expected to occur in late 2015. This will enable contributions to be taken to mitigate environmental effects of a development or subdivision. Contributions may be taken to mitigate the effects on roads, public carparking and service lanes (for business activities), water supply, sewage collection and disposal, stormwater detention, collection and disposal, and community facilities, including reserves.

On this basis, and assuming low development rates for the majority of the next three year period, the anticipated income from financial contributions is likely to be small over the period of the LTP (less than \$200,000 per annum). There is a higher likelihood that the policy will be relied upon to acquire land for coastal reserves when the underlying property is subdivided. These areas are defined in the District Plan.

It is recognised that a financial contribution cannot be charged for the same purpose as a development contribution. Therefore, a financial contribution will be more commonly charged as a condition of resource consent to mitigate or remedy the environmental effects of a specific

development or subdivision. These effects are often localised or unanticipated and arise from the land use activity or subdivision itself, rather than the incremental or cumulative effects on a broader infrastructure network or the district as a whole.

## 6.0 CAPITAL EXPENDITURE FOR COMMUNITY FACILITIES

Development contributions reflect the impact that a development (or a development in conjunction with other developments) has in requiring new or additional assets or assets of increased capacity.

Capital works that are needed to improve the level of service to existing ratepayers or for renewal of existing assets are funded from other sources.

The Council will spend all collected contributions on the asset classes they are taken under to deliver the benefit, or equivalent benefit, for which they are collected.

The following table summarises:

- a) The total estimated capital expenditure (not inflation adjusted) for projects which include a growth component over the next 10 years; and
- b) The amount of total estimated capital expenditure which will be funded from development contributions.

Table 1: Ten-year estimated total capital expenditure and amount to be funded by development contributions

Asset Group	Total Cost Of Capital Works Projects	Amount Funded by Development Contributions
Water supply	\$3,860,000	\$886,140
Stormwater drainage	\$4,650,000	\$255,200
Sewage treatment and disposal	\$8,415,300	\$1,343,132
Total	\$16,925,300	\$2,484,472

The capital expenditure costs are based on the best current estimate of total cost (uninflated figures). These costs will be refined in subsequent revisions of the policy based on updated information about assets and growth.

In most cases, a percentage estimate of what is growth related costs has been used to determine the capital expenditure required for growth. This is based on additional household units within defined catchments over the next ten years or beyond.

### 6.1 Historic Capital Expenditure

In addition to the proposed capital programme, the Council has already incurred capital expenditure to cater for future development, and the development contributions include fees to continue to recover this growth component.

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Table 2: Historical capital expenditure and amount to be funded by development contributions

Asset Group	Total Cost of Capital Works Projects	Amount Funded by Development Contributions
Sewage treatment and disposal	\$2,289,012	\$228,901

In some cases, the Council has received development contribution income through the current and previous LTPs, and this has determined the balance of the amount needed to be further collected.

In the case of historic capital projects shown in the previous LTP in the activities of water, stormwater, solid waste, roading and carparking, community infrastructure and reserves, the revenue received matches the amount projected to be received from development contributions, or the Council has decided to fund any further shortfall in an alternative manner for reasons of administrative efficiency. The Council cannot continue to collect development contributions for this historic expenditure, other than where a shortfall still exists.

## 7.0 FUNDING CONSIDERATIONS

The Whakatāne District Council sets out its funding philosophy through the Revenue and Finance Policy.

The Council has determined that the use of development contributions is appropriate, for the above capital expenditure, with regard to community outcomes, the distribution of benefits across the community over time, those driving the need for the expenditure, costs and benefits and impact on future revenue requirements.

### 7.1 Community Outcomes

The Whakatāne District Council has six community outcomes. These are detailed through the LTP and identify the main goals the Council aims to achieve in order to fulfil its vision and purpose. They are:

- a) Reliable and Affordable Infrastructure
- b) Quality Services
- c) Sustainable Economic Development
- d) Valuing Our Environment
- e) Community Needs
- f) Effective Leadership

Water Supply, Sewage Treatment and Disposal and Stormwater Drainage principally contribute to Reliable and Affordable Infrastructure, Community Needs and Valuing Our Environment. This recognises the fact that these are key activities, providing core infrastructure and helping to

ensure the community's health. Development contributions are used to recognise the fact that the outcomes are necessary to service and facilitate new developments.

## 7.2 Distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

It is appropriate that development contributions fund the additional capacity benefiting new households or equivalent units of development, as it is these units that will principally benefit. The use of development contributions not only allows the part of the community benefitting from the new works to be identified but also, through catchments, this is further refined to specific areas where the benefit will occur.

The Council runs a number of schemes across the district for water supply, stormwater and wastewater. Growth related capital expenditure improvements will generally have benefits mainly related to those people connected to that system. For this reason, development contributions for water, stormwater and sewerage are collected on the basis of defined catchments (planning areas). Only those lots or developments or service connections that are located within those catchments that will benefit from the works are required to pay a development contribution.

The identified catchments and their census area unit (CAU) equivalents are noted below.

Table 3: Catchments of benefit and Census Area Units (CAUs)

Project Catchments	CAUs
Whakatāne Sewerage Treatment and Reticulation	Allandale-Mokorua; Trident; Whakatāne North; Whakatāne West; Coastlands; and Huna/Shaw Road (Non CAU catchment – subset of Orini CAU).
Whakatāne Water treatment and reticulation (Whakatāne, Ōhope, Piripai, Huna/Shaw Road, Mill Road)	Allandale-Mokorua; Trident; Whakatāne North; Whakatāne West, Coastlands, Ōhope, Maraetōtara; Huna/Shaw Road (Non CAU catchment – subset of Orini CAU).
Whakatāne Sewerage (Mill Road)	Non CAU catchment – subset of Orini CAU
Whakatāne Water and Sewerage (Huna/Shaw Road)	Non CAU catchment – subset of Orini CAU
Whakatāne Water and Sewerage Reticulation (Piripai)	Non CAU catchment – subset of Coastlands CAU.
Whakatāne Stormwater (South of Whakatāne River)	Allandale-Mokorua; Trident; Whakatāne North; Whakatāne West.
Matatā Sewerage treatment and reticulation	Matatā CAU



### **7.3 The period over which benefits are expected to occur**

It is expected that the benefits of the capital works projects identified, some of which are already available to the District, may extend beyond the 10 year timeframe used according to the life of the particular asset built. The cost recovery timeframe is set for reasons of fiscal prudence. This approach helps manage the significant financial risks faced by Council in creating infrastructure in anticipation of growth, and is a fair balance of developer and wider community interests.

For some projects which will exclusively benefit new developments in a defined catchment, cost recovery is made across the whole development, and the timeframe for recovery will be set by the timeframe of completion of the development in the catchment.

While the 10 year timeframe is the basis of capital expenditure forecasting information held by the Council, growth rates longer than 10 years have been used where the currently proposed District Plan and household growth figures suggest not all anticipated growth will be realised within the next ten years. These areas are:

- a) Huna/Shaw new residential zone – Assuming this zone is confirmed through the District Plan review process, then development is likely to occur over the next 20 years;
- b) Piripai – sufficient land exists in this location to satisfy current household growth for the next 30 years or more;
- c) Mill Road Industrial land – land development in this location is likely to occur over a 20 year timeframe.
- d) Matatā – Assuming the sewage scheme for Matatā is granted resource consent, growth is anticipated over a 20 year timeframe.

