



Christchurch City Council
Development Contributions Policy 2007/09



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Christchurch City Council Development Contributions Policy 2007/09

Adopted on 28 June 2007 as part of the
2007 Amendments to the Long-Term Council Community Plan 2006-16
and published in July 2007

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ISBN 1-877313-35-1

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PART 1 INTRODUCTION

1.0 Introduction

The Development Contributions Policy (DCP) 2007/09 is part of, and is to be read in conjunction with, Our Community Plan – Christchurch O-Tautahi 2006-16, being Christchurch City Council's Long-Term Council Community Plan (LTCCP).

The former Christchurch City Council (CCC) and former Banks Peninsula District Council (BPDC) merged as from March 2006 by virtue of an Order in Council dated December 2005 to become the Christchurch City Council (the Council). For the purposes of implementing this policy the territorial boundaries of Christchurch City are those of the former Christchurch City and former Banks Peninsula District Councils as described in the Local Government (Canterbury Region) Reorganisation Order 1989 [NZ Gazette page 2296] and the Local Government (Banks Peninsula District) Reorganisation Order 2005 [NZ Gazette page 5179].

The Council has been experiencing growth pressures, particularly on the northern and south-western periphery of the former Christchurch City, in the inner city and in the small residential and rural-residential settlements on former Banks Peninsula. This growth is placing a significant strain on existing reserves, network infrastructure and community infrastructure and the ability to fund such new infrastructure.

The Local Government Act 2002 (LGA) allows councils to require development contributions from developers if the effect of their developments requires the Council to provide new or upgraded infrastructure. The Council has prepared this policy to detail how it will do this.

This policy is applicable to both the former Christchurch City and the former Banks Peninsula, unless otherwise specified; the Council having reviewed and determined that the Memorandum of Understanding between the former CCC and BPDC, the former Banks Peninsula Proposed District Plan and the former Banks Peninsula-specific Part B of the DCP 2006/07 (effective as of 1 July 2006) contain no impediments to fully integrating former Banks Peninsula into its DCP. The basis, structure and application of the DCP 2006/07 has been reviewed by a Council-appointed joint Council and development industry working party, whose recommendations the Council has considered. This resulting amended policy provides for a new transitional discount on the increase in development contributions for

network and community infrastructure (as opposed to the standard charges in Table 3.2.5) spread evenly over three years, potentially leading to the full charge as follows:

1. 2007-08	43%
2. 2008-09	72%
3. 2009-10	100%

The charge to be made in the 2009/10 year will be subject to the next three yearly review of the LTCCP and therefore may be different from the charge anticipated in this policy. The transitional discount does not apply to development contributions for reserves for the reasons stated in Section 3.2.7. Significant changes between the DCP 2004/06 and the DCP 2006/07 were:

- Determination that, insofar as possible, all the costs of growth related to development should be met by the development community;
- The introduction of new, more sophisticated and robust methodologies for calculating development contributions;
- Extension of development contribution collection to transport and leisure facilities;
- Changes to the charging regime for other network infrastructure; and
- Removal of development contribution remissions to assist in achieving other strategic objectives of the Council.

The financial impact of imposing the full charges immediately was considered to be too great.

Following review of the DCP 2006/07 by the joint Council and development industry working party, significant changes between it and this amendment are:

- Movement to 1 household unit equivalent (HUE) charge per lot on subdivision, with actual demand for multi-unit and non-residential development to be fully assessed (net of 1 HUE) at building consent;
- Provision of a small household unit occupancy weighting adjustment;
- Correction of the HUE conversions, including an explanation of the methodology to establish HUE equivalences;
- Removal of the HUE credit rollback provision on historic credits;

- Provision of a credit for existing undeveloped non-residential lots subdivided before 1 July 2004;
- Movement to cost-based development contributions for reserves and inclusion of the reserves projects for which development contributions will be collected, and spent on, in the schedules of past and pending growth-related capital expenditure (now included in the supporting information);
- Full integration of former Banks Peninsula and adoption of a universal catchment for the reserves, water supply, wastewater collection, wastewater treatment and disposal and transport activities;
- A commitment to further analyse, in relation to each activity, the factors in Section 101(3) of the LGA, and how the Council's development contributions compare to those of other, especially adjoining, councils and to re-evaluate and align development contributions with those of adjoining councils;
- The review and removal of past projects not clearly growth-related. Past projects which are growth-related are now recorded in the supporting information to this policy, namely the Schedule of growth-related capital expenditure; and
- A new transitional discount.

The Council, in a resolution made when it adopted this DCP for consultation, also required, in the future as a standard procedure, that an independent review be obtained of the level of costs allocated to growth for major projects and that the Council take other steps to ensure that cost allocations for different projects are robust and consistent, suggesting the review's expansion to include a random sample of smaller projects. Independent audits will begin following the adoption of this policy and will feed into the next LTCCP/DCP.

1.1 What is a development contribution?

A development contribution is a contribution from developers of cash and/or land to fund the additional demand for community facilities created as a result of growth.

Development contributions may be required in relation to developments if the effect of the developments (on their own or in combination with another development) is to require new or additional assets of increased capacity and the Council incurs capital expenditure to provide reserves, network infrastructure and community infrastructure. This includes development contributions to pay, in full or part, for capital expenditure already incurred by the Council in anticipation of the developments.

1.2 Application of development contributions

This policy provides for the Council to impose development contributions to fund growth-related capital expenditure on:

- Reserves.
- Network infrastructure:
 - o Water supply and conservation;
 - o Wastewater collection, treatment and disposal;
 - o Surface water management; and
 - o Transport.
- Community infrastructure:
 - o Leisure facilities.

1.3 Relationship with financial contributions and works and services in the City Plan

This DCP is distinct from, and in addition to, the City Plan provisions that allow the Council to require financial contributions under the Resource Management Act 1991 (RMA). Financial contributions are contributions that can be imposed under the RMA where provided for by the City Plan and as a condition of resource consent. Development contributions and the DCP are created under the LGA, not the RMA. The Council cannot collect development and financial contributions for the same purpose. The Council will continue to impose financial contributions in accordance with the City Plan (refer section 4.1.2).

Development contributions for network and community infrastructure are for the installation or improvement of assets over and above the works and services required in respect of a subdivision or development as explained in Section 3.3.5 and are usually, but not exclusively, located beyond the development boundaries.

1.4 Effective date

The Council's DCP was initially adopted as part of the LTCCP 2004-14, effective as of 1 July 2004. The last review, adopted as part of the LTCCP 2006-16, was effective as of 1 July 2006. This review, adopted as an amendment to the LTCCP 2006-16, is effective as of 1 July 2007.

1.5 How to find your way around this policy

This policy is in four parts:

- Part 1 Introduction (Section 1.0);
- Part 2 Operation of policy (Sections 2.0 – 3.0). This explains what development contributions are payable, how they are calculated, when they are assessed and when they need to be paid;
- Part 3 Substantiation of policy (Sections 4.0 – 8.0). This explains the legislative framework and the process, rationale and methodology for the Council making the decision to use development contributions to fund growth-related capital expenditure; and
- Part 4 Appendices (Appendices 1 – 2). These contain the methodology used to establish the HUE equivalences and a diagrammatic illustration of the DCP development process.

1.6 Supporting information for this policy

The following supporting information for this policy is obtainable online at <http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp> and at the Council's Civic Offices, 163-173 Tuam Street:

- Development Contributions Growth Model;
- Schedule of growth-related capital expenditure;
- Workings supporting the growth allocation of capital expenditure projects;
- Catchment maps (both city-wide and local), for a more detailed view down to individual property boundaries;
- Methodology for Determining Development contributions

- Report explaining the Council conclusions included in the DCP regarding Section 101(3)(a) and (b) of the LGA considerations.

