

1. SNELLINGS DRAIN COST SHARING SCHEME

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The purpose of this report is for the Council to formally adopt:

- (a) The proposed waterway, wetland and drainage scheme that has been developed in the context of green space planning for the Burwood/Marshland area,
- (b) The establishment of a formal drainage cost sharing scheme to facilitate the future development of the area.

The Snellings Drain Cost Sharing Scheme was approved subject to consultation by the Council on 27 March 2003. This consultation has now been carried out and is reported on in a new section later in this report. This report is otherwise the same as the one considered in March with some minor additions (indicated in italics).

INTRODUCTION

Background

The Snellings Drain catchment is a 314ha sub-catchment of the No 2 Drain system that discharges into Horseshoe Lake. The catchment extends from Waitikiri Golf Course south to Clare Park between Burwood and Marshland Roads (see attached plan).

Existing land use is predominantly rural on low lying estuarine silts and sands. The urban area of approximately 109ha is located on higher sand dunes along the length of Burwood Road.

Historically no natural drainage pattern existed in the area. No 2 Drain and Snellings Drain were constructed to enable productive use of the land by reducing natural ponding and lowering ground water levels. The timber-lined drain is at capacity for the existing level of catchment development. While ponding occurs on low-lying paddocks during significant storms, flood damage is generally minor because most of these paddocks are used for extensive grazing only. Seasonally high groundwater levels *and storm runoff ponding during winter* constrain existing market gardening just north of Clare Park. Crops on this low-lying land are prone to flood damage.

Through the City Plan hearing process, the Council rezoned approximately 70 ha on both sides of Prestons Road from Rural to Living. This included 48 ha of urban L1B land on the south side of Prestons Road that was the subject of a reference to the Environment Court. The Court's recently announced decision was that the L1B zoning should revert to rural RU3 in the meantime.

However, with new urban development (albeit on a much reduced scale in the short term) it is necessary to upgrade Snellings Drain to better manage the increased volume and discharge of stormwater runoff and to maintain or improve the water quality of the discharge into Horseshoe Lake.

In December 2000 the Council adopted, in principle, a comprehensive scheme for the sustainable management of waterways, wetlands and drainage within Snellings and No 2 Drain catchments. The alternatives considered for Snellings Drain were:

- (a) On-site stormwater control within individual subdivisions.
- (b) In-line stormwater control within a broad "green corridor" and additional flood storage and stormwater treatment within a large pond/wetland at Clare Park.

Alternative (b) was adopted because not only were total capital and maintenance costs lower, but also recreational and ecological benefits identified were higher.

This report represents the first stage in the implementation of the scheme concept adopted in December 2000. Later stages will be implemented if or when further rural land is rezoned for urban

The establishment of a formal cost sharing area is recommended to fund the upgrading of a drainage scheme that will facilitate new development in a way that enhances amenity and restores ecological values.

The project was included in the Marshland section of the Waterways and Wetlands Natural Asset Management Strategy adopted by the Council in October 2000. Costs to the Council identified in the asset management strategy are included in the draft five year capital works programme for Parks and Waterways.

Scheme Justification

The new Local Government Act was passed in December 2002. To comply with the new Act a Financial Contributions Policy is being prepared for adoption by 1 July 2004. New initiatives can be made before 1 July 2004 provided appropriate community consultation is carried out. The Snellings Drain cost sharing proposal recognises and complies with the new Local Government Act.

In the meantime, the Council may constitute a formal cost-sharing scheme pursuant to Sections 407 and 409 of the Resource Management Act 1991 (RMA) (incorporating Section 283 of the Local Government Act 1974 which has been repealed) to fund the cost of upgrading public infrastructure such as a drainage system necessary to serve new development. The requirement to contribute financially is set as a condition of subdivision consent or building consent. The Council can recover all or part of the costs relating to the upgrading of drainage works in a manner it considers fair and reasonable. It is not incumbent on the Council to seek agreement with all the parties involved, but some consultation is generally undertaken. Any person who objects to the charges can appeal to the Environment Court at the time of subdivision development.

The Snellings Drain Catchment is already served by an existing stormwater drainage system which is generally adequate for the current level of development. However, in excessive rainfall events ponding occurs on farm land and market gardening land north of Clare Park limiting production potential.

Without further urban development this system would be adequate in the foreseeable future. With further development it is necessary to upgrade this system to better manage the increased volumes of stormwater and the increased flows in significant events, and to maintain or improve the water quality of the discharge to Horseshoe Lake and the Avon River. The upgrading includes increasing the capacity of Snellings Drain and providing in-line storage all within a broad "green" corridor in accordance with modern stormwater management practice.

Since there is an existing system the charge for upgrading will be made pursuant to Section 409 of the Resource Management Act (incorporating the former Section 283 of the Local Government Act 1974).