### **7.4 The extent to which an exacerbator can be identified**

The need to install new capacity in Council-provided networks is caused by those undertaking subdivision, development or connection to a service in the district resulting in the creation of new household equivalent units. Accordingly, it is appropriate for the costs of installing additional capacity to be passed on through development contributions, payable by developers on the granting of resource or building consent or an application for a service connection.

The degree to which a development exacerbates a need for new assets or increased capacity can depend on its function. The Council will charge development contributions for residential development, in the identified catchment area. This recognises the increased pressure put on Council water, stormwater and sewerage schemes as a result of more people living in an area. Commercial development or subdivision for permanent or visitor accommodation (such as motels, hotels and retirement villages) will similarly be charged development contributions, due to the nature of the land use.

Non-residential development and subdivision will generally not be charged development contributions, except in the case of the Mill Road catchment area. This is due to the fact that the assets and works programmes for this area are primarily designed to service the industrial and commercial activity in this area. Other industrial and commercial areas are already serviced.

## **7.5 The costs, benefits and overall impact**

Development in the district will place a strain on the capacity of network infrastructure (such as water supply, stormwater and sewerage), if it is not well managed. The challenge is to put in place a transparent, consistent, and equitable basis for requiring contributions in order that those undertaking developments pay a fair share of the required growth capital expenditure without inhibiting growth.

Those undertaking developments, the Council, and the community benefit from growth, and the cost of growth needs to be fairly balanced given the limited sources of funding available to the Council.

If development contributions are not taken from developments, then either the Council will not be able to provide the necessary community facilities for new demand, or more revenue will need to come from other funding sources, most probably rates. The latter scenario means that existing ratepayers meet the costs for growth capacity for new development. This situation does not necessarily align with the Council's funding philosophy, given that the exacerbaters and high level of private benefit can be identified. However, the Council also recognises that development contributions fall on those developing land at a time of high cost through land development or construction costs. Therefore, the Council has been mindful to recognise that new development can bring wider economic, social and cultural benefits to the district over time, and that this benefit can outweigh the initial cost of a development contribution.

The Council considers that requiring an appropriate level of development contributions from development applied alongside other funding tools, is the best overall solution in achieving the community outcomes, while balancing the costs and benefits in terms of funding between the community, the Council, and those undertaking developments.

The benefits of collecting development contributions are expected to outweigh the administrative costs of collection.

The Development Contributions Policy will provide certainty about the sources and levels of funding for the costs of growth, and continue to ensure the sustainable development of the district as a whole, without negatively impacting on growth.

## **8.0 SCHEDULE TO DEVELOPMENT CONTRIBUTIONS POLICY**

The following is the Schedule to the Development Contributions Policy that is required under Sections 201(2) and 202 of the LGA. The Schedule specifies, in summary form where required:

- a) Statement on Goods and Services Tax.
- b) Explanation of units of demand.
- c) The event that will give rise to a requirement for a development contribution (resource consent, building consent or authorisation for service connection).
- d) The development contributions required from development for capital expenditure for growth for water, stormwater, and sewerage.
- e) The basis on which the value of additional allotments or land is assessed for reserves.

## 8.1 Requirement for Development Contributions

Section 197 of the LGA defines “development” as:

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

A development contribution may be required in relation to a “development” when:

- a) The effect of that “development” is to require new or additional assets or assets of increased capacity;
- b) The Council incurs capital expenditure to provide appropriately for those assets; and
- c) This policy provides for it to be required.

The “effect” of a development, in terms of impact on these assets, includes the cumulative effect that a development may have in combination with another development.

The Policy also enables Council to require a development contribution that pays, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

The Council will not require a development contribution if:

- a) Under s108(2)(a) of the Resource Management Act 1991, it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- b) The developer will fund or otherwise provide for the same reserve network infrastructure, or community infrastructure; or
- c) It has received, or will receive, full funding from a third party.

Development contributions will be required from new development in the form of money or land or both, at the Council’s discretion, for capital expenditure required for new or additional assets or assets of increased capacity arising from that development (or that development in combination with other development) for network infrastructure, community infrastructure and reserves according to the calculation of development contributions specified in 8.7.

Financial contributions under a policy in the District Plan for subdivision or land use of a site will still apply since these charges relate to environmental effects and will only be charged for effects not already anticipated by this policy.

The requirement for a development contribution is subject to the credits and review procedure provided for in section 9 of this policy.

Generally, the maximum level of development contributions will be required on development over and above that existing at the time of an application, where additional units of demand are generated, as assessed by the Council according to section 8.7 of this policy.

Under this policy, development contributions can be assessed with the applicant before the lodgement of a resource consent, building consent or service connection application. However, in the absence of an applicant seeking this assessment before the lodgement of an application, the Council will assess the quantity of the development contribution once it has received the

relevant application and will include that assessment with the decision for resource consent or the issuing of the building consent or the granting of a service connection.

## **8.2 Capital expenditure and cost inflation**

All costs from projects in the ten-year plan used in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2015 dollar terms.

The value of the development contribution will be inflation adjusted in accordance with the BERL adjustors in time for each financial year.

## **8.3 Statement on Goods and Services Tax (GST)**

The amounts in this development contributions policy are exclusive of GST.

Development contributions will be required inclusive of GST.

## **8.4 Units of demand**

The Council has apportioned the cost of capital works projects between renewal, additional capacity/growth and improved level of service. The additional capacity/growth component of capital expenditure has been allocated to growth on the basis of units of demand generated by new development only.

Growth assumptions provide an estimate of potential Household Equivalent Units (HEUs). The number of HEU's provides the base unit of demand for cost recovery across the district.

The total estimated HEUs for the Whakatāne District over the next ten years is based on the average household growth rate over the period 2001 to 2013, with emphasis on the last 7 years, based on CAU's from Statistics New Zealand, with verification of demand and capacity to accommodate demand having regard to:

- a) Previous demand for new dwellings and other forms of residential accommodation;
- b) Infill potential (including the potential for an increase in density of residential development by the construction of apartment complexes and similar forms of higher density residential development);
- c) Land zoned for a residential purpose or that could be potentially used for a household unit that can be subdivided;
- d) Vacant lots that have been subdivided;
- e) New growth areas as defined in the Proposed Whakatāne District Plan.

The unit of demand is the Housing Equivalent Unit (HEU), calculated as follows:

- a) For green-field residential development, a contribution per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and because lot size is not considered to have a material impact on demand.
- b) For an infill residential development, one HEU is assessed as one household unit as defined in this policy.

- c) For industrial and/or commercial use in the Mill Road area, demand for network infrastructure will be applied based on a Household Equivalent Unit calculated by reference to the Whakatāne District Council Engineering Code of Practice 2008. Chapter 5 provides a basis to compare industrial flow demand from light, medium and heavy industrial unit, and compare it to a domestic flow. Based on this analysis, demand from a domestic flow is on average 0.1 litres/second/hectare. A factor of 4 will be applied to align with the Engineering Code of Practice requiring a minimum design flow for light industry of 0.4 litres/second/hectare.
- d) For household units that are 75m<sup>2</sup> in gross floor area or less, the HEU shall be reduced based on the actual gross floor of the proposed household as a percentage of 75m<sup>2</sup>. For example, a household unit of 60m<sup>2</sup> in gross floor area will be assessed as 0.8 of an HEU, being 80% of the size of a 75m<sup>2</sup> household unit.

