

7. AUGUSTA STREET STORMWATER DRAINAGE EXTENSION COST SHARING SCHEME

General Manager responsible:	General Manager City Environment
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PURPOSE OF REPORT

1. The purpose of this report is for the Council to formally adopt subject to consultation:
 - (a) The proposed Augusta Street stormwater drainage extension scheme that is required to provide for current and future development within the Augusta Street catchment.
 - (b) The establishment of a formal drainage cost sharing scheme to recover funding already spent by the Council and to fund future stages of the proposal on a fair and equitable basis.

EXECUTIVE SUMMARY

2. Residential development is occurring on the hills behind Augusta Street, Redcliffs. The stormwater system within the Augusta Street catchment needs to be extended to convey stormwater runoff safely from the hills to the existing reticulation system on the flat that discharges into the Avon-Heathcote Estuary (Ihutai).
3. A formal drainage cost sharing scheme set up in accordance with the Council's Development Contributions Policy is proposed to share the costs of new drainage infrastructure fairly. It is estimated that a development levy on new residential lots and on some new dwellings of \$4,540 plus GST per unit will be necessary.
4. A consultation period of one month with affected landowners is proposed. Feedback will be sought and considered prior to the final adoption of the cost sharing scheme at a future Council meeting.

FINANCIAL AND LEGAL CONSIDERATIONS

5. A Council policy objective is to obtain a fair and reasonable contribution from those responsible for development that places additional demands on its services towards the cost of expansion of those services. The policy is set out in full within the Development Contributions Policy within the LTCCP. The Development Contributions Policy is pursuant to the Local Government Act 2002.
6. The Council can recover all or part of the costs relating to the upgrading of drainage works, or other infrastructure, to accommodate growth. Section 199 of the Local Government Act 2002 enables the Council to include the recovery of any costs already incurred in anticipation of the proposed development and before the constitution of the drainage cost sharing scheme. A development contribution can be levied at either the time of subdivision or at the time of building consent.
7. The capital cost of works can be met from Greenspace's Waterways and Wetlands Restoration Budget. Development levy revenue will accrue in Greenspace's operational budget. The revenue from drainage rates levied on new residential developments should meet any additional waterway and drainage operation and maintenance costs.

STAFF RECOMMENDATIONS

It is recommended that the Council subject to the outcome of consultation:

- (a) Establish the Augusta Street Stormwater Drainage Extension Cost Sharing Area in accordance with its Development Contributions Policy to finance the upgrading of the drainage system.
- (b) Approve the area shown on the plan attached as the Augusta Street Stormwater Drainage Extension Cost Sharing Area (see Figure 1).
- (c) Set as a condition of all future subdivision consents, and building consents for dwellings and other premises within existing subdivisions a requirement for cost contribution as described in this report.
- (d) Advise developers within the catchment of the Council's decision.
- (e) Seek feedback from affected landowners for a consultation period of one month.
- (f) Appoint three Councillors to a hearings panel to consider any feedback received from affected landowners.

BACKGROUND ON AUGUSTA STREET STORMWATER DRAINAGE EXTENSION COST SHARING SCHEME

8. The Augusta Street stormwater drainage catchment is located in Redcliffs and is approximately 90 ha in total area (see Figure 1). The area of the hill sub-catchment is approximately 34 hectares and is where development is currently taking place.
9. There is an existing drainage cost sharing scheme that was constituted in the late 1960s to fund a major stormwater pipeline extending from the Estuary to the head of Augusta Street. The existing scheme is included in the Long Term Council Community Plan (LTCCP). Those within the existing scheme area will continue to pay the existing development levies ranging from \$4,106.20 to \$10,251.74 plus GST per hectare at the time of development.
10. In the long term there is the potential for approximately 95 new residential lots within the Augusta Street hill sub-catchment. The current capacity of the stormwater pipe and waterway network is insufficient within the hill sub-catchment. The capacity of the existing 750 mm diameter stormwater main to the Estuary is sufficient. The existing scheme needs to be extended up the catchment and upgraded to accommodate the additional runoff from new residential development.