The following other background information arising from the joint Council and development industry working party and submissions to this policy is also obtainable online:

- Council staff reports to the working party;
- LECG report assessing the Council's development contributions cost allocation methodology in, and providing advice about the likely economic impacts of, its DCP 2006/07;
- Working party report and recommendations to the Council;
- Council staff reports and recommendations to the Council; and
- Council staff report on submissions to this policy.

PART 2 OPERATION OF POLICY

2.0 Glossary of terms

In this policy:

Activity means the provision of community facilities by the Council, as grouped within the following capital programmes:

- Reserves.
- Network infrastructure:
 - o Water supply and conservation;
 - o Wastewater collection, treatment and disposal;
 - o Surface water management; and
 - o Transport.
- Community infrastructure:
 - o Leisure facilities.

BA means Building Act 2004.

Backlog means that portion of a project that relates to historical catch-up to meet the required level of service for the existing community.

Base units means the demand of an average household unit for each activity.

Catchment means the area of the City for which separate development contributions exist.

Christchurch Metropolitan Code of Urban Subdivision means Christchurch Metropolitan Code of Urban Subdivision, operative 1 September 1987, including as amended or substituted.

City Plan means Christchurch City Plan, operative in part from 21 November 2005, and the former Banks Peninsula Proposed District Plan, notified 30 January 1997, including as amended or substituted.

City/City-wide means applicable to former Christchurch City and former Banks Peninsula.

Community facilities means reserves, network infrastructure or community infrastructure for which development contributions may be imposed.

Community infrastructure means land, or development assets on land, owned or controlled by the Council to provide public amenities, including land that the Council will acquire for that purpose.

Community services development means land or development assets on land owned or controlled by private providers of public amenities (including land leased from the Council) which consume infrastructural capacity, such as sporting, educational, religious and charitable activities.

Complete application means an application that is complete, as prescribed in Section 88 of the RMA and/or Section 45 of the BA.

Cost allocation means the allocation of the capital costs of a project to the various drivers for the project, such as renewal, backlog and additional capacity to meet growth.

Credits means credits as calculated under Section 3.2.2 of this policy.

DC means development contribution.

DCP means Development Contributions Policy. The DCP, adopted as part of the LTCCP 2006-16, was effective as of 1 July 2006 until 30 June 2007 (DCP 2006/07). This amendment to it (DCP 2007/09) is effective as of 1 July 2007 until such time as it is reviewed.

Developable lot means land in accordance with Section 226 of the RMA.

Developed means land on which physical improvement or where development to natural land has occurred, as defined in this policy.

Developer means an individual or firm who is an applicant for a consent or service connection where a development contribution is assessed under this policy.

Development means:

- (a) any subdivision, building, land use or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

Examples include residential development, being the creation of additional lots and/or household units, and non-residential development, being the creation of additional lots and/or an increase in gross floor area (GFA), water usage, impervious surface area (ISA) and traffic movements (VPD), including through a change in land use.

Effective date means the date on which any version of the DCP took or takes effect as set out in Section 1.4.

Family flat means self-contained living accommodation, whether contained within a residential unit or located separately to a residential unit on the same site, which is occupied by family member(s) who are dependent in some way on the household living in that residential unit; and which is encumbered by an appropriate legal instrument which ensures that the use of the family flat is limited to dependent family members of the household living in the residential unit.

Former Banks Peninsula means applicable to former Banks Peninsula only, i.e. pre-merger with the CCC.

Former Christchurch City means applicable to former Christchurch City only, i.e. pre-merger with the BPDC.

Funding model means the funding model developed by the Council to support the DCP.

Funding period means the period over which the funding model applies, which is not less than 10 years. Otherwise it is the lesser of the asset capacity life, asset useful life or 30 years.

GFA means gross floor area, being the sum of the total area of all floors of all buildings. The GFA shall be measured from the exterior walls or from the centre line of walls separating two buildings and shall exclude:

- car parking;
- loading docks;
- vehicle access and manoeuvring areas/ramps;
- plant and equipment enclosures on the roof;
- service station canopies;
- pedestrian circulation space in an enclosed retail shopping centre, and any foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Growth model means the processes used to determine the anticipated future residential and non-residential growth for each catchment.

GST means Goods and Services Tax.

HUE means household unit equivalent.

Industrial means the use of land, infrastructure and buildings for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles, and the servicing and repair of goods and vehicles whether by machinery or hand.

ISA means the impervious surface area to be drained to the reticulated surface water network.

Level of service means the standard of service provided for each activity.

LGA means Local Government Act 2002.

Lot means the same as 'Allotment' in the Christchurch City Plan.

LTCCP means Long-Term Council Community Plan also known as Our Community Plan Christchurch O-Tautahi. The LTCCP covers a period of not less than 10 consecutive financial years from the date of adoption.

LTNZ means Land Transport New Zealand.

Network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Non-residential means any development of land or buildings that does not fall under the definition of 'residential.'

Private developer agreement means any private agreement relating to a development and signed between a developer and the Council under Section 3.3.3 of this policy.

Renewal means that portion of project expenditure that has already been funded through depreciation of the existing asset.

Reserves means land acquired or purchased for a reserve, including the cost of providing improvements necessary to enable that land to function as a reserve useable for its intended purpose as defined in the Reserves Act 1977.

Residential means the use of land and buildings for living accommodation purposes, including residential units, serviced apartments and unit/strata developments, but excluding travellers' accommodation (such as hostels, hotels and motels) and prisons.

Residential unit means a self-contained building (or group of buildings, including accessory buildings) used for a residential activity by one or more persons who form a single household. Where there is more than one kitchen on a site (other than a kitchen in a family flat) there shall be deemed to be more than one residential unit. A residential unit may include no more than one family flat as part of that residential unit.

Retail means the use of land, a building or parts of a building for the sale or display of goods or the offer of goods for hire.

RMA means Resource Management Act 1991.

Rural means the use of land or buildings for the purposes of agricultural, horticultural or pastoral farming; intensive livestock management; boarding or training of animals; outdoor recreation activity; or forestry; and may include a residential unit.

Service connection means a physical connection to a service provided by, or on behalf of, the Council.

Site means the area covered by the development being assessed for development contributions, being made up of one or more lots or part lots.

Small residential unit means a residential unit less than 100m² (inclusive of 17.05m² parking allowance). Examples include an elderly person's housing unit, high-rise apartment and serviced apartment.

SNZ means Statistics New Zealand.

Subdivision means the same as a 'subdivision' under the RMA.

UDS means The Urban Development Strategy and Action Plan for Greater Christchurch.

Undeveloped means land on which development, as defined in this policy, has not been undertaken and includes lots deemed to be undeveloped under Section 3.2.2 of this policy. **Unit**, for the purposes of accommodation, means a separate and habitable area, e.g. a motel unit or hotel room.

Unit of demand means a HUE, being the typical demand for an activity by an average household.

VPD means vehicles per day (two way trips).

3.0 Application of the policy and schedule of development contributions

Section 3.0 contains the Council's schedule of development contribution charges payable by activity in different parts of the City and the event that will give rise to the requirement.

3.1 Assessment and payment

3.1.1 Requirement for development contributions

The Council may require a development contribution, in accordance with Sections 197 and 199 of the LGA where:

- (a) a particular subdivision or development proposal generates a demand for reserves, network infrastructure or community infrastructure;
- (b) the subdivision or development (either alone or in combination with another development) requires new or additional assets or assets of increased capacity (reserves or infrastructure) which causes the Council to incur capital expenditure; and
- (c) the development contributions policy provides for the payment of a contribution in the circumstances.