Based on the Statistics New Zealand data from 2001 to 2013, and estimated growth in new residential zoned or serviced, or industrial serviced areas, HEU figures have been estimated for 2015 - 2025 (10 years) as follows:

- a) Whakatāne (South of the river) – 220 HEU's in 10 years.
- b) Whakatāne (North and south of the river) – 325 HEU's in 10 years. Note: this excludes the Huna/Shaw Road and Mill Road catchments.
- c) Ōhope – 85 HEU's in ten years.
- d) Coastlands/Piripai – 105 HEU's in 10 years; 650 in 30 or more years.
- e) Mill Road – 20 lots or new development or service connections in next ten years; 40 in 20 years. This will provide 20 HEU's for water and 80 HEU's for wastewater over 20 years.
- f) Huna/Shaw Road – 100 HEU's in 10 years; 200 HEU's in 20 years.
- g) Matatā - 45 HEU's in 10 years; 93 in 20 years.

Catchments of benefit, primarily for water, sewerage and stormwater assets, have been identified, and growth HEUs for these catchments have been identified based on analysis by Census Area Unit. The identified catchments are noted in Section 8.7 (Calculation of Development Contributions).

Non-residential growth HEUs and their distribution are taken into account when calculating the number of HEUs over which cost recovery will be spread. The following non-residential growth HEU estimates for Mill Road industrial and commercial land were estimated based on the pattern of subdivision that has occurred in the area recently characterised by larger lot sizes than the zone provisions provide for, ranging from 3,000 to 6,000m<sup>2</sup> in area.

## 8.5 Household Equivalent Conversion Factors

For water, sewerage and stormwater services, residential and non-residential growth data has been used to assess the ten-year demand growth in HEU terms for each catchment and varies according to location.

Units of demand will be reviewed when the policy is reviewed. The Council has prepared the following conversion factors for different land use types as follows:

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Table 4: Units of Demand Applicable To Different Land Use and Subdivision Types

ACTIVITY	HEU CONVERSION FACTORS
<b>Subdivision or Service Connection</b>	
One residential lot	1.0 HEU
One industrial or commercial lot	4.0 HEU
<b>Development</b>	
One household unit - more than 75m <sup>2</sup> in gross floor area.	1.0 HEU per unit
One household unit of 75m <sup>2</sup> in gross floor area or less	Actual floor area as a percentage of 75m <sup>2</sup> . For example, 60m <sup>2</sup> /75m <sup>2</sup> is 80% or 0.8 HEU
One visitor unit of accommodation (excluding backpackers). For example, motel, hotel units.	0.6 HEU per unit.
Backpackers	0.6 HEU per 5 guest beds available
Industrial or commercial development	4.0 HEU

## 8.6 Timing

The event that will give rise to the **assessment** of a development contribution is, at Council's discretion, the earlier of:

- a) The granting of a resource consent under the Resource Management Act 1991; or
- b) The granting of a building consent under the Building Act 2004 for building work situated in the Whakatāne District; or
- c) The granting of an authorisation for a service connection.

Where payment is not made within twelve months of the date of the assessment of a development contribution, the amount of the development contribution will be reassessed in accordance with the latest contributions policy.

The event that will give rise to the requirement for **payment** of the assessed development contribution is, at Council's discretion, the earlier of:

- a) The granting of a building consent for the development;
- b) The granting of an authorisation of a service connection;
- c) A resource consent (land use) has been given effect to;

- d) The signing of a section 224(c) certificate under the Resource Management Act 1991 for a subdivision;

## 8.7 Calculation of Development Contributions Required from Development or Subdivision

Where

- DC = Development contributions payable.
- A = The applicable rate of development contribution as specified in Tables 5 to 7 below.
- B = The total units of demand for the site or total units of demand for the development, whichever is greater.

The total development contribution payable (DC) will be the Development Contributions Rate per HEU (A) times the Total HEUs for development (B)

### 8.7.1 Water

The development contributions payable for water will be calculated by:

$$DC = A \times B$$

Table 5: Development contributions for water

Catchment	Cost of Capital Works Projects	Growth Component of Capital Works Projects	Number of HEUs	Development Contributions Rate Per HEU
Whakatane (All)	\$3,060,000	\$102,140	430	\$237.53
Whakatāne (Huna/ Shaw Road)	\$300,000	\$294,000	200	\$1,470.00
Whakatāne (Piripai)	\$500,000	\$490,000	650	\$753.85

The dollar figure in the “Development Contributions Rate per HEU” column is the rate of development contribution required for water on a catchment basis applicable to the development as listed in Table 5. To determine if a site or development falls within the planning areas listed in the table above refer to Appendix A (Catchments).

Refer also to Table 4: Units of Demand Applicable to Different Land Use and Subdivision Types for the unit of demand.

Development contributions for water will not be required where:

- There is no connection to the Council’s water service and the development can proceed without this connection; or
- The applicant is required to complete or has elected to complete works to provide water to serve their development to an equivalent standard compliant with any relevant Act, regulation or District Plan rule.



### 8.7.2 Stormwater

The development contributions payable for stormwater will be calculated by:

$$DC = A \times B$$

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Table 6: Development contributions for stormwater

Catchment	Cost of Capital Works Projects	Growth Component of Capital Works Projects	Number of HEUs	Development Contributions Rate Per HEU
Whakatāne (Allandale-Mokorua; Trident; Whakatāne North; Whakatāne West)	\$4,650,000	\$255,200	220	\$1,160.00

The dollar figure in the “Development Contributions Rate per HEU” column is the rate of development contribution required for stormwater on a catchment basis applicable to the development as listed in Table 6. To determine if a site or development falls within the planning areas listed in the table above refer to Appendix A.

Refer also to Table 4: Units of Demand Applicable to Different Land Use and Subdivision Types for the unit of demand.

**Note:** A development contribution for stormwater is required by all developments and subdivisions as defined in the planning areas shown in Appendix A.

### 8.7.3 Wastewater treatment and disposal

The development contributions payable for sewerage will be calculated by:

$$DC = A \times B$$

Table 7: Development Contributions for Wastewater Treatment and Disposal

Catchment	Cost of Capital Works Projects	Growth Component of Capital Works Projects	Number of HEUs	Development Contributions Rate Per HEU
Whakatāne (All)	\$1,500,000	\$105,000	505	\$207.92
Whakatāne (All -Historic)	\$2,289,012	\$228,901	505	\$453.27
Whakatāne (Huna/Shaw Road)	\$550,000	\$539,000	200	\$2,695.00
Whakatāne (Piripai - Historic)	\$761,442	\$746,213	650	\$1,148.02
Whakatāne (Mill Road)	\$800,000	\$240,000	40 lots/service connections providing 160 HEU's	\$1,500 per HEU or \$6,000 per lot/ new development on a lot, or service connection

Matatā	\$5,565,300	\$139,132	93	\$1,496.04
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The dollar figure in the “Development Contributions Rate per HEU” column is the rate of development contribution required for sewerage on a catchment basis applicable to the development as listed in Table 7. To determine if a site or development falls within the catchment listed in the table above refer to Appendix A.

Refer also to Table 4: Units of Demand Applicable to Different Land Use and Subdivision Types for the unit of demand.

Development contributions for sewerage will not be required where:

- a) There is no connection to the Council’s sewerage service and the development can proceed without this connection; or
- b) The applicant is required to complete or has elected to complete works to provide sewage facilities to serve their development to an equivalent standard compliant with any relevant Act, regulation or District Plan rule.

### **8.8 Total Fees per HEU by Location**

Table 8 shows the total development contribution payable per HEU in the first three years of the policy. These contributions cover growth related capital expenditure listed in the LTP and historic capital expenditure incurred in anticipation of growth.