CAPITAL WORKS

11. The Augusta Street hill sub-catchment, major waterways, and drainage scheme components are shown in Figure 2 (attached).
12. Stormwater capital works are estimated to cost \$718,300 and comprise:
 - (a) Stage 1 - stormwater piping and associated structures (estimated cost \$123,070).
 - (b) Stage 2 - stormwater piping, two pipe intakes and two road culverts (including intake structures) estimated cost \$119,780.
 - (c) Stage 3 - channel stabilisation and erosion control planting along approximately 1300 m of hill waterways (estimated cost \$431,450).
13. Stages 1 and 2 have largely been constructed. Approximately \$230,000 has been spent. Stage 3 will involve channel stabilisation and erosion control planting. Extensive planting of ecologically suitable species on the margins of waterways is an integral part of modern stormwater management practice. Not only do the plants improve bank stability and reduce flow velocity, but they also provide some filtering of water-borne contaminants.
14. It is highly desirable that opportunities to provide public access between Moncks Spur and Augusta Street along the waterways is taken at the time of subdivision. This has not been included in the stormwater drainage scheme, however.
15. All the structures and inlet/outlet conveyance systems on the hills will be part of the drainage cost sharing scheme. The Council has been involved in the approval and funding of structures already built and the Council will be involved in ongoing management of these and new drainage structures/facilities yet to be built.
16. The programming of Stage 3 works will be determined by the rate of development within the catchment. It is anticipated that completion within the next 4 to 5 years will be necessary to keep ahead of development within the catchment.

DEVELOPMENT LEVY

17. Throughout the Augusta Street hill catchment the fundamental benefit gained by developers from the proposed drainage cost sharing scheme is the ability to subdivide the land. The upgraded stormwater network will be sufficient to cope with additional flows from hill developments to the accepted level of service (currently a 20 year return period). With the extended scheme in place, a uniform development levy throughout the hill catchment is considered to fairly reflect the benefit that will accrue to developers.

18. Approximately 40% of the hill catchment has already been developed. The remaining 60% is still to be developed. Therefore, a 40/60 split between the Council and developers is considered fair. Developers should meet 60% of the estimated cost (i.e. \$430,980).
19. For 95 potential new lots within the hill catchment, the development levy for each lot is assessed as \$4,540 plus GST. Twenty-seven of these lots have already been created within a subdivision approved on 21 December 2004. Payment of the new development levy for these new residential lots will need to be made at the time of building consent. (Those within the existing stormwater drainage cost share scheme will also continue to pay the current development levies ranging from \$4,106.20 to \$10,251.74 plus GST per ha.)

COST SHARING SCHEME

20. In summary, the Augusta Street Stormwater Drainage Extension Cost Sharing proposal involves:
 - (a) Total capital cost estimated at \$718,300. Developer contribution of \$430,980.
 - (b) Development levy of \$4,540 plus GST for:
 - (i) Each new dwelling within subdivisions approved between 21 December 2004 and when the cost sharing scheme is formally constituted by the Council.
 - (ii) Each new lot approved after the cost sharing scheme is formally constituted
 - (c) The first dwelling on any lot existing before 21 December 2004 will not be liable for the levy. However, the second and subsequent dwellings on the same lot will each attract the levy.
 - (d) Calculations have been based on estimates and will be adjusted as actual costs are incurred. Annual adjustments will be made for the value of money over time. Historical expenditure will be adjusted in accordance with the Consumers Price Index (all in accordance with the Development Contributions Policy).

CONSULTATION AND CONSENTS

21. The proposed communication and notification steps for the Augusta Street Stormwater Drainage Extension cost sharing scheme are:
 - (a) Presentation to the Council.
 - (b) A mailout circular to affected landowners within the scheme area advising them of details of the proposal and inviting comment.
 - (c) A consultation period of one month during which landowner feedback is received and assessed.
 - (d) The opportunity for landowners or developers to appear in front of a Council hearings panel.
 - (e) Presentation of the scheme to the Council for final adoption.
 - (f) Formal public notification of the scheme.
 - (g) Inclusion of scheme details in the LTCCP.
22. Resource consents have been obtained from Environment Canterbury for structures in the bed of the waterways. However, developers will need to obtain discharge permits for stormwater discharge from new residential subdivisions and will have to meet the costs of any specific requirements to give effect to their discharge permit.

