

EMAIL TRANSMISSION

6 May 2004

Christchurch City Council

EMAIL: ccc_plan@ccc.govt.nz

For: LTCCP Submissions

Christchurch City Council Long Term Council Community Plan

We act for the Property Council of New Zealand Incorporated and **attach** our client's submission in relation to the Christchurch City Council Long Term Council Community Plan.

Yours faithfully
ELLIS GOULD

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LOCAL GOVERNMENT ACT 2002

To: LTCCP Submissions
Christchurch City Council
PO Box 237
CHRISTCHURCH

Re: Draft Long Term Council Community Plan

SUBMISSION BY PROPERTY COUNCIL OF NEW ZEALAND INCORPORATED ON LONG TERM COUNCIL COMMUNITY PLAN

PROPERTY COUNCIL OF NEW ZEALAND INCORPORATED (at the address for service given below) makes the following submissions on the draft Long-Term Council Community Plan ("LTCCP"):

GENERAL COMMENTS

Background

1. The Property Council is a not for profit organisation that represents New Zealand's Commercial, Industrial, Retail, Property Funds and Multi Unit Residential Property Owners. The Property Council represents all the forms of commercial property and property investment in New Zealand.

Consultation period

2. As a preliminary point the Property Council wishes to express its consternation at the insufficient time it has had to review the draft LTCCP. The LGA provides for a **minimum** period of one month for submissions on the draft LTCCP. Given the complex nature of the proposals being considered, and the length of time that it would necessarily have taken the Christchurch City Council ("City Council") to develop the policies such as the new development contributions policy, the Property Council considers it is poor practice to have provided only the shortest timeframe legally possible, and particularly so in a month that is bisected by the statutory Easter break.
3. The intention of the legislature was to ensure that the City Council's proposals, including its proposed development contributions policy are subject to the "full scrutiny and involvement of communities". The sheer scale

of the exercise means that insufficient time exists to understand the implications of the proposals or to make a fully informed submission.

4. The Property Council is concerned that consultation is only being paid lip service, and that the proposals in the LTCCP will be adopted as already determined.

Transparency: financial contributions and development contributions

5. The Property Council supports the general thrust of the development contributions policy objectives, particularly that only a fair and reasonable contribution will be sought to the expansion of services occasioned by growth-based demand, and the recognition that development contributions are a locational driver that will result in investment decisions being made in light of contributions levels and affected areas (V3, p59).
6. It does not support the lack of clarity around future situations where combinations of RMA financial contributions and LGA development contributions may be considered. In the event that such a situation arises, the Property Council wishes to be consulted at as early a stage as possible to ensure that conflicts and potential for inadvertent double charging is avoided.
7. The Property Council believes that there is a lack of transparency involved in the process of ascertaining and allocating shares of demand to business development and household units, and that the material, while better than some metropolitan councils at explaining this issue, still does not fully explain the fundamental issue of just how the City Council has determined that a particular capital cost or percentage of a cost is related to growth, and to business growth in particular.
8. The Property Council supports the comments regarding the difficulty in allocating the costs of transport to households and businesses and the decision not to charge development contributions for roading as a result.
9. The Property Council supports Council's statement welcoming submissions on development contributions issues at any time for incorporation into reviews of the LTCCP (V3, p60) and wishes to work proactively with Council on initiatives affecting its membership.

VOLUME TWO

Community Outcomes (pages 3 to 25)

10. The Property Council supports the third and ninth listed community outcomes: “A prosperous City” (pages 9 and 10) and “A Liveable City”. In particular the Property Council supports the following statements:

A Prosperous City

Our City has the infrastructure and environment to support a job rich economy while protecting and enhancing our essential natural capital.

Ensuring high quality utilities (water supply, sewerage, and waste and stormwater management), which meet the residents expectations at efficient prices.

Develop a network of roads, cycleways, footpaths and a passenger transport system, to provide for personal mobility and the needs of commerce and industry.

A Liveable City

Our economy invests in, and benefits from, enhancing the liveability of our City.

Encourage public and private sector medium and high-density residential development in the Central City and other areas throughout the City.

Promote adoption of sustainable design principles for all local construction.

11. The Property Council notes the list of organisations on page 23 as examples of groups with which the Council is collaborating with on various fronts. As a key stakeholder and representative of commercial property and investment owners the Property Council seeks a recognition from Council that it will be consulted on any initiatives that affect its membership, and wishes to be added to the list of organisations that Council collaborates with. As a matter of policy the Property Council seeks to retain and develop the dialogue with Council and to work together on improving the overall viability of the commercial sector and the City as a whole.