For example, unit or strata titling of existing development, with no additional demand generation, will not be liable to pay a development contribution.

For such development, the Council may require a development contribution under Section 198 of the LGA when:

- Resource consent is granted under the RMA for a development; or
- Building consent (including a certificate of acceptance) is granted under the BA for building work; or
- Authorisation for a service connection is granted.

3.1.2 Timing of assessment and payment

Applicable policy

Under the LGA, a development contribution can be required for any resource consent, building consent or authorisation for a service connection granted on or after 1 July 2003 and lodged after 19 December 2001.

The Council's policy is that only applications lodged and granted on or after 1 July 2004 (the date on which the Council's first DCP came into force) will be subject to development contributions.

Developments which have completed the consenting process, i.e. have already been granted all necessary consents and authorisations, will not attract any additional development contributions.

On any application for further consent or authorisation in relation to a development, credit will be given for any development contributions previously paid or the pre-existing status of the development in accordance with Section 3.2.2.

If a complete application for resource consent, building consent, or service connection authorisation is received by the Council before the effective date for this or any previous policy then, even if it is not granted before the effective date, the development contribution will be assessed in accordance with the DCP that applied at the time the application was received by the Council.

If a complete application is received by the Council on or after 1 July 2007 then the development contribution will be assessed in accordance with this policy.

In the event of non-payment of the development contribution the amount assessed may be adjusted as set out in this section.

Assessment

The Council will assess a development contribution before granting:

- A resource consent (subdivision or land use); and
- A building consent; and
- An authorisation for a service connection that is not part of a resource consent or building consent.

As a general rule, development contributions will be assessed at the resource consent (subdivision) and building consent stages. Resource consent (land use) and service connection applications provide an opportunity for Council to assess any development which is independent of subdivision or building activity. As with any assessment, only the additional demand on community facilities being created by a development will be assessed for development contributions.

The Council will invoice the assessed development contribution for:

- Resource consents (subdivision) – prior to release of the Section 224(c) certificate (including, in the event of a staged subdivision consent, prior to the release of the Section 224(c) certificate for each stage).

- Resource consents (land use) – prior to commencement of the consented development.
- Building consents – prior to issue of the code compliance certificate.
- Service connection – prior to authorisation for connection.

Development contributions will be assessed and advised at the earliest opportunity and reassessed and invoiced at each later stage at which a development contribution may be payable for a development. Where previous development contributions have been made, a development contribution is sought only in relation to the additional demand created by each stage as assessed. Generally, the Council considers that the resource consent (subdivision) stage is the most appropriate time to take a development contribution, for the following reasons:

- It creates the legal framework for the development of the lots and buildings which cause the demand for additional reserves, network infrastructure and community infrastructure;
- Practicality of implementation;
- Economies of scale in implementation cost;
- Fairness; and
- Best available knowledge for projections and allocating budgets.

Large subdivisions may be developed in stages, where one resource consent (land use) may be granted for the entire development prior to any resource consents (subdivision) being granted. In such situations, the Council may collect the initial DC at the time of issuing the land use consent or, at its discretion, may defer this collection until the subsequent subdivision consents are issued.

Similarly, development contributions will be sought at resource consent (land use) or building consent stage, or on application for a service connection, where intensification for residential or non-residential purposes takes place independently of subdivision, although credits under Section 3.2.2 may be available to ensure only additional demand is assessed at each stage.

Payment

Development contributions must be paid on invoice. Without limiting the Council's ability to recover development contributions under Section 208 of the LGA, reassessment of the

development contribution payable will occur under the current Council adopted policy at the time of reassessment if payment is not received within 12 months of issuing the assessment or reassessment.

Applications to vary consents or the conditions of consents

Where applications are granted to vary consents or the conditions of consents, resulting in a change to HUEs, GFA, ISA or actual demand calculated for special assessments (to the extent of the variation), these will be considered to be new development for the purpose of requiring development contributions and revised or new assessments of the development contributions payable will be issued. The receipt of applications for new development will not limit the Council's ability to collect any development contribution already owing in relation to existing development under Section 208 of the LGA.

3.1.3 Enforcement powers of the Council if development contribution is not paid

If payment of the development contribution is not received on invoice the Council will use the powers outlined in Section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid, the Council may:

- (a) in the case of a development contribution required under Section 198(1)(a) of the LGA:
 - withhold a certificate under Section 224(c) of the RMA;
 - prevent commencement of a resource consent under the RMA.
- (b) in the case of a development contribution required under Section 198(1)(b) of the LGA, withhold a code compliance certificate under Section 95 of the BA;
- (c) in the case of a development contribution required under Section 198(1)(c) of the LGA, withhold a service connection to the development; and
- (d) in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution is required.

3.2 How to calculate your development contribution

Table 3.2 Process for determining development contribution charge	
Step 1 – Number of HUEs per activity	Determine the number of HUEs applicable to the development (refer to Section 3.2.1).
Step 2 – HUE credits per activity	Determine any credits applicable (refer to Section 3.2.2 and Table 3.2.2a).
Step 3 – Net increase in demand per activity	Calculate the increase in HUEs (Step 1 minus Step 2) (refer to Section 3.2.3).
Step 4 – Catchment per activity	Refer to Section 3.2.4 and check what (geographical) development contribution catchment the development lies within.
Step 5 – Pricing schedule	Refer to the Schedule of development contributions (Table 3.2.5) and identify the development contributions payable per HUE for the catchment for each activity, excluding reserves.
Step 6 – Charge per activity (excluding reserves)	For each activity multiply the net increase in the number of HUEs (Step 3) by the charges payable (Step 5). Sum the results for each activity to achieve the total charge.
Step 7 – Net transition charge (excluding reserves)	Refer to Table 3.2.7 and deduct the discount for the catchment for each activity.
Step 8 – Reserves	In addition, refer to the Schedule of development contributions (Table 3.2.5) and identify the charge payable per HUE for the catchment for reserves (refer to Section 3.2.5). ¹
Step 9 – Development contribution charge	Add together the results from Steps 7 and 8 to get the total development contribution for the proposed development and add GST of 12.5%.

3.2.1 Step 1 - Determining the number of HUEs per activity

If the Council has assessed a development as one coming within Sections 197 and 199 of the LGA, it then determines the HUEs, based on whether the development is residential or non-residential.

For resource consent (subdivision) applications, the Council will assess (based on zoning and site-specific factors) whether the likely development on the lot will be residential. Where the site being developed will not be within the area of service in respect of water supply and conservation, wastewater collection, treatment and disposal or surface water management, on completion of the development no HUE assessment will be made for that activity at that time. However, if, at a future time, the site or any part of it is to be connected, it may attract a development contribution.

Residential development

For resource consent (subdivision) applications where the Council has determined that the likely development will be residential, it is assumed that every lot created will contain one household unit. A development contribution at the rate of 1 HUE per lot for each activity will be assessed. For any application for resource consent, building consent or service connection for residential activity, a development contribution will be assessed at the rate of 1 HUE per household unit for each activity.

Where the development includes two or more additional residential units, a small residential unit adjustment will apply for residential units less than 100m² each (inclusive of 17.05m² parking allowance per unit). The adjustment reduces the HUE calculation on a sliding scale from 100% to 60% for residential units less than 100m² each. For example, if the average size of the units is 80m² the small residential unit adjustment reduces the HUE assessment to 0.8 HUEs per unit (80%).

Where two or more residential units are attached in a configuration that does not increase ISA over the average HUE demand, then the charge will be the greater of one HUE or actual demand on ISA determined by the area to be drained to the reticulated surface water network.

The Council will not assess any development contribution in respect of consent applications to replace or enlarge the GFA of any existing residential unit, except where the existing residential unit/s have received a small residential unit adjustment in a prior development contributions assessment (note that replacement of an existing residential unit receives one HUE credit for each activity under Section 3.2.2).

Non-residential development

For resource consent (subdivision) applications where the Council determines that the likely development is non-residential, HUEs will be assessed for each activity at 1 HUE per additional lot. For non-residential applications for resource consent (land use), building consent or for service connection, HUEs will be assessed for each activity based on whether demand is known or determined by zone and site-specific factors. Non-residential buildings accessory to rural activities, which do not place additional demand on infrastructural services, will be assessed at zero HUEs for each activity.

¹The development contributions for reserves will be subject to the statutory maximums under Section 203(1) of the LGA.

All non-residential development will be assessed at zero HUEs for leisure facilities.

Demand is known

Where the Council is satisfied that demand for an activity is known, the HUE for each activity is calculated from the base units in the following Table 3.2.1a. By comparing expected demand against the figure contained in the third column, a HUE for that activity for the development can be obtained.

Table 3.2.1a Base unit measures for assessment of non-residential development			
Activity	Base unit measure	Demand per HUE	Comments
Water supply and conservation	Litres per day	645	Design demand from Christchurch Metropolitan Code of Urban Subdivision
Wastewater collection, treatment and disposal	Litres per day	572	Design demand from Christchurch Metropolitan Code of Urban Subdivision
Surface water management	Impervious area m ²	427	Assessed average impervious area per household
Transport	Vehicles per day	10	Assessed as passenger car unit equivalents

No HUE assessment for development contributions for reserves is undertaken on non-residential development, except on an application for resource consent (subdivision) where the demand is assessed at 1 HUE per additional lot.

Demand is unknown

Where the Council is not satisfied that demand for an activity is known, the HUE for each activity is calculated from the following Table 3.2.1b

Table 3.2.1b Non-residential land use equivalents

Non-residential land use classification	Measure	Reserves	Water supply and conservation	Wastewater collection	Wastewater treatment and disposal	Surface water management	Transport	Leisure facilities
Commercial premises/offices	m ² GFA						0.0042	
Shopping centres >10,000m ²	m ² GFA						0.0149	
Shopping centres <10,000m ²	m ² GFA						0.0273	
Supermarkets	m ² GFA						0.0181	
Service stations with retail facilities	m ² GFA						0.0350	
Markets	m ² GFA						0.0010	
Bulk goods/home improvement stores	m ² GFA						0.0097	
Drive in fast food restaurants	m ² GFA						0.0237	
Restaurants	m ² GFA						0.0152	
Manufacturing industries	m ² GFA						0.0044	
Warehouses/storage	m ² GFA						0.0013	
Accommodation in Central City & Central City Edge Zones	Unit						0.0001	
Accommodation not in Central City & Central City Edge Zones	Unit						0.0010	
All land uses	m ² ISA					0.00375		
All land uses	Lot	1.0 (subdivision only)						0.0000
Business 1	m ² GFA		0.0035	0.0039	0.0039			
Business 2	m ² GFA		0.0035	0.0040	0.0040			
Business 3	m ² GFA		0.0031	0.0035	0.0035			
Business 4	m ² GFA		0.0050	0.0057	0.0057			
Business 5	m ² GFA		0.0041	0.0046	0.0046			
Business 6	m ² GFA		0.0033	0.0037	0.0037			
Business Retail Park	m ² GFA		0.0035	0.0039	0.0039			
Central City & Central City Edge	m ² GFA		0.0032	0.0036	0.0036			
Other non-residential	m ² GFA		0.0035	0.0039	0.0039			

Extraordinary circumstances and special assessment

The Council reserves the discretion to undertake a special assessment for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of HUEs.

If an application has a significantly greater impact than that envisaged in the averaging implicit in the above methodology, a ‘special assessment’ may be required at the Council’s discretion. The applicant will be required to provide detailed calculations of their development’s present and future demand on community facilities. Using the base unit/HUE conversions, these will be converted to HUEs in the same manner as defined in Table 3.2.1a and charged accordingly on the net increase in HUEs. This additional information could be requested or provided at the pre-application stage, or as part of a further information request under Section 92 of the RMA or Sections 33 or 48 of the BA.

In order to provide greater certainty as to when a special assessment would be required, it is proposed that a special assessment will only be required in the following circumstances:

- For transport, where the type of development proposed is not adequately covered by the standard classes of land use (refer Table 3.2.1b). This would include, for example, applications such as education, wet industries, hospitals, medical centres, gymnasia, sports stadia, airports, courier depots and any other land uses for which an equivalent is not provided; and/or
- Where the demand for an activity from the development is expected to be greater than double the value identified as average for that type or location of development (refer Tables 3.2.1a and 3.2.1b).

Summary

The following table summarises the HUE assessment process.

Activity	Subdivision	Other Development
Residential	1 HUE per activity per additional lot.	1 HUE per activity per additional household unit, including units in strata title type developments, subject to the small residential unit adjustment.
Non-residential		Standard table of HUEs per activity in units of 1m ² GFA/ISA (Tables 3.2.1a and 3.2.1b).
Mixed		To be assessed as applicable based on the proportions of the type of development that are proposed.
Extraordinary circumstances	At the discretion of, and on demand by, the Council. Applicant to provide detailed assessments of their development’s water supply, wastewater and transport demands utilising the mechanism in Table 3.2.1a. Using the standard base unit/HUE conversions, these estimates may then be converted into HUEs and charged accordingly.	

3.2.2 Step 2 - Determining HUE credits

Credits address the fact that development contributions are only payable in respect of additional demand on community facilities created by the development. The credit is designed to recognise that a development may replace existing demand for service activity, which in itself places no additional demand on the community facilities. Credits cannot be used to reduce the level of development contribution for any activity below zero.

Credits towards the assessment of a development contribution for any activity will be calculated for the development in accordance with the principles in Table 3.2.2a.