OPTIONS

23. Four stormwater disposal options for new urban development within the Augusta Street hill sub-catchment have been considered:
- (a) "Do nothing". The land is zoned for development and suitable for the purpose. However, the Christchurch City Council could not grant subdivision approval without a properly designed stormwater disposal system.
 - (b) A stormwater detention system option is impractical on the steep hillside.
 - (c) On-site stormwater tanks were not considered seriously because current internal policy is against their use as the primary means of stormwater control within a catchment.
 - (d) Controlled stormwater discharge to stabilised hill waterway channels including new road culverts.

PREFERRED OPTION

24. The option of controlled stormwater discharge to stabilised hill waterway channels including new road culverts has been chosen as the most appropriate means of upgrading the Augusta Street stormwater system.

ASSESSMENT OF OPTIONS

The Preferred Option

Controlled stormwater discharge to stabilised and vegetated hill waterway channels (including new road culverts).

	Benefits (current and future)	Costs (current and future)
Social	Public safety from the effects of accelerated erosion and flooding. Mental and physical well-being associated with the landscape and ecology of restored waterways. Opportunity for public access.	Capital \$300,000
Cultural	Metaphysical connection with natural looking waterway systems	
Environmental	Attractive shrub and tree-lined waterways. Reduced sediment discharge to Estuary.	See below
Economic	Landowners ability to develop their land	Net Council capital contribution of \$287,320. Operational \$3,000 per annum
<p>Extent to which community outcomes are achieved: Primary alignment with community outcome a Sustainable Natural Environment Also contributes to a Safe City and a Prosperous City</p> <p>Impact on Council's capacity and responsibilities: The Council needs to ensure that infrastructure is expanded in line with growth. A cost sharing scheme spreads the funding burden fairly between the Council and developers.</p>		

Effects on Maori:

Gully stabilisation and planting will reduce accelerated channel erosion and sediment discharge into the Avon-Heathcote Estuary (Ihutai), waters of major significance to Takata Whenua.

Consistency with existing Council policies:

The scheme is consistent with the Development Contributions Policy.

Views and preferences of persons affected or likely to have an interest:

The consultation process will tease out views and preferences of persons affected.

Other relevant matters:**Maintain The Status Quo (ie "Do nothing")**

The land is zoned for development and suitable for the purpose. The Christchurch City Council could not grant subdivision approval without a properly designed stormwater disposal system. Drainage works would still need to proceed in the absence of a cost sharing scheme and without developer funding.

	Benefits (current and future)	Costs (current and future)
Social	Public safety from the effects of accelerated erosion and flooding. Mental and physical well-being associated with the landscape and ecology of restored waterways. Opportunity for public access.	Capital \$300,000
Cultural	Metaphysical connection with natural looking waterway systems	
Environmental	Attractive shrub and tree-lined waterways. Reduced sediment discharge to Estuary.	See below
Economic	Landowners ability to develop their land	Capital \$718,300 (NO developer contribution). Operational \$3,000 per annum

Extent to which community outcomes are achieved:

Primary alignment with community outcome a Sustainable Natural Environment
Also contributes to a Safe City and a Prosperous City

Impact on Council's capacity and responsibilities:

The Council needs to ensure that infrastructure is expanded in line with growth. In the absence of a cost sharing scheme the total funding burden is likely to fall on the Council.

Effects on Maori:

Gully stabilisation and planting will reduce accelerated channel erosion and sediment discharge into the Avon-Heathcote Estuary (Ihutai), waters of major significance to Takata Whenua.

Consistency with existing Council policies:

Not to constitute a cost sharing scheme is inconsistent with the Development Contributions Policy.

Views and preferences of persons affected or likely to have an interest:

Unknown

Other relevant matters: