

12. PROPOSED SEWER COST SHARING AREA - HALSWELL

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Corporate Plan Output: Infrastructural Asset Improvements, Liquid Waste Reticulation	

The purpose of this report is to recommend the establishment of a Sewer Cost Sharing Area in Halswell to facilitate recovery of a fair share of the cost of planned infrastructural works, from new development that will benefit.

BACKGROUND

In the new City Plan, significant areas of land around Halswell have been rezoned for development. These new development areas cannot be accommodated by the existing trunk sewer system downstream of Halswell which suffers from overloading in severe wet weather.

To relieve existing pressure on the downstream trunk system and accommodate the new development areas, it is planned to divert the whole Halswell catchment (served by Pumping Station 60) north to the Wigram Industrial Sewer. This sewer has sufficient spare capacity available. The planned diversion works are currently budgeted for in financial year 2002/03 of the 10 year capital works programme.

As the planned diversion works will serve both existing and future development in the catchment, it is reasonable that a fair share of the cost of the diversion works be recovered from new development. This can best be achieved by Council establishing a Sewer Cost Sharing Area under section 283 of the Local Government Act. The Council has sixteen such areas already established, the most notable being the recent one covering the whole city for the Wastewater Treatment Plant Upgrade charge.

THE PROPOSED HALSWELL SEWER COST SHARING SCHEME

The proposed Halswell Sewer Cost Sharing Area, outlined in bold on the attached plan, covers the expected catchment of Pump Station 60 within the next 20 years. It extends beyond the suburb of Halswell and includes the hill areas of Kennedys Bush Road and Corgwyn Avenue. It also takes in a large block of Rural 2A rezoned land between Quaifes and Halswell Junction Road, where subdivision to 2 hectares is permitted. The proposed cost sharing area contains an estimated 2,200 existing dwelling units or equivalent thereof, and based on current zoning, has the potential for an estimated further 2,200 future dwelling unit equivalents.

The planned capital works for the area have been cost estimated as follows:

Item	Estimated Cost
PS 60 Capacity Upgrade	120,000
New Pressure Main (450 diam, 3.53 km long)	1,437,000
Soil Filter	26,000
Total	excl GST 1,583,000

The cost share contribution figure is therefore $\$1,583,000 / 4,400 = \359.77 plus GST per dwelling unit or equivalent. This charge would apply per lot at the time of subdivision and also per additional dwelling unit at the time of Building Consent, for lots where more than one dwelling unit is proposed. This charge would also apply to any commercial or industrial development lot.

The cost share contribution figure could be reviewed following the completion of the diversion, once actual costs are known. The potential number of future dwelling units may also have changed by then. Linking the cost share figure to the Works CCI inflation index would be appropriate at that stage.

- Recommendation:**
1. That under section 283 of the Local Government Act 1974, Council approve the establishment of the Halswell Sewer Cost Sharing Area, outlined on the attached plan.
 2. That the cost share contribution be set at $\$359.77$ plus GST, charged per lot at the time of subdivision, and per additional dwelling unit (ie the second or subsequent on any lot) or commercial/industrial development at the time of Building Consent.
 3. That the contribution amount be reassessed once construction is completed.