Table 3.2.2a Principles for determining credits

Residential	Non-residential
<ul style="list-style-type: none"> • On any application for consent or authorisation in respect of a residential unit which replaces an existing unit, or for subdivision of land containing any existing residential unit (including the unit and strata titling of existing development), a credit from the development contribution for reserves, network infrastructure and community infrastructure shall be assessed on the basis of 1 HUE per activity per existing residential unit and/or developable lot, unless a memorandum of agreement or encumbrance exists on the title/s that recognises any credits associated with amalgamation or amalgamation reversal respectively. • Where the average size of any existing residential units, where more than one on a lot, is less than 100m² each, the credit will be reduced by the small residential unit adjustment described in Section 3.2.1. • For any undeveloped residential lot a credit of 1 HUE per developable lot per activity will apply. 	<ul style="list-style-type: none"> • On any application for resource consent, building consent or authorisation for service connection in respect of non-residential development which will replace any existing non-residential development, or for subdivision of a site containing existing non-residential development, credits shall be assessed for each activity by applying the equivalences in Table 3.2.1b to the GFA/ISA of the existing development. • On any application for resource consent, building consent or authorisation for service connection in respect of a non-residential development on any undeveloped lot which was created after 1 July 2004, the development will receive a credit for the greater of 1 HUE per lot or the HUEs which were assessed at time of subdivision (under the DCP 2006/07); • On any application for resource consent (subdivision) on any undeveloped non-residential lot which was created prior to 1 July 2004, the development will receive a credit of 1 HUE per lot per activity. • On application for building consent for development on any undeveloped non-residential lot which: <ul style="list-style-type: none"> o was created prior to 1 July 2004; and o has been vacant and unused since before 1 July 2004 (i.e. not including sites where demolition or other destruction has occurred after 30 June 2004); the development may receive a credit per activity of the greater of: <ul style="list-style-type: none"> o 1 HUE; or o HUEs calculated as: <ul style="list-style-type: none"> - the average 2004 GFA or ISA ratio for the zone of the development (Table 3.2.2b); multiplied by - lot size; multiplied by - the non-residential land use equivalences for that zone (Table 5.2). For example, an average 2004 GFA ratio of, say, 31% in the Business 4 Zone x a 2,000m² lot x the 0.0051 Transport equivalence would result in a credit of 3.2 HUEs for transport. • For any other application in respect of an undeveloped non-residential lot, a credit to the value of 1 HUE per activity will apply.
Both residential and non-residential	
<ul style="list-style-type: none"> • For any existing residential unit/s or non-residential development demolished or destroyed by fire or some other cause after 30 June 2004, 1 HUE credit for each residential unit or the calculated (using Table 3.2.1b) GFA/ISA credit for the non-residential development demolished or destroyed will apply to the calculation of development contributions payable for any such residential unit/s or development where the application to rebuild is received within a period of 10 years from the date of demolition or destruction. Where demolition or destruction precedes or has preceded the application for redevelopment or change in land use by more than 10 years but occurred after 30 June 2004, the lot will revert to an undeveloped lot and receive a credit of 1 HUE per lot. Any additional residential units or non-residential development above that demolished or destroyed will be assessed for development contributions pursuant to this policy. • The Council will assess credits available to existing developments on building consent application for demolition from 1 July 2007. Where demolition or destruction has occurred prior to this date, or if, for any reason, an assessment of current use credits has not been calculated prior to the demolition or destruction, the onus is on the developer to establish the land use and extent of residential or non-residential development which has been demolished or destroyed. In the absence of such information a credit of 1 HUE per lot per activity will be applied. • An undeveloped lot will be a vacant lot which has not had any development, as defined in this policy, for a period of at least ten years prior to the application for resource or building consent or service connection. • No transfer of credits between titles can occur, except where the titles relate to the same development site (e.g. new titles created on subdivision). • Where it is proposed to amalgamate existing titles and the proposal will result in a lesser number of titles, credits will be held for the difference. These credits will be made available for any future development of the amalgamated titles, provided any such future development is carried out within ten years of the date of issue of the amalgamated titles. Where an amalgamation occurs, a memorandum of agreement will be registered on the title/s associated with the amalgamation. Where an amalgamation is reversed, a memorandum of encumbrance will be registered on the title/s associated with the amalgamation reversal. 	

Zone	GFA	ISA
Business 1	37%	87%
Business 2	44%	87%
Business 3	43%	97%
Business 4	31%	75%
Business 5	24%	83%
Business 6	7%	56%
Business Retail Park	39%	79%
Central City & Central City Edge	1.14%	97%
Other non-residential	30%	66%

3.2.3 Step 3 - Calculate net increase in HUEs (demand) from the development

The number of HUEs which result from subtracting Step 2 (credits) from Step 1 (HUEs) represent the increased demand from a development.

3.2.4 Step 4 - Identify development contribution catchment

The attached seven A4-sized maps are an overview of the growth catchments for development contributions for each activity. They are also available separately in hard copy upon request to the Council by phoning 03-941-8999 or emailing ccc-plan@ccc.govt.nz, or online for a more detailed view at:

www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp

Map 1 Reserves catchment (city-wide)

Map 2 Network infrastructure catchment: water supply (city-wide)

Map 3 Network infrastructure catchment: wastewater collection (city-wide)

Map 4 Network infrastructure catchment: wastewater treatment and disposal (city-wide)

Map 5 Network infrastructure catchments: surface water management (former Christchurch City and former Banks Peninsula)

Map 6 Network infrastructure catchment: transport (city-wide)

Map 7 Community infrastructure catchments: leisure facilities (former Christchurch City and former Banks Peninsula)

Explanation of the Council's catchment definition methodology

Catchments have been determined for each activity based on their key characteristics. These characteristics include the physical geography and topography, the need to protect environmental and human health, the level of service delivery and the nature and complexity of solutions.

Individual capital works projects are allocated to either city-wide or local catchments, depending on the nature of the project and the community it is required to serve.

Developments lying within a catchment will be charged a development contribution for that area.

For catchments, estimates of number of lots, household units or other developments from which a development contribution can be expected are based on analysing:

- The existing zoning in the catchment and the implied likely development based on existing City Plan rules.
- The likely development of localities within the catchment where the City Plan has indicated deferred zoning or identified areas for future growth, or the Council has signalled a proposed variation to the City Plan.
- Other potential development within the area where the City is experiencing pressure for re-zoning to more intensive land uses.

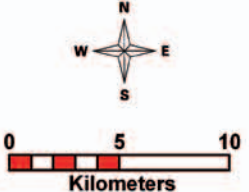
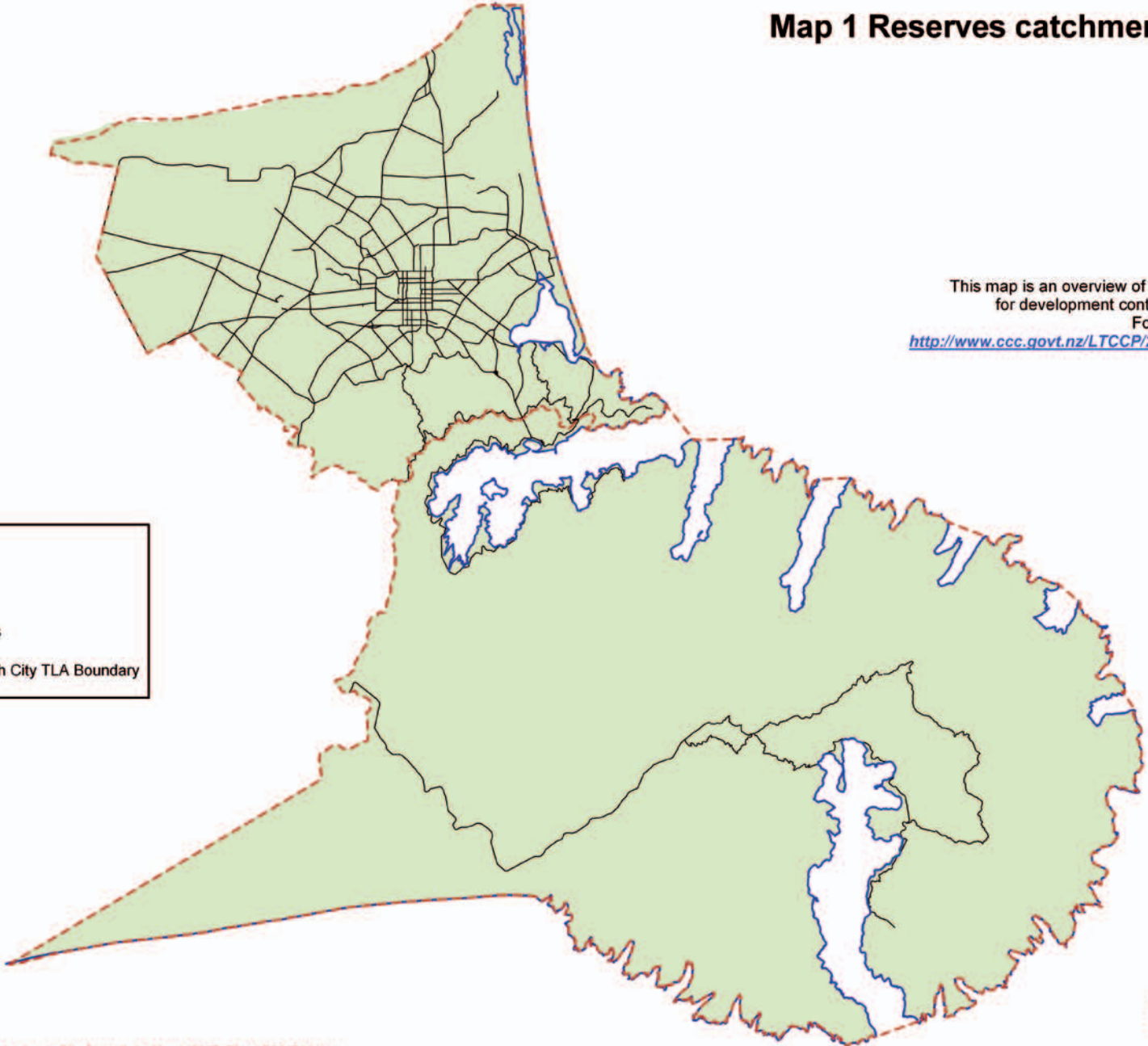
The Council has considered a number of different catchment options, ranging from a single city-wide catchment to catchments based on individual infrastructural schemes (in particular, see the following supporting document: the report to the Council on Resolution 21 (Banks Peninsula Charging)). After deliberation on the merits of the different options, the Council has adopted a single city-wide catchment for all reserve, water supply, wastewater and transport works. The Council will also be carrying out further work on the catchments for reserves, as noted in Section 7.1.