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Table 8: Total development contribution fees by location:

	Whakatane					Ohope	Matata
	Whakatāne – South of the Whakatane River	Whakatāne - North of River (excluding Piripai, Huna Road/Shaw Road and Mill Road catchments)	Piripai	Huna/Shaw Road	Mill Road	Ohope; Maraetotara (including Otarawairere)	Matata
Water	\$237.53	\$237.53	\$991.38	\$1,707.53	\$237.53	\$237.53	-
Stormwater	\$1,160.00	-	-	-	-	-	-
Wastewater	\$661.19	\$661.19	\$1,809.21	\$3,356.19	\$6,000.00 (\$1,500 per HEU x 4)	-	\$1,496.04
<b>Total Contribution</b>	<b>\$2,058.72</b>	<b>\$898.72</b>	<b>\$2,800.59</b>	<b>\$5,063.72</b>	<b>\$6,237.53 per lot/ new development on lot or service connection</b>	<b>\$237.53</b>	<b>\$1,496.04</b>

## **9.0 CREDITS**

Credits towards the requirement for development contributions will be considered by the Council on a case-by-case basis. There are two types of credits:

### **9.1 Credits that recognise previous contributions**

In awarding such credits, Council must take into account:

- a) The level of legally established existing development on the site or that occurred within the previous 5 years where the site is “between uses”. Where multiple existing uses are established the Council will have regard to the intensity of those uses in determining the level of credit to be given.
- b) Monies paid and/or works undertaken and/or land set aside by prior:
  - i. Financial contributions taken from a development under the District Plan for capital expenditure for growth for water, stormwater or wastewater.
  - ii. Developer agreements with the Council.
  - iii. Development contributions paid or land vested.
- c) Written confirmation of any other formally acknowledged credit given by the Council towards future development of a site.

### **9.2 Credits acknowledging historical demand on the site.**

In awarding such credits, Council must take into account:

- a) Where a subdivision is developed (e.g. a vacant lot is built upon) or an existing lot is further subdivided full credit will be given for the deemed existing use rights of the parent lot.
- b) For residential subdivisions (where the balance lot remains residential) the existing lot has a historic credit equal to 1 HEU developed in the catchment.
- c) Historical credits for properties will be calculated based on present day catchments and in terms of present day assessment methodology.
- d) Where a building has been relocated from one site to another, the title holder of the property will be given a credit of the relevant value of development contribution for the site or lot where the building was formerly sited and be required to pay a development contribution of the relevant value for the site or lot where the building will be moved to.

Credits will be associated with the existing title and calculated and assigned on a per activity basis. Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of five years.

Any excess historical credits that are identified for any other reason other than amalgamation such as through subdivision of a parent lot will not accrue on an individual title.

Generally, development contributions will be required on development over and above that existing at the time of an application, creating additional units of demand, assessed by the Council according to section 8.7 of this policy.

Any credit given for a contribution paid in the past that exceeds the amount of the contribution payable under this policy cannot be credited towards other types of contributions that are otherwise payable. For example, a credit for water supply contributions paid in the past for a site cannot be used as a credit towards stormwater.

Where a development will result in a lesser number of units of demand than that exist in the site at the time of application, the credit will remain with the site for a period of 5 years and will not be payable to the applicant by the Council.

The units of demand applicable in the calculation of a development contribution required on a development shall be assessed by the Council at the time of application for the necessary consents or service connection, and may be re-adjusted prior to the issue of a section 224 Resource Management Act 1991 certificate in the case of subdivision, or prior to the commencement of a resource consent, the issue of a code compliance certificate under the Building Act or a service connection as applicable, in the case of a development. This is to allow for units of demand for which development contributions may have previously been paid over and above credits provided for in this policy. That is, adjustment will be made by the Council in its assessment to avoid potential double counting of development contributions required on the development.

## **10.0 RECONSIDERATION PROCESS**

An applicant may formally request the Council reconsider the development contributions required on the development concerned, under section 199A of the LGA.

The applicant must have grounds to believe that—

- a) The development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- b) The territorial authority incorrectly applied its development contributions policy; or
- c) 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.

Any such request shall be made by notice in writing to the Council within 10 working days after the Council has advised in writing that development contributions are required on the development. The request shall set out the reasons for reconsideration.

## **11.0 OBJECTIONS**

An applicant may formally object to the assessed amount of development contributions required, under section 199C, of the Local Government Act 2002. The objection will be heard by Development Contributions Commissioners.

The applicant must lodge the objection, by serving notice of the objection to the Council within 15 working days of having been advised in writing by the Council that development contributions are required on the development or the outcome of a reconsideration process.

## **12.0 REFUNDS**

Sections 209 and 210 of the LGA apply to refunds of development contributions paid to Council, where:

- a) Resource consents lapse or are surrendered; or
- b) Building consents lapse; or
- c) The development or building does not proceed; or
- d) The Council does not spend the money to provide the growth infrastructure for which the development contribution was required; or
- e) Previous overpayment has been made (for whatever reason).

The development contribution will be refunded to the registered titleholders of the subject allotment as at the date of the refund assessment.

## **13.0 ENFORCEMENT**

Where payment is not received, the Council will, as relevant:

- a) Withhold a certificate under section 224(c) of the Resource Management Act 1991;
- b) Prevent commencement of a resource consent under the Resource Management Act 1991;
- c) Withhold a code of compliance certificate under section 95 of the Building Act 2004;
- d) Withhold a certificate of acceptance under section 99 of the Building Act 2004;
- e) Withhold a service connection to the development
- f) Register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the affected land.

## **14.0 METHODOLOGY**

The full methodology which demonstrates how the calculations for development contributions are made is set out in this policy.

## **15.0 SIGNIFICANT ASSUMPTIONS**

Significant assumptions underlying the calculation of the Schedule to the Development Contributions Policy (section 8.7) are as follows:

**Best available information** - Capital expenditure costs are based on the best available information at the time of preparation and largely represent a “rough order of costs” rather than specific estimates. In most cases, a percentage estimate of the increase in household units over the next ten years (or longer) has been used to determine the capital expenditure required for growth.

**Growth assumptions** - Growth assumptions underpinning this policy are based on Statistics New Zealand Census data from 2013. Estimates of future growth rates have largely been based on extrapolations from this data source.

New households and other forms of residential accommodation are a proxy for “growth”.

In the case of Mill Road industrial development, an assumption has been made about the likely pattern of subdivision that could occur there, that is less intensive than that provided by the District Plan rules. In this case, an estimate of the number of new lots is based on an assumption that lot sizes will typically range from 3,000m<sup>2</sup> to 6,000m<sup>2</sup> in area, with limited intensification of existing lots that are about this size. This reflects the actual pattern of subdivision that has occurred over the last five years.

For growth areas, the Proposed Whakatāne District Plan has been relied upon (based on the Integrated Urban Growth Strategy for Whakatāne and Ōhope). Until the District Plan is operative or appeals in relation to new growth areas have been resolved, there is uncertainty about the zoning of the Huna and Shaw Road area that could affect anticipated yields and timing of development and therefore the timing of planned capital expenditure. There are outstanding Environment Court appeals that may affect development opportunities (and therefore the estimated yield) for land within the Piripai catchment, and in relation to the proposed Matatā Wastewater scheme.

**Planning horizon** - A 10 year timeframe is used as a basis for forecasting growth, planning growth infrastructure provision and applying a development contribution. However, it is most unlikely that the capacity for growth in the identified catchments will be realised in 10 years. In cases where it is reasonable to assume growth capacity over a longer timeframe, then this longer period has been used.

**Estimates of growth related capital expenditure** - The Council has to assume that its planned growth related capital expenditure will be undertaken. This is a realistic assumption, given that the Council has planned its capital expenditure in accordance with statutory processes.