A drainage cost-sharing scheme of this type for the catchment was recommended at the City Plan hearings on urban growth. The alternative drainage concept of on-site mitigation measures for each new development was considered by the Council in December 2000, but rejected. The scheme was more costly overall and provided fewer recreational and ecological benefits.

SCHEME DESCRIPTION

Snellings Drain Catchment, cost sharing scheme, and land zoning is shown on the attached plan. Vacant land zoned living L1 is located predominantly both sides of Prestons Road in the north of the catchment.

The scheme comprises:

- (a) An enlarged Snellings waterway with in-line stormwater storage basins between the Waitikiri Golf Course and Cameo Grove. This will provide water quantity control and primary water quality treatment for new subdivisions along the route. *Between Prestons Road and Cameo Drive, the in-line basins will also provide primary water quality treatment for existing urban development between Prestons and Mairehau Roads.*
- (b) A 15 m wide access corridor contiguous with the existing timber-lined drain through rural RU3 land between Cameo Grove and Mairehau Road. The existing drain will be retained.
- (c) A flood overflow swale through rural RU3 land from Mairehau Road to Clare Park located approximately 110 m west of Snellings Drain. The existing drain will also be retained.
- (d) Access from Dunlops Road and the Styx River in the North to Clare Park in the South. The access will eventually be public, *but may not be achieved until development occurs on adjoining private land.*

The scheme will provide primary water quality treatment within the waterway corridor. Secondary treatment will be provided by a large pond / wetland system at Clare Park if or when land use south of Mairehau Road changes from rural to urban.

The scheme is necessary to provide for vacant land already zoned for urban use. In addition it will secure a corridor of minimum width from the Golf Course to Clare Park that will facilitate future urban zoning if or when that occurs.

Alternatively, if the land remains rural for several decades, this corridor will provide the space necessary to “naturalise” the timber – lined drain once the service life of the lining has expired. The overall catchment can be broken down into two sub-catchments: Prestons and Burwood (see plan), that connect at different points to Snellings Drain (i.e. above and below Mairehau Road respectively).

Burwood Hospital has just completed stage 1 of a possible full site redevelopment. Stage 2 involves the replace of old wards with new buildings. While the stage 2 development will maintain the current number of beds a further option of a fully reconfigured site is currently being considered. This may significantly increase discharges from the site which would need to be factored into the scheme.

Acquisitions of the drainage corridor will be sought on a willing seller/willing buyer basis. However, if this approach is unsuccessful designation of the corridor may be necessary.

COST ESTIMATES AND FUNDING

Cost Estimates

The estimated capital cost of Snellings Drain upgrading is \$1,243,000 broken down as follows:

TABLE 1: Capital Costs

<u>Component</u>	<u>Total Costs (\$)</u>	<u>Drainage Costs (\$)</u>
1 Dunlops Rd access Link	189,000	0
2 Waitikiri green corridor & inline storage	557,000	416,000
3 Alpine View pond	44,000	0
4 Prestons Rd Conduit	10,000	10,000
5 Prestons Rd to Cameo Grove access strip & in-line storage	131,000	45,000
6 Cameo Grove to Mairehau Rd access strip	59,000	0
7 Mairehau Rd culvert	72,000	72,000
8 Overflow swale	181,000	163,000
	\$1,243,000	\$ 706,000

The cost of drainage components to be funded by development totals \$706,000. The cost of non-drainage components including access strips, amenity planting and Alpine View pond will be met by the Council. *The Council will also contribute towards the cost of water quality control between Prestons Road and Cameo Drive.*

Expenditure is expected to be spread over the next six to eight years. Demand on the Council’s five year capital expenditure budget is expected to be approximately \$800,000. This is matched by the \$790,000 allocated the Snellings Drain Green Corridor in the draft 2003/04 Five Year Budget as follows:

TABLE 2: Budget Allocation

<u>Year</u>	<u>03/04</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>Total</u>
Draft Budget (\$)	200,000	195,000	195,000	100,000	100,000	790,000

Because the rate of expenditure is largely driven by private development, some substitution within the overall total is likely to be necessary in future years to match budget allocation to development demand.

Also, there is some flexibility in the demand on the capital expenditure budget to the extent that land acquisition and works can be substituted in lieu of cash contribution and reserve contributions for some subdivisions.

Additional annual waterway maintenance costs of \$19,000 will be incurred with the proposed green corridor and in-line storage basins between the Golf Course and Cameo Grove. The access strips and overflow swale through rural land will be grazed.

Revenue from drainage rates levied on new residential development will more than meet additional maintenance costs.

Cost Share Contributions

Snellings Drain catchment comprises two district sub-catchments that connect to the trunk system at different points. The "bus-route" method of cost sharing can be applied fairly to the sub-catchments as a "separate connection". However, within each sub-catchment the fundamental benefit gained by developers is the ability to develop irrespective of their locations within the sub-catchment.

A uniform unit cost contribution within each sub-catchment reflects this common benefit.

Without further development, the existing drainage system would be adequate in the foreseeable future, With further development pending it is now necessary to upgrade this system, which supports the argument that the new development should meet most, if not all of the cost of the upgrading.

On the other hand, upgrading based on modern stormwater management practice using waterways and wetlands green corridors where feasible provides for amenity and ecological values as well as drainage. These additional benefits are available to all the community, therefore, the Council should meet the proportion benefiting the wider community.

New development within Prestons sub-catchment will meet the drainage costs north of Mairehau Road *less the contribution from Council for water quality control for some existing urban development* (Components 1 to 6 on Table 1). All new development will share the cost from Mairehau Road south (components 7 and 8). The estimated drainage cost share contribution for each new lot (or second or more dwellings on an existing lot) are listed in Table 3:

TABLE 3: Unit Cost Share Contributions

<u>Sub-catchment</u>	<u>Potential new lots</u>	<u>\$/ lot (excl GST)</u>	<u>Revenue (\$)</u>
Prestons	310	2,168.55	672,252
Burwood	52	649.00	33,748
	362		706,000

Cost Sharing Scheme

The Snellings Drainage Cost Sharing proposal is:

- (a) Total Council capital contribution 43%.
- (b) Cost share levy per new lot is \$ 2,168.55 or \$649 depending on sub-catchment.
- (c) The first dwelling on any lot existing at the time the cost sharing scheme is adopted by the Council, will not be liable for the levy. However, the second and subsequent dwellings on the same lot will each attract the levy.
- (d) Special developments (such as retirement villages or hospitals) that have several building units on a single site will be assessed for the levy on the basis of impervious area.

- (e) Calculations to date have been based on estimates. The estimates will be updated regularly to actual costs upon completion of each phase of the scheme upgrading.
- (f) Annual adjustments will be made for the value of money over time. Historical expenditure will be adjusted in accordance with the Consumers Price Index as at July 1 each year.

The cost sharing scheme discussed in this report details the works required to mitigate the adverse effects of land rezoned as part of the current City Plan process. Should further land within the catchment be rezoned then the cost sharing scheme will need to be reassessed and a revised scheme established.

CONSULTATION AND CONSENTS

To comply with the new Local Government Act 2002, consultation "*to the extent the local authority considers reasonable*" is required. The communication and notification steps for the cost sharing scheme are:

- (a) Presentation to the Burwood/Pegasus Community Board; Parks, Gardens and Waterways Committee and the Regulatory & Consents Committee.
- (b) A brief mailout circular to land owners within the scheme area inviting feedback on the proposed scheme.
- (c) A consultation period of at least one month during which landowner feedback received will be assessed.
- (d) Presentation of the scheme to the Council for adoption.
- (e) Formal public notification of the scheme.

Environment Canterbury requires that subdivisions of 30 lots or more obtain a discharge permit for the discharge of stormwater to natural water.

In the past, each developer has been responsible for obtaining any consents necessary from Environment Canterbury. However, in this instance, Environment Canterbury has recommended that the Council lodge an application for a comprehensive consent that covers all stormwater discharges within Snellings Drain catchment. This approach is consistent with the protocol on surface water management that Parks and Waterways planning staff are developing with Environment Canterbury.

A comprehensive catchment-wide consent application is expected to be lodged during *July 2003*.

STAKEHOLDER CONSULTATION (*New section*)

A three page circular plus a map of the scheme was mailed out to 142 stakeholders on 10 April 2003. Owners of subdivisible lots comprised 110 of the distribution. The remainder were developer's agents, residents associations and elected members.

Comments were invited up to 30 May 2003. Feedback has been received from 23 stakeholders (16% of the total). Two expressed unqualified support for the scheme, five requested specific information or sought clarification and 16 raised issues of concern to the submitter. Two expressed strong opposition to the scheme unless the funding is to be entirely from city-wide rates. Two submitters were opposed to the scheme unless rezoning of their land from rural to urban occurred simultaneously.

Issues raised by more than one submitter are discussed below:

- (a) Cost sharing unfair (10 submitters)

A view was expressed that the City Council cost share on behalf of the scheme should be higher than the 43% calculated, but the alternatives offered were arbitrary and inconsistent with a "user pays" approach. Also, there is a misconception that the cost sharing scheme is almost entirely for the benefit of the proposed Waitikiri subdivision north of Prestons Road. This is incorrect. Waitikiri comprises 55% of the vacant land zoned Living.

Five submitters argued that the scheme should be funded entirely from city-wide rates.

(b) Existing drainage level of service unsatisfactory (4 submitters)

Some operational and maintenance issues have been raised. All have been referred to Parks and Waterways Green Space Maintenance Team for action.

(c) Public access (3 submitters)

Two owners of rural land adjoining Snellings Drain are opposed to the Council's long term plan to provide public pedestrian and cycle access along the future Snellings Drain "green corridor." Waitikiri Golf Club also expressed concern about public access adjacent to their golf course. The Club's concerns can be mitigated by appropriate landscape design.

The most likely future scenario is that land use will change from rural to residential within 10 years. Under this scenario public access can be incorporated into new subdivision design.

(d) Rural land acquisition (2 submitters)

The need to acquire a strip of existing rural land along Snellings Drain was questioned and land values used in the cost estimates were considered too low.

The existing drain is protected by an easement approximately two metres wide. The proposal is eventually to replace the narrow timber-lined drain with a naturalised waterway. The waterway will require a much wider corridor which should also be protected by either land acquisition or easement. The estimated cost of land was based on advice received from a registered valuer. It is accepted that development expectations at the time of purchase are likely to increase the price. This will in turn lead to an increase in the cost share levies.

(e) Development timetable (4 submitters)

Points of view were expressed that the implementation period of the scheme was too long, the ultimate scheme serving a fully urban catchment should be installed now and that the rezoning of the rural catchment to urban should occur simultaneously.

The rate of scheme implementation will be driven by urban development within the catchment. The present cost sharing scheme proposal will provide for the 34ha of vacant land already zoned for urban use. Future land use change from rural to urban is dependent on a successful outcome to an exhaustive City Plan process. The cost share scheme would need to be reviewed if or when land is rezoned.

(f) Site-specific requirements (2 submitters)

Two property owners provided site information to be taken into account in the design and construction of the "green corridor".

In summary, no issues have arisen from stakeholder consultation that suggest that the proposed cost sharing scheme should be modified significantly or scrapped. However, the developer's agent for a large proposed subdivision argued that it was not fair nor reasonable for new developments only to fund the full cost of water quality control. This argument is considered valid to the extent that Council on behalf of existing urban development in the Prestons sub-catchment should contribute towards the cost of in-line stormwater storage basins to be located between Prestons Road and Cameo Grove.

The drainage cost for item 5 in Table 1 above has been reduced accordingly to \$45,000. This results in a reduction in the unit cost share contribution for private development in Prestons sub-catchment from \$2,207.26 to \$2,168.55.

A lengthy legal submission relating to the same proposed subdivision concluded that the developer is not opposed in principle to the scheme. However, further information is required by the developer before he can support the contribution regime developed to date.

A meeting with Council staff is to be arranged.

Understandable and valid concerns have been raised about some scheme details and existing drainage level of service. All written submissions have been replied to in writing. The Green Maintenance Team is investigating all operation and maintenance issues raised. Stakeholders will have another opportunity to voice any concerns about drainage details of the scheme after the comprehensive catchment-wide discharge permit application has been lodged with Environment Canterbury.

The Snellings Drain Cost Sharing Scheme as considered at the March 2003 round of meetings can now be formally adopted.

COMMUNITY BOARD FEEDBACK

The Burwood/Pegasus Community Board at its meeting on 17 February 2003 decided to support the proposed scheme, subject to consultation.

- Recommendation:**
1. That the Council approve the upgrading of the Snellings Drain system (total estimated capital cost \$1,243,000) to provide for new urban development.
 2. That the Council establish the Snellings Drain Cost Sharing Area pursuant to Sections 407 and 409 of the Resource Management Act 1991 to finance the upgrading of the drainage.
 3. That the Council approve the areas shown on the plan (attached) called Snellings Drain Cost Sharing Scheme.
 4.
 - (a) That the unit charge be \$2,168.55 for Prestons and \$649 for Burwood (as defined in the map attached) adjusted annually for inflation measured by the CPI index from June 2003 until the date of charge and any variation for the actual construction costs as they come to charge. Following that construction costs for components will also be adjusted annually for inflation measured by the CPI index from June 2003.
 - (b) That the unit cost be imposed at the time of subdivision or building consent.
 - (c) That the Unit cost charge be a condition of such subdivision or building consent.
 - (d) That the fairness of the unit charges having regard to the relative movement between the CPI and construction costs be reviewed once every five years.
 5. That *affected owners* within the catchment area be advised of the Council's decision.
 6. That the Council apply to Environment Canterbury for a comprehensive resource consent that will authorise stormwater discharge from development within the catchment.
 7. That land acquisition negotiations to secure the scheme's drainage and access corridor commence as a matter of priority.