Map 1 Reserves catchment (city-wide)

This map is an overview of the growth catchment for development contributions for reserves.
For a detailed view visit:
<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

Legend

- Coast
- Main Roads
- - - Christchurch City TLA Boundary



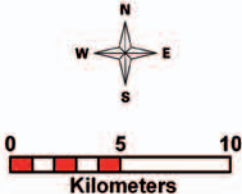
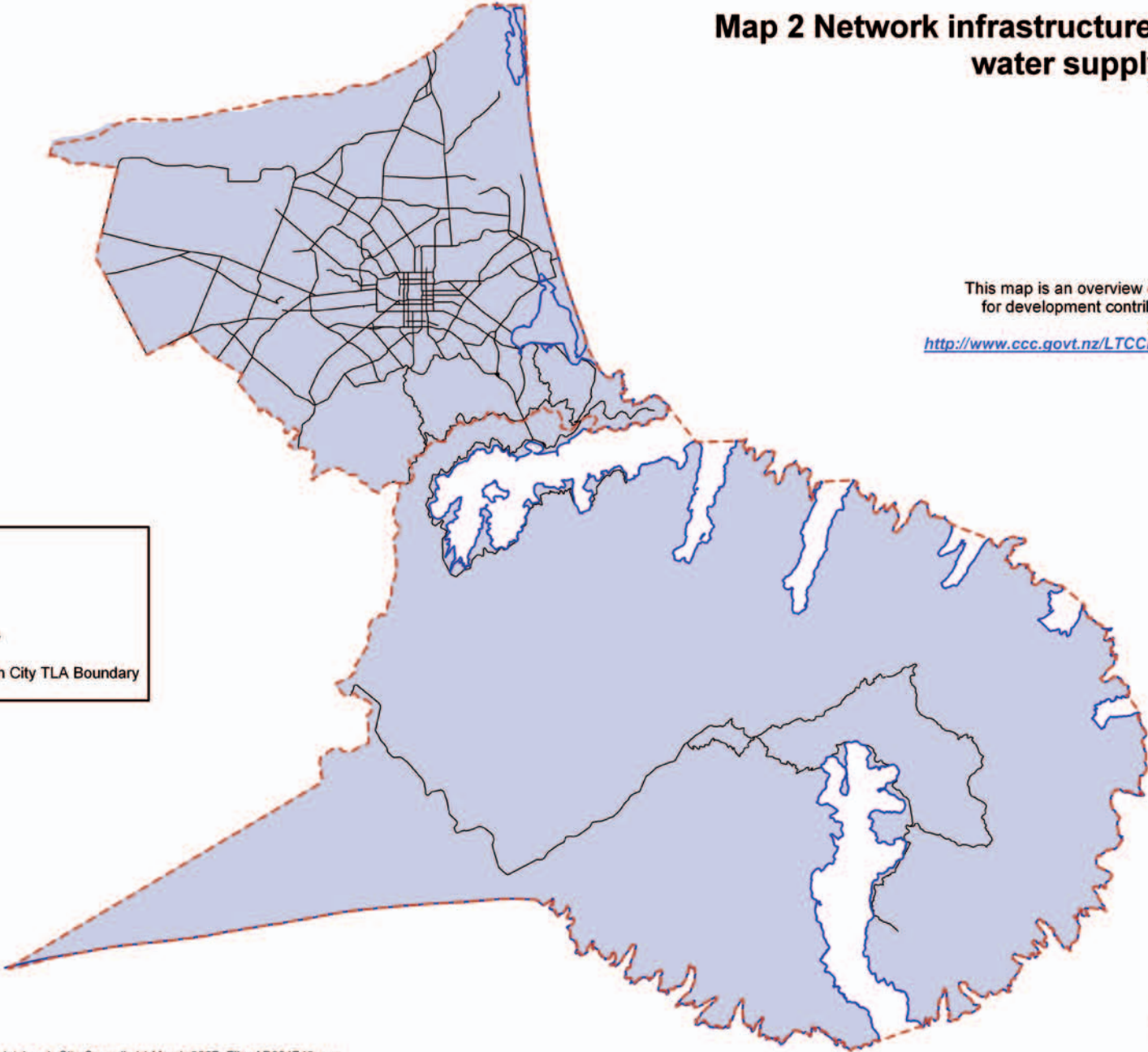
Map 2 Network infrastructure catchment: water supply (city-wide)

This map is an overview of the growth catchment
for development contributions for water supply.
For a detailed view visit:

