

10. DEVELOPMENT CONTRIBUTIONS POLICY – FURTHER CHANGES

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PURPOSE OF REPORT

1. The purpose of this report is to advise the Council of some further detailed changes to the draft 2006-16 Development Contributions Policy and to recommend their adoption.

EXECUTIVE SUMMARY

2. These changes arise from the recent LTCCP hearings and give effect to a range of additional matters which have been identified as requiring amendment ahead of the major revision which may follow the work of the working party proposed for post 1 July. They are additional to a raft of detailed changes already agreed to by the Council at its meeting on 12 June 2006.
3. The changes include:
 - Clarification of the timing of the application of the new policy, the timing of payments and that no charge will apply to subsequent unit or strata titling of existing developments
 - An improved definition of “developed and “undeveloped” in relation to land
 - Corrected non-residential HUE equivalences for water supply and conservation, wastewater collection and disposal, and transport
 - Updated financial figures for Ten Year DC Summary, and Appendices 3 & 4
 - Wording to link related documents with the DC Policy
 - Wording to acknowledge potential economic effects of significantly greater charges being immediately applied
 - Wording to explain that transitional discounted charges will apply, pending working party review, plus an additional appendix comprising the discount table
 - Updating of Reserves Funding Schedule in Part B (Banks Peninsula)

FINANCIAL AND LEGAL CONSIDERATIONS

4. The main financial impact of these changes will be to give effect to the earlier resolution of the Council to provide for a transitional remission to reduce the charges for development contributions to levels close to those which would have been recovered under the Development Contributions Policy 2004. As previously advised to the Council this is estimated to cost \$247,000 in year 1.
5. Submitters to the draft 2006-16 policy have raised issues about the legality of elements of the document. While the Council does not accept that the document as drafted is legally flawed, the changes it is proposing, including these additional changes do clarify some of the points of concern.

STAFF RECOMMENDATION

It is recommended that the Council adopt the additional changes to the LTCCP 2006-16 (Volume 2 – Development Contributions Policy) as shown in Attachment 1.

BACKGROUND ON DEVELOPMENT CONTRIBUTIONS POLICY SUBMISSIONS AND CHANGES

6. A detailed 94 page report was presented to the Council for consideration as part of the public submission process during the week 6-9 June 2006, and included at the end of the document Our Community Plan Christchurch O-Tautahi Long Term Council Community Plan 2006 – Submissions and Officer Report - Volume 9 – Development Contributions. That report set out the background to the draft policy as well as summarising the issues raised by submitters, the decisions they were seeking from the Council and a conclusion with general and specific recommendations. The general and specific recommendations have already been adopted by the Council (12 June 2006 meeting) and the matters in this report are additional matters previously agreed to in general terms but now include, in the attachment, the actual wording changes required for the draft document, plus minor consequential changes and corrections.
7. The attachment also incorporates changes to the tables in Appendix 1 (Schedule of Charges), Appendix 3 (Schedule of Past Projects with Residual Capacity) and Appendix 4 (Schedule of Capital Expenditure Related to Growth) that have been made resulting from changes that have now been made to the Capital Programme in the LTCCP, continued evaluation of the growth portion on certain projects and other corrections.