**Growth affordability** - Council assumes that managed growth within Whakatāne is affordable and that the Council’s share, for example contributions to trunk services, is able to be financed predominantly through capital expenditure, supported by development contributions in parallel with the Council’s core business and other projects.

**Community facilities built in anticipation of growth** - The Council’s policy on development contributions for development will include consistent and equitable contributions towards the impact of growth on existing community facilities, that is, water, stormwater and sewerage, built in anticipation of growth.

#### **Financial and administrative assumptions**



- a) All costs from projects in the ten-year plan used in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2014/15 dollar terms with inflation of all capital costs over the period using cost inflation factors supplied by BERL.
- b) That the income generated from rates will be sufficient to meet the operating costs of capital expenditure into the future.
- c) Operating expenditure will be allocated according to the Council's Revenue and Financing Policy.
- d) That there will be an impact from the capital expenditure on operating expenditure and an allowance has been made for this based on the type of asset.
- e) That the adopted methods of service delivery will remain substantially unchanged.

## **16.0 KEY RISKS**

The financial risks to Council are:

- a) That the growth assumptions are not met resulting in delayed development and delayed development contributions revenue. If this is the case, Council faces increased holding costs.
- b) That there is a lag between expenditure being incurred by the Council and contributions received from those undertaking developments.
- c) That the capital expenditures exceed those forecast.
- d) Finalisation of the District Plan and Environment Court decisions may affect the assumptions and outcomes relied upon to develop this policy.

## **17.0 POLICY REVIEW**

The Whakatāne District Council will review the implementation of the development contributions policy on an annual basis, through monitoring the actual uptake of building consents for dwellings, and commercial and industrial activities and the creation of allotments by subdivision to ensure that the estimates of the units of demand are accurate. The review process will be reported to the Council each year, where a decision will be made whether to change the policy under the provisions of the Local Government Act.

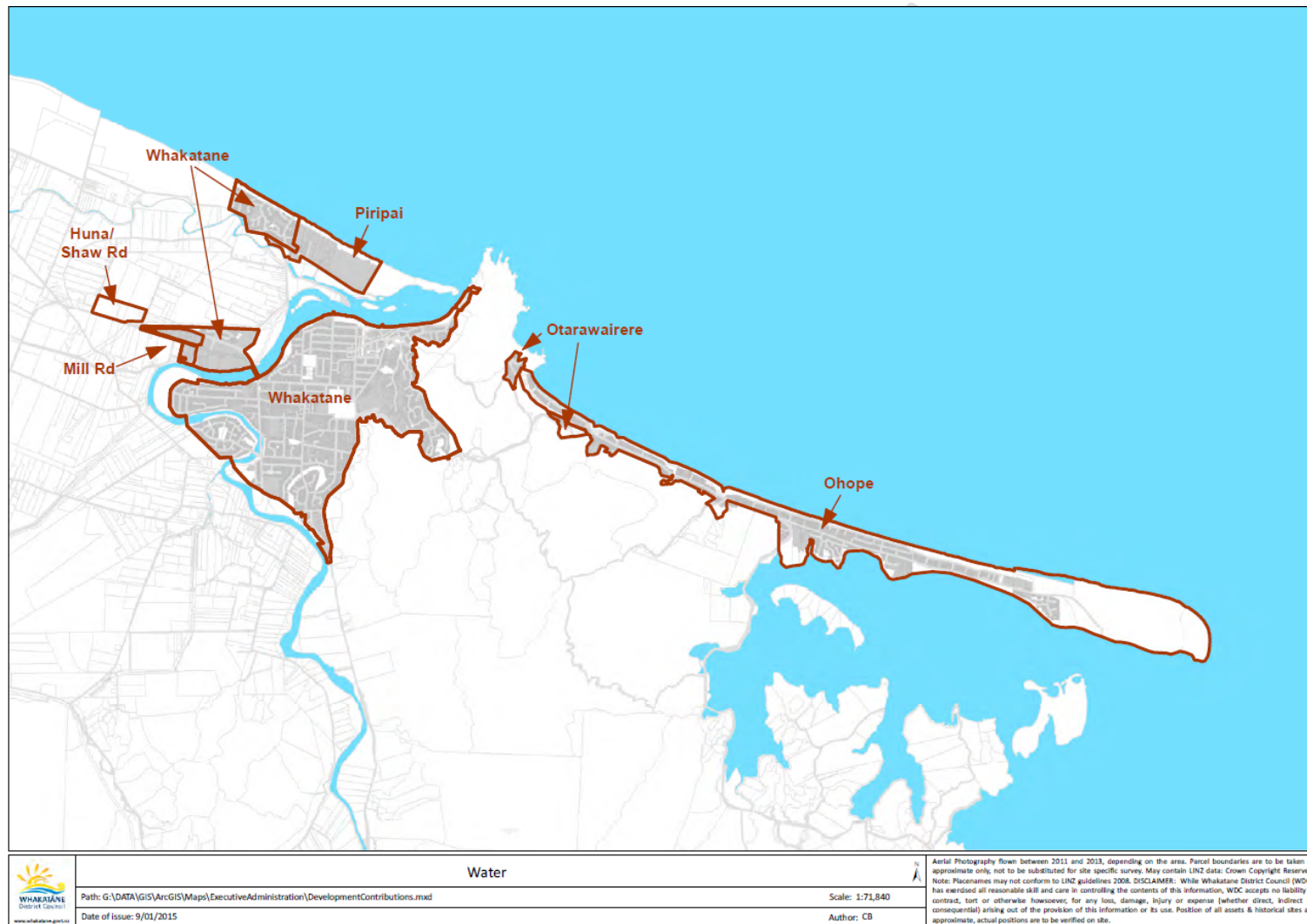
## **APPENDIX A: CATCHMENTS**

The following maps are included within this appendix:

1. Water – Whakatāne, Piripai, Huna/Shaw Road, Mill Road, Ōhope and Ōtarawairere catchments.
2. Sewerage - Whakatāne, Piripai, Huna/Shaw Road and Mill Road catchments.
3. Stormwater - Whakatāne (South of the River) catchment.
4. Sewerage – Matatā catchment.


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**Water – Whakatāne, Piripai, Huna/Shaw Road, Mill Road, Ōhope and Ōtarawairere catchments.**



Sewerage - Whakatāne, Piripai, Huna/Shaw Road and Mill Road catchments.



 <p>WHAKATANE District Council www.whakatane.govt.nz</p>	<p style="text-align: center;"><b>Sewerage</b></p> <p>Path: G:\DATA\GIS\ArcGIS\Waps\ExecutiveAdministration\DevelopmentContributions.mxd</p> <p>Date of issue: 9/01/2015</p> <p style="text-align: right;">Scale: 1:35,195 Author: CB</p>	<p><small>Aerial Photography flown between 2011 and 2013, depending on the area. Parcel boundaries are to be taken as approximate only, not to be substituted for site specific survey. May contain LINZ data: Crown Copyright Reserved Note: Place names may not conform to LINZ guidelines 2008. DISCLAIMER: While Whakatane District Council (WDC) has exercised all reasonable skill and care in controlling the contents of this information, WDC accepts no liability in contract, tort or otherwise howsoever, for any loss, damage, injury or expense (whether direct, indirect or consequential) arising out of the provision of this information or its use. Position of all assets &amp; historical sites are approximate, actual positions are to be verified on site.</small></p>
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### Stormwater - Whakatāne (South of the River) catchment



Path: G:\DATA\GIS\Map\ExecutiveAdministration\DevelopmentContributions.mxd  
Date of issue: 9/01/2015


Stormwater

Scale: 1:26,817  
Author: CB

Aerial Photography flown between 2011 and 2013, depending on the area. Parcel boundaries are to be taken as approximate only, not to be substituted for site specific survey. May contain LINZ data: Crown Copyright Reserved  
Note: Placenames may not conform to LINZ guidelines 2008. DISCLAIMER: While Whakatāne District Council (WDC), has exercised all reasonable skill and care in controlling the contents of this information, WDC accepts no liability in contract, tort or otherwise howsoever, for any loss, damage, injury or expense (whether direct, indirect or consequential) arising out of the provision of this information or its use. Position of all assets & historical sites are approximate, actual positions are to be verified on site.