<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

Legend

- Coast
- Main Roads
- - - Christchurch City TLA Boundary

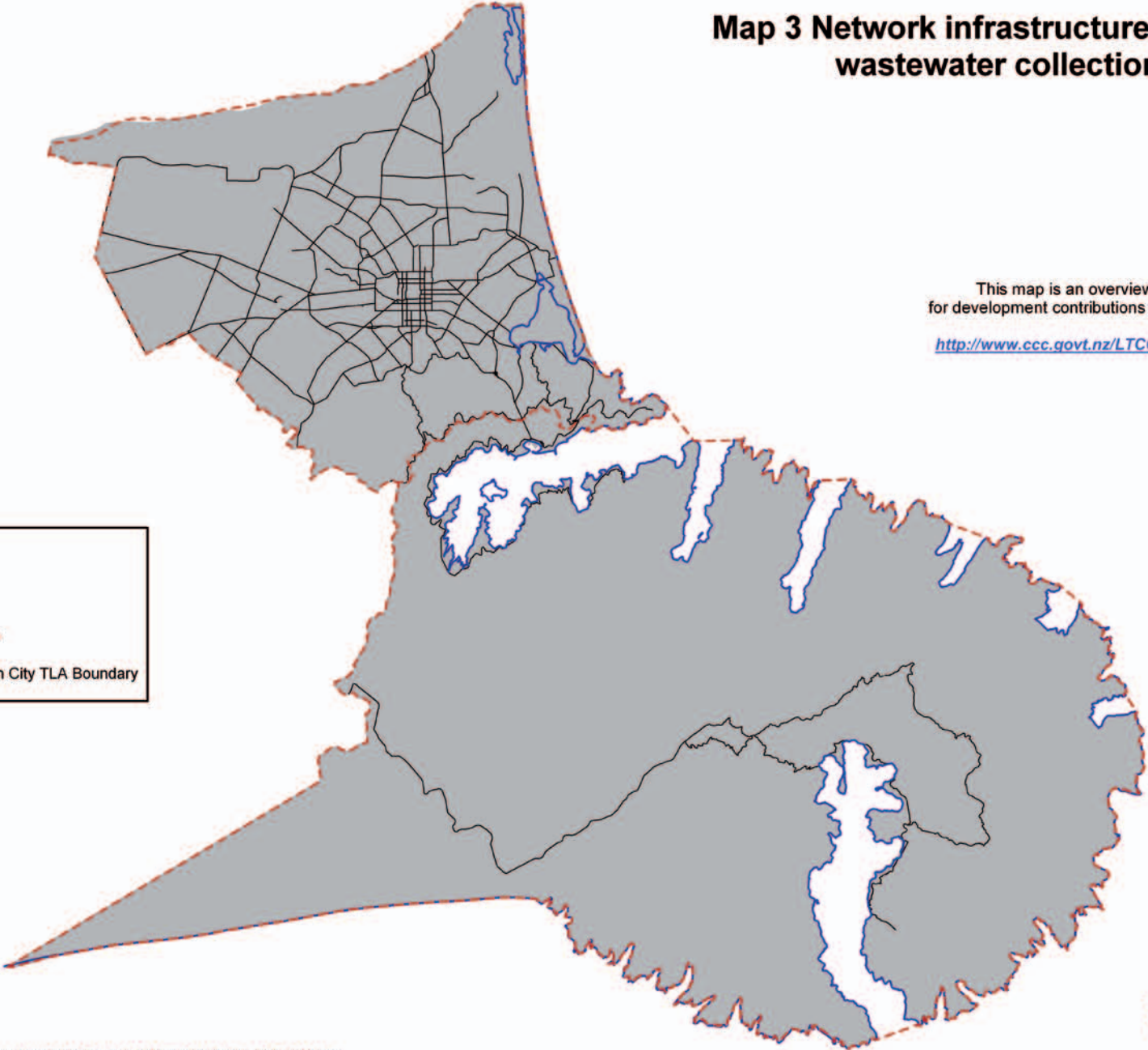


Map 3 Network infrastructure catchment: wastewater collection (city-wide)

This map is an overview of the growth catchment
for development contributions for wastewater collection.
For a detailed view visit:
<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

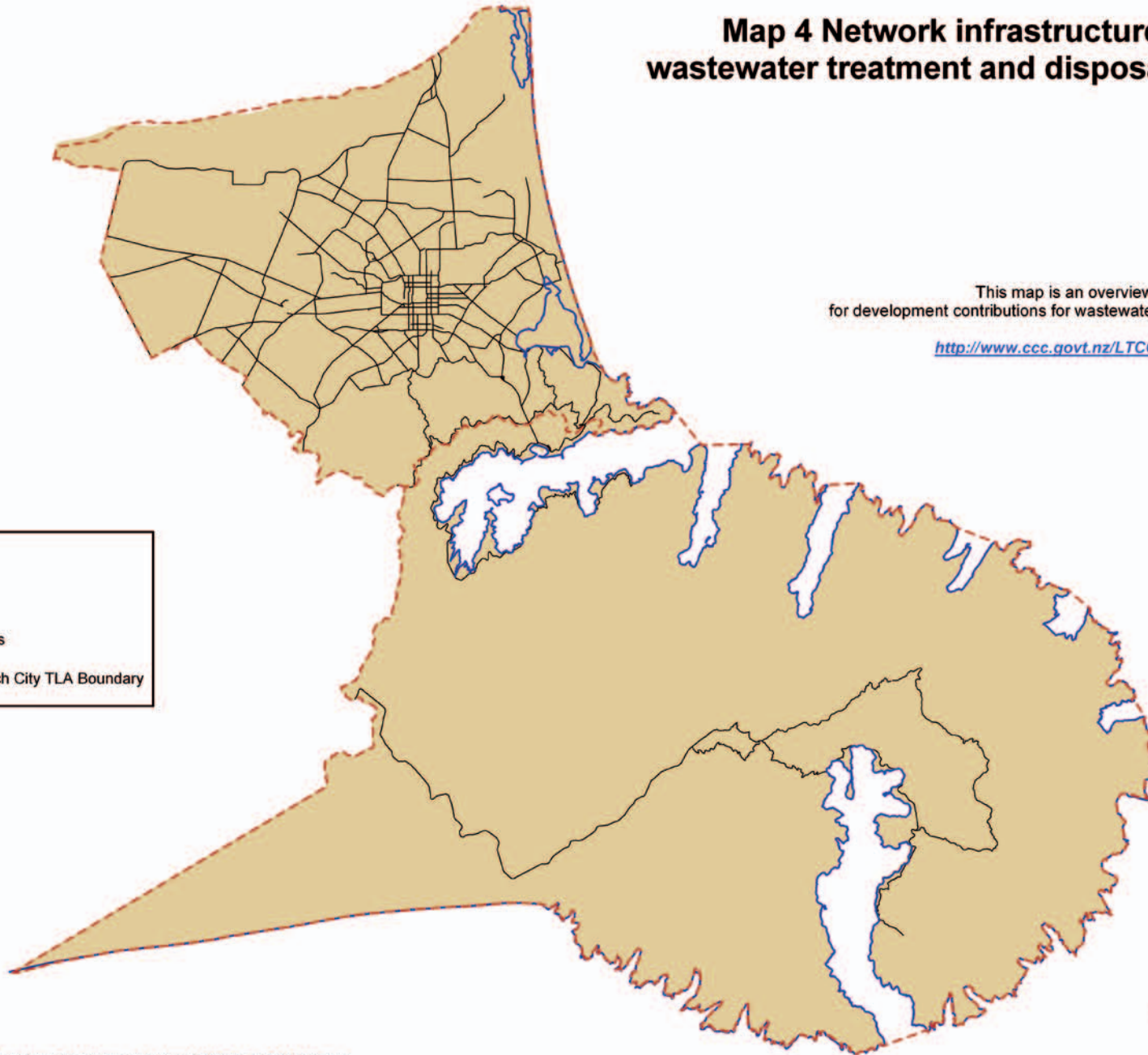
Legend

- Coast
- Main Roads
- - - Christchurch City TLA Boundary



Map 4 Network infrastructure catchment: wastewater treatment and disposal (city-wide)

This map is an overview of the growth catchment
for development contributions for wastewater treatment and disposal.
For a detailed view visit:
<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

