

## 7. CLEARBROOK PALMS II AND III: SEWER COST SHARING AREA

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The purpose of this report is to obtain the Council's approval for the establishment of two further sewer cost sharing areas within the Clearbrook Palms sewer cost sharing area.

### BACKGROUND

#### Policy

The establishment of cost sharing areas is consistent with policy 10.6.26 of Volume 2 of the City Plan *"To require that subdividers and/or developers meet the costs of any upgrading of services (including headworks) which are attributable to the impacts of the subdivision and/or land use development, including where applicable...sanitary sewage disposal"*.

#### Statutory Requirements

The legal authority to require these contributions has come from the Transitional Provisions of the Resource Management Act (section 407) until (or unless) there are operative rules in the City Plan. During the interim period, these provisions allowed the application of section 283 of the Local Government Act 1974.

The new Local Government Act 2002 was passed in December 2002. To comply with the new Act a Financial Contributions Policy is being prepared with a view to having it adopted by 1 July 2004, in line with work done to date (and coordinated by the policy directorate). New initiatives (including capital contributions) can be made before 1 July 2004, provided appropriate community consultation is carried out.

#### Existing Clearbrook Palms I Sewer Cost Sharing Area

The Clearbrook Palms Sewer Cost Sharing Area (Clearbrook Palms I) was established in March 2001. It was set up to service the urban growth area from Marshland Road to Philpotts Road, bounded to the south by the existing housing and to the north by Queen Elizabeth II Drive. The cost sharing area was set up to equitably distribute the costs of a new trunk gravity sewer (from Fairway Drive across Marshlands Road and through private property to western side of Clearbrook Street) and an extension of an existing rising main (from the Lake Terrace Road/Lakewood Drive intersection along Lake Terrace Road to Bassett Street), over the area served by it. The cost sharing area includes seven areas (see Attachment B) with a total of 680 lots. Developers/subdividers pay their contribution (see Attachment A) towards the infrastructure required to service their land at time of subdivision based on the number of additional lots created.

#### PROPOSED NEW CLEARBROOK PALMS COST SHARE AREAS

The purpose of these new cost sharing areas is to apportion sewer costs to service development west of Innes Rd. Two new cost sharing areas are proposed:

1. A gravity sewer from Hills Road to Innes Road, to be funded by the Council (Clearbrook Palms II).
2. A sewer pump station west of Hills Road, to be funded by Colorado Developments Ltd (Clearbrook Palms III).

The contributions per lot for the two schemes would be \$371 + GST and \$489 + GST respectively. The details of these proposed new cost sharing areas are included in Attachments A and B.

#### CONSULTATION

If the recommendations of this report are accepted then the property owners (ie potential developers) within the Clearbrook Palms II and III Sewer Cost Sharing Areas will be contacted. Property owners will be advised of the details of the scheme and will be invited to contact the City Water and Waste Unit with any queries or objections they may have. The City Water and Waste Unit will report back to the Council if any objections are received which cannot be resolved.

## FUNDING

### Clearbrook Palms II

The gravity main from Innes Road to Hills Rd will go through a number of private properties and will need to be constructed shortly (as development to the west of Hills Road is imminent). It is therefore proposed that the Council will fund and arrange the installation of the main and that the cost will be recovered through the cost sharing area from developers/subdividers at the time of subdivision. This sewer main has not been allowed for in the 2003/04 draft Annual Plan and budget. It is proposed that funds be transferred from the sewer renewal programme under delegated authority. The cost for design, construction, and easements purchase for the main is estimated at \$170,000 + GST.

### Clearbrook Palms III

The developer of the land to the west of Hills Road (Colorado Developments Ltd) would need to construct a sewer pump station to service their development regardless. It is therefore proposed that Colorado Developments Ltd will fund this cost sharing scheme. The Council will then recover cost share contributions from developers/subdividers at time of subdivision and forward the contributions to Colorado Developments Ltd. However, it is unreasonable to expect a private developer to fund the scheme in perpetuity. It is therefore proposed that after a period of ten years the Council will take over the scheme and pay any outstanding contributions to Colorado Developments Ltd (excluding contributions for land within Colorado Developments Ltd ownership).

## SUMMARY

Two new sewer cost sharing areas are proposed within the Clearbrook Palms Sewer Cost Sharing Area, in addition to the original Clearbrook Palms I Sewer Cost Sharing Area. These new schemes are to recover the cost of further infrastructure required to efficiently service the area. The total contributions under all three schemes will vary from \$553 to \$1,546 + GST per lot and will be levied for each additional allotment at time of subdivision.

- Recommendation:**
1. That subject to the outcome of consultation with property owners, the Clearbrook Palms II Sewer Cost Sharing Areas be established, with the Council acting as banker, to recover the cost of the wastewater infrastructure required to service this area.
  2. That subject to the outcome of consultation with property owners, the Clearbrook Palms III Sewer Cost Sharing Area be established, with Colorado Developments Ltd acting as banker, to recover the cost of the wastewater infrastructure required to service this area.
  3. That the areas for the Clearbrook Palms II and III Sewer Cost Sharing Areas be as shown in Attachment B, and the costs as set out in Attachment A be paid by the subdivider/developer for each additional allotment created at time of subdivision.
  4. That Colorado Developments Ltd act as banker for the Clearbrook Palms III Sewer Cost Sharing Area for 10 years, after which time the Council take over the role of banker and pay any outstanding contribution to Colorado Developments Ltd excluding contributions for land within Colorado Development Ltd ownership.
  5. That the contributions for the Clearbrook Palms II and III Sewer Cost Sharing Areas be adjusted annually in accordance with the Consumer Price Index (CPI).
  6. That the contributions for the Clearbrook Palms II and III Sewer Cost Sharing Areas be adjusted in accordance with any variation between the actual installation costs and the estimated costs summarised in this report.