Sewerage – Matatā catchment



	<p style="text-align: center;"><b>Wastewater</b></p> <p>Path: G:\DATA\GIS\ArcGIS\Maps\ExecutiveAdministration\DevelopmentContributions.mxd</p> <p>Date of issue: 9/01/2015</p>	<p>Scale: 1:13,147</p> <p>Author: CB</p>	<p>Aerial Photography flown between 2011 and 2013, depending on the area. Parcel boundaries are to be taken as approximate only, not to be substituted for site specific survey. May contain LINZ data. Crown Copyright Reserved</p> <p>Note: Placenames may not conform to LINZ guidelines 2008. DISCLAIMER: While Whakatane District Council (WDC), has exercised all reasonable skill and care in controlling the contents of this information, WDC accepts no liability in contract, tort or otherwise howsoever, for any loss, damage, injury or expense (whether direct, indirect or consequential) arising out of the provision of this information or its use. Position of all assets &amp; historical sites are approximate, actual positions are to be verified on site.</p>
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## APPENDIX B: DEFINITIONS

Definitions	
<b>Activity</b>	<p>Has the same meaning set out in section 5 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“5 Interpretation</p> <p>(1) In this Act, unless the context otherwise requires;</p> <p>activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation;</p> <p>and includes;</p> <p>(a) the provision of facilities and amenities; and</p> <p>(b) the making of grants; and</p> <p>(c) the performance of regulatory and other governmental functions</p>
<b>Backpackers</b>	<p>Means temporary shared accommodation in a hostel or lodge where the emphasis is on the active travelling experience, facilitating cultural and social interaction for likeminded guests. Most offer a mixture of dormitories, double, twin and single rooms. Some rooms may include linen; otherwise they can be hired. Some rooms may also have TVs, refrigerators, tea and coffee and storage facilities. Facilities such as kitchens, bathrooms, lounges and laundries are usually shared, although private and ensuite bathrooms are sometimes available. Properties range from small converted houses to large hotel-like establishments.</p> <p>For clarity, the area used for permanent accommodation by the Manager(s) is considered to be a separate household unit for the purposes of this policy, and does not fall within this definition.</p>
<b>Commercial development</b>	<p>A development, which is not defined as an industrial activity, whose primary purpose is for commercial gain or any other professional activity not operated principally for commercial gain or place of public assembly. It includes retailing, professional offices, banks and other service providers, social service providers, commercial recreational facilities, administrative uses, visitor accommodation, churches, Marae, technological activities and sorting activities, but excludes accessory buildings directly related to primary production on the land, including agriculture, pastoral, horticultural and forestry production.</p>

Definitions	
<b>Community infrastructure</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“197 Interpretation</p> <p>In this subpart,-</p> <p>community infrastructure means:</p> <p>(a) land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and</p> <p>(b) includes land that the territorial authority will acquire for that purpose”</p>
<b>Development</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“197 Interpretation</p> <p>In this subpart,-</p> <p>development means:</p> <p>(a) any subdivision or other development that generates a demand for reserves, network infrastructure or community infrastructure; but</p> <p>(b) does not include the pipes or lines of a network utility operator”</p>
<b>Development contribution</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“197 Interpretation</p> <p>In this subpart,-</p> <p>development contribution means a contribution:</p> <p>provided for in a development contribution policy included in the long-term council community plan of a territorial authority; and</p> <p>(b) calculated in accordance with the methodology; and</p> <p>(c) comprising-</p> <p>(i) money; or</p> <p>(ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding</p> <p style="padding-left: 40px;">Māori land within the meaning of Te Ture Whenua Act 1993, unless that Act provides otherwise; or</p> <p>(iii) both”</p>



Definitions	
<b>Development Contribution Policy</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“197 Interpretation</p> <p>In this subpart,-</p> <p>development contribution policy means:</p> <p>the policy on development contributions included in the long-term council community plan of the territorial authority under section 102(4)(d).</p>
<b>Goods and Services Tax (GST)</b>	Means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.
<b>Hosted</b>	<p>Means temporary accommodation in a bed and breakfast, farm or home stay, guest house, boutique lodge, inn, country hotel, and similar establishments providing “home-like” or “character” accommodation for a temporary period of time. There is normally an emphasis on personal interaction between the guest and the host. Kitchen/cooking facilities are not usually provided, although some properties may offer self-contained cottages. Depending on the style of the property, bedrooms may include tea and coffee making facilities, TV and a phone. Lounge facilities are usually shared with the hosts and/or other guests. Bathrooms may be ensuite, private or shared. Breakfast is usually provided and is usually part of an all-inclusive tariff.</p> <p>For clarity, the area used for permanent accommodation by the host(s) is considered to be a separate household unit for the purposes of this policy, and does not fall within this definition.</p>
<b>Hotel</b>	Means temporary accommodation in an establishment with at least one licensed bar and restaurant on the premises (or adjacent) with charge back facilities. All rooms have tea and coffee making facilities and there is on-site management at all times. All provide breakfast whether in a restaurant or breakfast room, or via room service. Some hotels have conferences and banqueting facilities. A standard room usually has one room for both sleeping and living, with an ensuite bathroom. A suite will usually have a living room and at least one separate bedroom and possible a mini kitchen. Hotel apartments usually have both mini kitchens and laundry facilities.
<b>Household unit</b>	A building or part of a building intended to be used as an independent residence, with a kitchen sink, a toilet and a shower or bath (or plumbing for these facilities). It includes any apartment, semi-detached or detached dwelling, townhouse, retirement unit, dwelling unit, flat or home unit.

Definitions	
<b>Industrial development</b>	A development whose primary purpose is to produce goods by manufacturing, processing, assembling or packaging, or dismantling, servicing, testing, repair, cleaning, painting, storage, and/or warehousing of any materials, goods or products, vehicles or equipment, and includes transportation activities, depots, engineering workshops, panel beaters, spray painters, the milling or processing of timber and offensive trades.
<b>Lot</b>	<p>A parcel of land held in a separate certificate of title (or two or more titles required to be held in one ownership) but does not include a parcel of land which has been or may be disposed of separately as a public reserve or for other public purposes or which is to be amalgamated with adjoining land.</p> <p>In the case of land subdivided under the cross-lease or company lease systems (other than strata titles), lot shall mean an area of land containing:</p> <p>(a) A building or buildings for residential or business purposes with any accessory building, plus any land exclusively  restricted to the users of that building, or</p> <p>A remaining share or shares in the fee simple creating a vacant part of the whole for future cross-lease or company  lease purposes.</p> <p>In the case of land subdivided under the Unit Titles Act 1972 (other than strata titles), lot shall mean an area of land containing a principal unit or proposed unit on a unit plan together with its accessory units, and an area of land being equivalent to the total land title area divided by the number of principal units located thereon.</p> <p>In the case of strata titles, site shall mean the underlying Certificate(s) of Title immediately prior to subdivision.</p>
<b>Mixed use</b>	A development or a lot created for a development that combines commercial and industrial development, but not a household unit.

