

**6. COST-SHARING OF NEW SANITARY SEWER INFRASTRUCTURE -
ALPINE VIEW LANE AND NORTH BURWOOD**

RR 10387

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The purpose of this report is to describe the sanitary sewer infrastructure required to meet the anticipated development in the northern section of Burwood Road, Alpine View Lane, Waitikiri Drive and Prestons Road and to recommend a method whereby infrastructural costs can be recovered from the developers who directly benefit.

INTRODUCTION

The Water Services Unit provides a technical advisory and subdivisional processing function on behalf on the Waste Management Unit. It is in this role that the Water Services Unit has prepared this report.

SUBDIVISION CONSENT

In 1997 a resource consent application was granted to allow subdivision of an area bounded by Alpine View Lane to the north and Prestons Road to the south. As part of the subdivisional approval the developer was required to install a sewerage pumping station capable of serving all the land zoned L1 in the City Plan north of Alpine View Lane and the existing urban area of Waitikiri Drive. A specific condition of resource consent was that *“A pumping station is to be installed with pumps capable of serving the land zoned L1 in the City Plan north of Alpine View Lane and the existing urban area of Waitakiri Drive at the subdivider’s expense. A cost-sharing scheme will need to be set up that includes all of the potential catchments. Further discussions with the Waste Management Unit will be required to resolve this issue.”*

At the time, the Council’s Policy did not assist the establishment of new cost-share areas due to legal uncertainties. Since the subdivision’s approval a legal opinion sought by the Council’s Legal Services has sanctioned the use of Section 283 of the Local Government Act 1974 to establish cost-share areas with either Council or private parties acting as banker.

Due to the change in the Council’s stance on cost-share areas the developer has requested that the Council use its powers under Section 283 of the Local Government Act 1974 to establish a cost-share area to allow the recovery of costs incurred in the installation of the sewer.

THE PRESENT AND FUTURE

The Council's nearest sanitary sewer main to which the L1 zoned land referred to above, can discharge its sewage to, is the 150mm diameter main that terminates in Burwood Road opposite No 355. There is presently only sufficient capacity in this gravity sewer to accommodate the proposed development at Alpine View Lane shown as 1 on the attached plan. The development of the remaining areas shown 1A, 2, 3, 4, 5, 6, 7 and 8 will necessitate a new pressure main to be installed to outfall to the east-north-east sewer system in Mairehau Road adjacent to Royal Park Drive. The cost of this pressure main and any proposed cost-sharing scheme will be the subject of a separate report to the Council. This will not be required until development outside of area 1 occurs. This cost-sharing area will be established when application for the first subdivision for areas 1A to 8 is applied for. However an indication of the likely future sharing of costs (based on current estimates) for this pressure main alone is included in the cost-sharing table below as a guide.

BURWOOD ROAD/ALPINE VIEW LANE RETICULATED COSTS

The developer is seeking to recover fair and reasonable costs from the construction and installation of the pumping station and extra/over associated piping costs. The total cost-sharing sum is \$235,700. Based on the total area of 38.8363ha the costs calculate out at \$6069.06/ha. Each owner's calculated cost is detailed in the cost-sharing table below. The developer is not seeking as part of the cost-sharing scheme, to recover the cost of the pressure main along Burwood Road, or the extra trench depths required to serve the land remote from his own parcels of land. Some private arrangements have been entered into to recover the latter cost.

PROPOSED ALPINE VIEW AND NORTH BURWOOD SANITARY SEWER COST-SHARING SCHEME

The area proposed for the cost-sharing scheme is shown on the attached plan. The existing developer, Alpine Sawmills Ltd, has funded the works and proposes to act as banker. If the scheme is established the Water Services Unit would set conditions at the time of subdivision requiring future developers to pay contributions as prescribed in the cost-share table below. The funds would then be forwarded on to Alpine Sawmills Ltd's agent.

COST-SHARING TABLE

Current Owner	Alpine Sawmills	Alpine Sawmills	Waitakiri Golf Club	Van Nobelen	Nederland Constr.	Halligan	West	Smith Develop	Canty Health
Location See Plan	No 1	No 1A	No 3	No 2	No 4	No 5	No 6	No 7	No 8
Area	9.9281ha	(3.3000ha)	1.6000ha	1.4399ha	2.7039ha	0.3983ha	4.0000ha	13.7661ha	5.0000ha
Amount Owning or Committed	(\$60254)		\$9,710	\$8,739	\$16,410	\$2,417	\$24,276	\$83,547	\$30,345
<i>Future Pressure Main</i>		\$28,893	\$14,009	\$12,607	\$23,674	\$3,487	\$35,022	\$120,530	\$43,778
1Yr Charge @ 4.65%			\$451	\$411	\$763	\$112	\$1129	\$3885	\$1411

The contribution amount has been based on the contract price to install the new pumping station plus the cost of the increased pipe sizes and dividing that cost by the area able to be serviced. An adjustment will be made to the contribution to retain its value as time passes. This adjustment will be based on the cost of providing the funds. Traditionally the Consumer Price Index (CPI) has been used as the inflation mechanism however there is a move away from CPI as this method has not accurately reflected the cost of the works. The applicant has requested that the Bank of New Zealand's listed one year fixed investment rate be used as mechanism to reflect the cost of capital invested. This will be applied as if the outstanding fund balance were invested for a period of one year and will be applied at the anniversary of the scheme's adoption, for example on 26 August annually.

Changes to the value of contributions will not normally be notified, but the current value can be obtained from the Water Services Unit of the Council at any stage. The inclusion of specific properties in the cost-share area will be recorded in the Council's property files and will be disclosed within a Land Information Memorandum to prospective purchasers.

A summary report will be forwarded to affected property owners inviting comment and advising them of the details of the proposal.

- Recommendation:**
1. That an Alpine View Lane and North Burwood Sewer Cost-sharing scheme be established to recover cost of the sanitary sewer infrastructure required to service the Living 1 Zone in the area bounded by Burwood Road, Alpine View Lane, Waitikiri Drive and Prestons Road.
 2. That the area outlined on the attached plan as the Alpine View Lane and North Burwood Sewer Cost-sharing Area be approved.

3. That the Council collect and forward contributions on behalf of Alpine Sawmills Ltd from other subdivisional developments within the cost-share area.
4. That on the 10th anniversary of the scheme the Council take over all of the outstanding obligations of the banker under the scheme and pay to Alpine Sawmills Ltd the outstanding contribution in respect to the work done by Alpine Sawmills Ltd under the scheme.
5. That an administration fee of \$100 per subdivision be subtracted from the contributions collected for the administrative work carried out on behalf of Alpine Sawmills Ltd. Such fees are to be inflation adjusted on the same basis as that for contributions.