Council Initiatives (pages 27 to 138)*City Development*

12. The Property Council supports the City Council's plans to carry out projects to maintain and re-vitalise the City Centre including contributing towards tourist attractions such as the tram and promoting the Central City as a place to be, including advocating on behalf of businesses and enterprises that are located there (page 390).

Economic Development

13. The Property Council supports the City Council's policy of promoting Christchurch as a city nationally and internationally through campaigns, events, publications, and through participation in Sister Cities programmes (page 67).
14. It also endorses the discussion of support for the business sector set out on page 68.

Regulatory Services

15. The performance measures set out on page 101 concerning the processing of buildings consents etc are supported including the following:
 - Process 100% of building consents within the time limits prescribed in the Building Act.
 - Issue Code Compliance Certificates within five working days once advised by the owner that work is complete.
16. The performance measures set out on page 105 concerning land use and subdivision consents are also supported including the following:
 - Process 100% of non-notified land use consents, which do not require a hearing, within 20 working days.

VOLUME 3**17. Policy on Development Contributions / Financial Contributions (pages 59 to 104)***Growth*

18. The Property Council has concerns that assumptions regarding business demand through subdivision and development effects “double-counts” the population and effects, because the demand related to growth generated by people utilising business premises has already occurred from those people in terms of their dwellings.(p69).
19. The Property Council agrees that no parks contributions should be levied, in particular where the zones already provide requirements for high levels of open space and plantings (p71), but considers that contributions should also take into account frontage plantings required in other zones.
20. The Property Council opposes the proposal to take 7.5% for reserves contributions for business subdivision (p71). For non-subdivision business development the proposed rate of contribution is 2m² per 100m² of new building development. The Property Council considers that the size of a development is an arbitrary indicator of the level of demand generated by growth, as different activities will have differing levels of intensity.
21. The Property Council broadly supports the cost share scheme as a mechanism to enable an equitable spread of costs amongst direct generators and over time in a particular area. The Property Council seeks however that the draft LTCCP set out that where both city-wide and local cost share charges are applicable to a development, the total contributions payable will not exceed a specified maximum (pages 76 and 77)

Credit for additional reserve enhancements by developers

22. The Property Council notes the Council's policy that the provision of land and open space/recreational enhancements over and above the maximums and the basic open space/recreational standards set out in the draft LTCCP will not be taken as a credit against the overall development contribution required (pages 60, 80 and 81).

Contributions on applications already lodged

23. The Property Council is concerned that the City Council may delay the processing and notification of decisions on consents to ensure that the maximum number of consents will be granted on or after 1 July 2004 and therefore become eligible for contributions under the new regime. The Property Council reminds the City Council that this would be contrary to the Resource Management Act 1991 which seeks to ensure timely processing of all consents, and to the principles of natural justice. However, the Property Council is supportive of Council's performance timeframes for processing consents, and assumes that the same principles apply prior to the LTCCP becoming operative.

Rates Setting and Rates Policy (pages 109 to 120 and page 65 of volume 1)

24. The Property Council notes that the City Council proposes an overall rate increase of 3.62% (page 64).
25. Rates for business units with capital value of \$300,000.00 will increase by 3.68 and with capital value of \$500,000.00 by 3.75% (page 65). The Property Council opposes the differential in the general rate (whereby the business sector pays 0.59 cents in the dollar and the residential sector 0.36 cents in the dollar) particularly given that business land generally has higher land value and therefore already makes a large contribution. The Property Council considers that there is no justification for retaining a business differential and that Council should work towards its removal.
26. The uniform annual general charge is to remain at \$105.00 (page 65) Although the general principle of a UAGC is not opposed by the Property Council, it is concerned that the manner in which it is applied is inequitable, in particular, the application to any separately used or occupied part of a rating unit. The Property Council considers there should be a policy where the UAGC is only levied where there is some relationship between the unit and costs to Council. Although Council has proposed a remission policy in respect of UAGC's where the occupancy is an accessory one or ancillary to another property or part thereof (V3, p113) there is no explanation of whether it will apply to situations such as ATMs or vending machines (for example) within other buildings. There is also no mention of carparking spaces (titled) where they are located separately to the main title but "belong" to that title. The distinction between rooms in a hostel that share kitchen facilities (no

UAGC) and flats that share kitchen facilities (UAGC) is curious – although clearly the argument is “what is the main purpose of the activity”. The Property Council wishes to explore this issue further with Council.

27. The Property Council wishes to be heard on this submission and reserves the right to be heard on such matters as may arise from other submissions or such further information as may be obtained.

DATED this 6th day of April 2004.

S J Simons / S E Wooler

On behalf of The Property Council of NZ
Incorporated

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