Definitions	
<b>Motel</b>	<p>Means temporary, self contained and serviced accommodation and includes motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages. Units are usually serviced daily or as otherwise agreed with the guest, and are self contained providing at least tea and coffee making facilities and a private or ensuite bathroom. Frequently, cooking facilities (microwave and/or range) are provided within the accommodation so guests can prepare their own meals independently. Milk, tea, coffee and sugar are supplied for guests' immediate use. Off-street carparking and all bedding and linen are provided. Communal laundry facilities are available and some units may have their own laundry facilities. Units may have TV's, phone, iron and modem for computer use. At extra cost, breakfasts can usually be ordered the night before. There is a responsible person constantly in charge on site. A studio has one room for both living and sleeping. Other units can have one or more separate bedrooms.</p> <p>For clarity, the area used for permanent accommodation by the Motel Manager(s) is considered to be a separate household unit for the purposes of this policy, and does not fall within this definition.</p>
<b>Network infrastructure</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>"197 Interpretation</p> <p>In this subpart,-</p> <p>network infrastructure means:</p> <p>the provision of roads and other transport, water, Sewage, and stormwater collection and management."</p>
<b>Reserves</b>	Has the same meaning set out in section 2 of the Reserves Act 1977.
<b>Residential Lot</b>	A lot, as defined in this policy that is or will be used for a household unit or units.
<b>Roading</b>	Has the same meaning set out in section 315 of the Local Government Act 1974.
<b>Service connection</b>	<p>Has the same meaning set out in section 197 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>"197 Interpretation</p> <p>In this subpart,-</p> <p>service connection means:</p> <p>a physical connection to a service provided by, or on behalf of, a territorial authority."</p>
<b>Site Area</b>	The total area of the new and/or additional development proposed, including all buildings, structures and other areas used for car parking, access, manoeuvring areas, loading areas, outdoor storage and display areas, rubbish and waste collection areas and the like, associated with the new and/or additional development.

Definitions	
<b>Solid waste</b>	Recycling Park and refuse transfer station.
<b>Stormwater</b>	Stormwater drainage and any associated infrastructure.
<b>Units of demand</b>	<p>Means those units set out in Schedule 13 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“Schedule 13</p> <p>Methodology for calculating development contributions</p> <p><b>1 <u>Methodology for relating cost of community facilities to units of demand</u></b></p> <p>In order to calculate the maximum development contribution in respect of a community facility or an activity or group of activities for which a separate development contribution is to be required, a territorial authority must first-</p> <p>(a) identify the total cost of the capital expenditure that the local authority expects to incur in respect of the community facility, or activity or group of activities, to meet the increased demand resulting from growth within the district, or part of the district, as the case may be, as set out in the long-term council community plan in accordance with section 106(2)(a); and</p> <p>(b) identify the share of that expenditure attributable to each unit of demand, using the units of demand for the community facility or for separate activities or groups of activities, as the case may be, by which the impact of growth has been assessed.</p> <p><b>2 <u>Attribution of units of demand to developments</u></b></p> <p>For the purpose of determining in accordance with section 203(2) the maximum development contribution that may be required for a particular development or type of development, a territorial authority must demonstrate in its methodology that it has attributed units of demand to particular developments or types of development on a consistent and equitable basis.</p>
<b>Visitor accommodation</b>	Means hotel, motel, hosted, backpackers or caravan park as defined in this policy.
<b>Wastewater</b>	Means sewerage, treatment and disposal of sewage wastewater and all associated infrastructure.

Definitions	
<b>Water</b>	<p>Means Water Supply which has the same meaning set out in section 124 of the Local Government Act 2002 or any legislation substituted for the same as below:</p> <p>“124 Interpretation</p> <p>In this part,- water supply means the provision of drinking water to communities by network reticulation to the point of supply of each dwelling house and commercial premise to which drinking water is supplied.</p>

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## APPENDIX C: SCHEDULE OF ASSETS DEVELOPMENT CONTRIBUTION FUNDED

Schedule of Assets: Development Contribution Funded											
	Proposed	Historic	Total	Reserve Balance Estimate at 1 July 2015	DC to Collect	Proposed Projects – DC Funding and Total Project Cost (TPC)	Historic Projects – DC Funding and Total Project Cost (TPC)	HEU	Comments	DC Amount per HEU	Revenue Assumptions
<b>Whakatāne (All)</b>											
Stormwater	\$ 316,200	\$ -	\$ 316,200	\$ 61,000	\$ 255,200	Hinemoa PS and Pipes (\$244,800/\$3,600,000 TPC); Upgrade St Joseph PS and drain (\$71,400/\$1,050,000 TPC);		220	Whakatāne, excluding Coastlands (105 HEU's), Huna Road (100 HEU's) and Mill Road (20 HEU's). Stormwater projects benefit Whakatāne (south of river).	\$ 1,160.00	10 years to receive revenue; even receipt of revenue each year (\$25,520 per year).
Water	\$ 211,140	\$ -	\$ 211,140	\$ 109,000	\$ 102,140	Whakatāne water storage (\$211,140/\$3,060,000 TPC)		430	Whakatāne including Huns/Shaw Road (325 HEU's) and Ohope (85 HEU's), plus Mill Road (20 HEU's)	\$ 237.53	10 years to receive revenue; even receipt of revenue each year (\$10,214 per year).
Wastewater	\$ 105,000	\$ 228,901	\$ 333,901	\$ -	\$ 333,901	Emergency Storage (\$105,000/\$1,500,000 TPC)	McAllister Street PS (\$121,960/\$1,219,599 TPC); City South pumpstation storage tank (\$46,322/\$463,320 TPC); Whakatāne wastewater upgrade (\$6,309/\$63,093 TPC); Stg 1 Whak W/W plant upgrade (\$54,300/\$543,000 TPC)	505	Whakatāne including Coastlands CAU (325 HEU), Huna Road (100 HEU over 10 years) and Mill Road (80 HEU's over 10 years (factor of 4 for light industry))	\$ 661.19	10 years to receive revenue; even receipt of revenue each year (\$33,390 per year)
<b>Whakatāne (Huna Road)</b>											
Water	\$ 294,000	\$ -	\$ 294,000	\$ -	\$ 294,000	Huna Road/Shaw Road (\$294,000/\$300,000 TPC)		200	20 year timeframe	\$ 1,470.00	20 year development period. Half of income likely to be received in 2018/19 (\$147,000). Balance estimated in 2025/26.
Wastewater	\$ 539,000	\$ -	\$ 539,000	\$ -	\$ 539,000	Huna Road/ Shaw Road (\$539,000/\$550,000 TPC)		200	20 year timeframe	\$ 2,695.00	20 year development period. Half of income likely to be received in 2018/19 (\$269,500). Balance estimated in 2025/26.
<b>Whakatāne (Coastlands)</b>											
Water	\$ 490,000	\$ -	\$ 490,000	\$ -	\$ 490,000	Coastlands Link Main (\$490,000/\$500,000 TPC)		650	25 – 30 year timeframe	\$ 753.85	25 – 30 year time period (if not longer). 90 HEU's estimated in next 10 years. Revenue even per year for those 105 HEU's (\$7,315 per year), except in year 2018/19 where 50 additional HEU's associated with a retirement village may be realised (\$37,693), totalling \$44,477 in that year.
Wastewater	\$ 746,213	\$ 746,213	\$ 746,213	\$ -	\$ 746,213		Piripai W/W projects (\$746,213/\$761,442 TPC)	650	25 – 30 year timeframe	\$ 1,148.02	25 – 30 year time period (if not longer). 105 HEU's estimated in next 10 years. Revenue even per year for those 105 HEU's (\$12,065 per year), except in year 2018/19 where 50 additional HEU's associated with a retirement village may be realised (\$57,401), totalling \$67,733.18 in that year.
<b>Whakatāne (Mill Road)</b>											
Wastewater	\$ 240,000	\$ -	\$ 240,000	\$ -	\$ 240,000	Mill Road (\$240,000/\$800,000 TPC)		40 lots/new development/ service connections over 20 years (factor of 4 applies = 160 HEU's)	20 year timeframe.	\$1,500 per HEU or \$6,000 per lot or new development or service connection	Light Industrial (Engineering Code of Practice) suggests factor of 4 should apply compared to domestic demand/flow. Assume even receipt of income from subdivision, development and service connections over next 10 years = 80 HEU's over 10 years x \$1,500 = \$120,000 or \$12,000 per year.
<b>Matata</b>											
Matatā Wastewater		\$ 139,132	\$ 139,132	\$ -	\$ 139,132	Matatā W/W Scheme (\$139,132/\$5,565,300 TPC)		93	20 year timeframe	\$ 1,496.04	45 HEU's in next 10 years. Distributed evenly over last 3 years of LTP. 1st year is construction period. (\$67,321.80 over 3 years is \$7,480.20 per year from 2016/17)
<b>Total</b>	<b>\$ 2,195,340</b>	<b>\$ 1,114,246</b>	<b>\$ 3,309,586</b>	<b>\$ 170,000</b>	<b>\$ 3,139,586</b>						

