

**1. CLEARBROOK PALMS SUBDIVISION SEWER COST SHARING SCHEME**

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Corporate Plan Output: Sewer Reticulation New Assets	

The purpose of this report is to seek approval to establish a sewer cost sharing scheme that will distribute the costs of a sewer pipeline provided by Suburban Estates Ltd in their Clearbrook Palms Subdivision off Marshland Road, to future developers of residential land further up stream in the catchment.

**INTRODUCTION**

Cost Share Schemes are put in place to ensure the development of any subdivision allows for future growth of upstream areas in an orderly and cost effective manner. Put simply, the Council pays now (or acts as banker) for a larger pipe that future developers contribute to as they progressively connect to this pipe.

The Clearbrook Palms Subdivision is part of the urban growth area extending from Lake Terrace Road, to Philpotts Road and bounded to the north by QEII Drive. The initial development of Fairway Park east of Marshland Road has already established a main sewer outfall system. To service this area the Clearbrook Palms Subdivision is the next stage of three further stages extending the sewerage system to service the remainder of the urban growth area right through to the vicinity of Philpotts Road. This report is very much a summary of a complex cost share proposal that includes the extension to the outfall rising main.

**Cost Share Scheme**

The areas included in the proposed cost share scheme are shown on plan in Attachment C enclosed in black borders and described as follows:

Area 1	Clearbrook Palms Subdivision	99 lots
Area 2	Hanham Block	17 lots
Area 3	Stewart Block	18 lots
Area 4	MacDonald Block	53 lots
Area 5	Multiple owners west of Clearbrook St to Hills Road	65 lots
Area 6	Multiple owners Hills Road to Philpotts Road	378 lots
Area 7	Moore Block west of Philpotts Road	50 lots

**COST SUMMARY**

In establishing the main sewer outfall for the above areas, Suburban Estates have spent \$205,844 on the trunk sewer. Of this amount, Suburban Estates Limited’s assessed cost share (including Areas 1 and 2) is \$69,068. The reimbursement therefore due to Suburban Estates Limited is \$136,776 (i.e. \$205,844 – \$69,068).

Further there is a rising main extension required in Lake Terrace Road as the area develops (estimated cost \$250,000) that forms part of this cost share proposal.

The reimbursement due to Suburban Estates (i.e. \$136,776), and the costs of the future rising main (i.e. \$250,000) will be recouped by a charge on the areas listed below:

Area 1 and 2. No further charge as these have paid for by Suburban Estates in the initial development.

Area 3	\$553 per lot	Area 6	\$686 per lot
Area 4	\$728 per lot	Area 7	\$686 per lot
Area 5	\$686 per lot		

The scheme description is outlined in Attachment A and a detailed breakdown of and costs are included in Attachment B.

**SUMMARY**

In order to develop and sewer the areas of land described above Suburban Estates have already installed certain main line sewerage reticulation. They are now due for reimbursement by the Council as described.

To gather in appropriate contributions from other future section purchasers it is necessary to establish the Cost Sharing Area outline in this report.

#### **BUDGET PROVISION FOR FUNDING**

Funds are available in the City Water and Waste's Sewer Reticulation –New Assets-Subdivision Contributions item in the current budget.

- Recommendation:**
1. That a Clearbrook Palms Subdivision Sewer Cost Sharing Area be established to recover the cost of sanitary sewer infrastructure required to service the L1, L1A, L1B and potential L1 zones in the area extending from Marshland Road to west of Philpotts Road and bounded by Queen Elizabeth Drive to the north.
  2. That the Council approve the area outlined on the attached plan (i.e. areas 1 to 7) Attachment C, as the Clearbrook Palms Subdivision Sewer Cost Sharing Area.
  3. That the Council pay to Suburban Estates Ltd the sum \$136,776 plus GST.