**APPENDIX D: SCHEDULE OF COMPLIANCE WHAKATĀNE DISTRICT DEVELOPMENT CONTRIBUTIONS POLICY SCHEDULE OF LOCAL GOVERNMENT ACT 2002 COMPLIANCE**

The following table sets out the requirements under the Local Government Act 2002 for the preparation of a Development Contributions Policy. The sections of the Development Contributions Policy which satisfy the requirements in the Local Government Act 2002 are noted in the second column. The Council considers that the Development Contributions Policy achieves full compliance.

**SCHEDULE OF LGA 2002 COMPLIANCE**

Provision of LGA 2002	Section of Development Contributions Policy
Section 106(2)(a): summarise and explain the [total cost of capital expenditure] identified in the long-term ... plan [, or identified under clause 1(2) of Schedule 13] that the local authority expects to incur to meet the increased demand for community facilities resulting from growth; and	Section 6 (In particular Table 1)
Section 106(2)(b): state the proportion of that [total cost of capital expenditure] that will be funded by development contributions; financial contributions; other sources of funding	Section 6 (In particular Table 1)
Section 106(2)(c): explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected capital expenditure.	-
Section 101(3): The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—	-
Section 101(3)(a): in relation to each activity to be funded,-	-
Section 101(3)(a)(i): the community outcomes to which the activity primarily contributes; and	Section 7.1
Section 101(3)(a)(ii): the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and.	Section 7.2
Section 101(3)(a)(iii): the period in or over which those benefits are expected to occur; and.	Section 7.3
Section 101(3)(a)(iv): the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and	Section 7.4
Section 101(3)(a)(v): the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and	Section 7.5

Provision of LGA 2002	Section of Development Contributions Policy
Section 101(3)(b): the overall impact of any allocation of liability for revenue needs on the community	Section 7.5
Section 106(2)(d): identify separately each activity or group of activities for which a development contribution will be required, and in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions	Section 6 (In particular Table 1) And Section 8.7
Section 106 (2)(f): Summarise the provisions that relate to financial contributions in the District Plan.	Section 5
Section 106 (2A): This section does not prevent a local authority from calculating development contributions over the capacity life of assets or groups of assets for which development contributions are required, so long as—  (a) the assets that have a capacity life extending beyond the period covered by the territorial authority’s long-term plan are identified in the development contributions policy; and  (b) development contributions per unit of demand do not exceed the maximum amount allowed by section 203.]	
Section 106(3): If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how calculations for those contributions were made.	Section 8.7
Section 201(1)(a): an explanation of, and justification for, the way in which each development contribution in the [Schedule to Development Contributions Policy] is calculated	Section 8
Section 201(1)(b): the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is significant uncertainty as to the scope and nature of the effects	Section 15
Section 201(1)(c): the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land.	Section 12
Section 201A:  1)If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must include, in addition to the matters set out in sections 106 and 201, a schedule that lists—  (a) each new asset, additional asset, asset of increased capacity, or programme of works for which the development contributions	Section 8  (in particular section 8.7)



Provision of LGA 2002	Section of Development Contributions Policy
<p>requirements set out in the development contributions policy are intended to be used or have already been used; and</p> <p>(b) the estimated capital cost of each asset described in paragraph (a); and</p> <p>(c) the proportion of the capital cost that the territorial authority proposes to recover through development contributions; and</p> <p>(d) the proportion of the capital cost that the territorial authority proposes to recover from other sources.</p> <p>(2) For the purposes of subsection (1), assets for which development contributions are required can be grouped together into logical and appropriate groups of assets that reflect the intended or completed programmes of works or capacity expansion.</p> <p>(3) A schedule under subsection (1) must also include assets for which capital expenditure has already been incurred by a territorial authority in anticipation of development.</p> <p>(4) Information in the schedule under subsection (1) must group assets according to the district or parts of the district for which the development contribution is required, and by the activity or group of activities for which the development contribution is required.</p>	
<p>Section 202 - Contents of schedule to development contributions policy</p> <p>(1) The schedule of development contributions required by section 201 (2) must specify</p> <p>(a) the development contributions payable in each district, calculated, in each case, in accordance with the methodology in respect of-</p> <p>(i) reserves; and</p> <p>(ii) network infrastructure; and</p> <p>(iii) community infrastructure;</p> <p>(b) the event that will give rise to a requirement for a development contribution under section 198, whether upon granting</p> <p>(i) a resource consent under the Resource Management Act 1991; or</p> <p>(ii) a building consent under the Building Act 2004; or</p> <p>(iii) an authorisation for a service connection.</p> <p>(2) If different development contributions are payable in different parts of the district, subsection (1) applies in relation to the parts of the district.</p>	<p>Section 8</p> <p>And in particular section 8.7</p>

Provision of LGA 2002	Section of Development Contributions Policy
(3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.	
<p>Section 202A: Reconsideration process to be in development contributions policy</p> <p>(1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must, in addition to the matters set out in sections 106 and 201 to 202-201 to 202, and subject to any regulations made under section 259(1)(e) or (f), set out the process for requesting reconsideration of a requirement under section 199A.</p> <p>(2) The process for reconsideration must set out—</p> <p>(a) how the request can be lodged with the territorial authority; and</p> <p>(b) the steps in the process that the territorial authority will apply when reconsidering the requirement to make a development contribution.]</p>	Section 10
<p>Section 203 - Maximum development contributions not to be exceeded</p> <p>(1) Development contributions for reserves must not exceed the greater of –</p> <p>(a) 7.5% of the value of the additional allotments created by a subdivision; and</p> <p>(b) the value equivalent of 20 square metres of land for each additional household unit [or accommodation unit] created by the development.</p> <p>(2) Development contributions for network infrastructure or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of Schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13 [, and as amended for any Producers Price Index adjustment adopted in a development contributions policy in accordance with section 106(2B),, as provided for in clause 2 of Schedule 13.</p>	Section 8