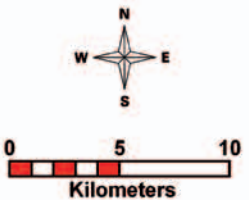
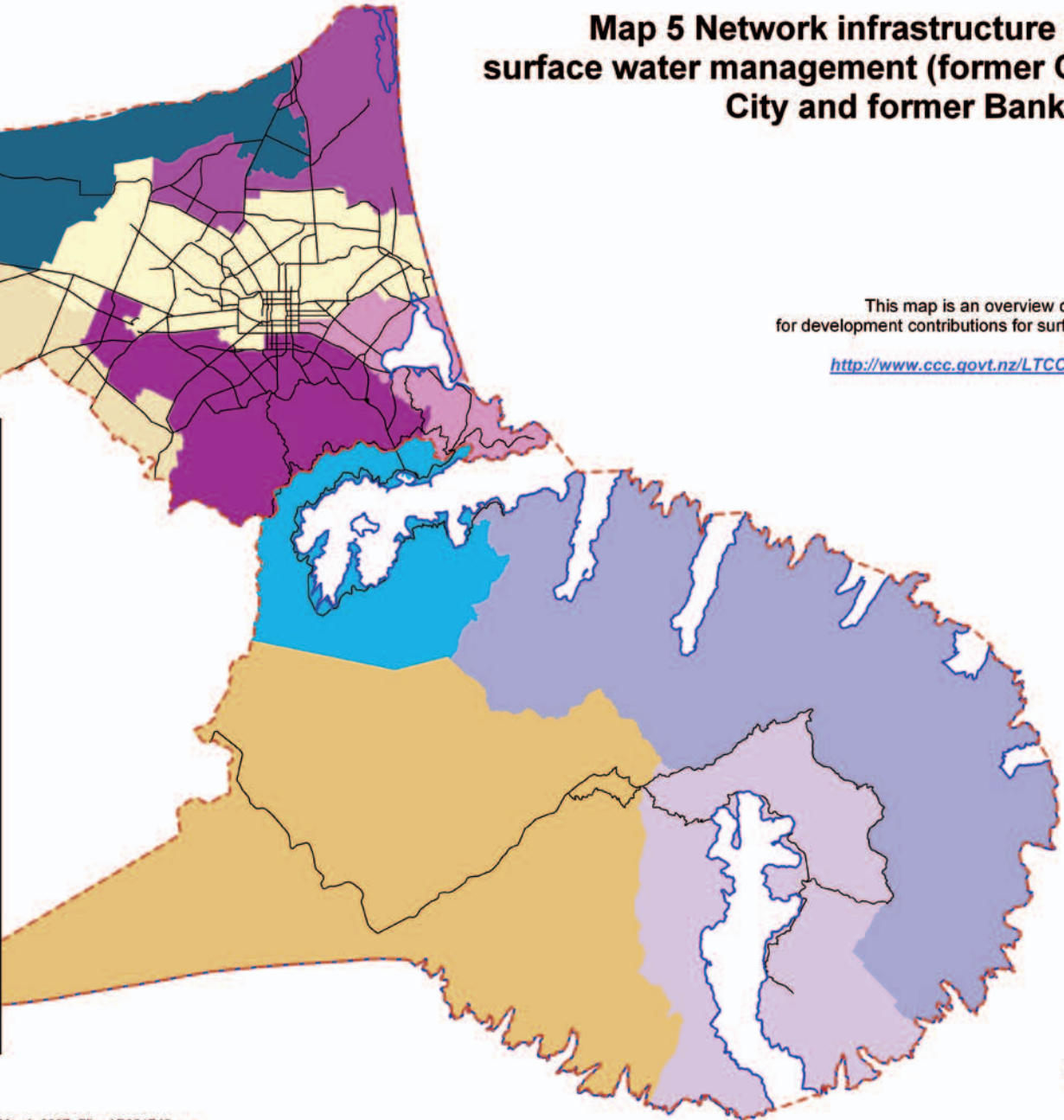


Map 5 Network infrastructure catchments: surface water management (former Christchurch City and former Banks Peninsula)

This map is an overview of the growth catchments
for development contributions for surface water management.
For a detailed view visit:
<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

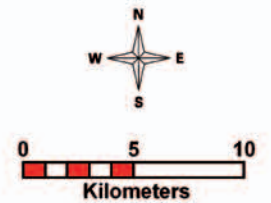
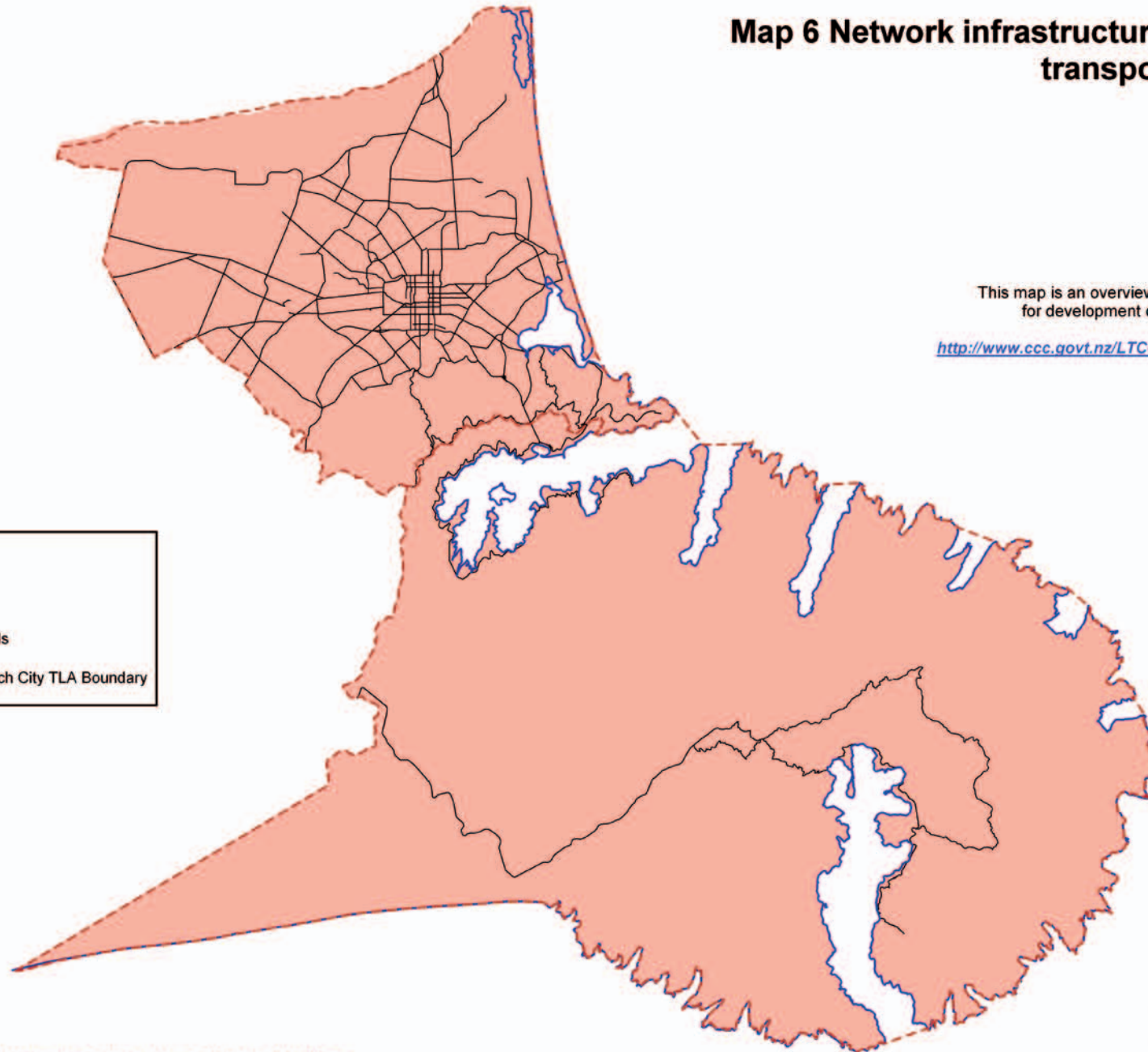
Legend

-  Avon
-  Estuary
-  Halswell
-  Heathcote
-  Otukaikino
-  Styx
-  Akaroa
-  Lyttelton
-  Northern Bays
-  Southern Bays
-  Coast
-  Main Roads
-  Christchurch City TLA Boundary



Map 6 Network infrastructure catchment: transport (city-wide)

This map is an overview of the growth catchment
for development contributions for transport.
For a detailed view visit:
<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>



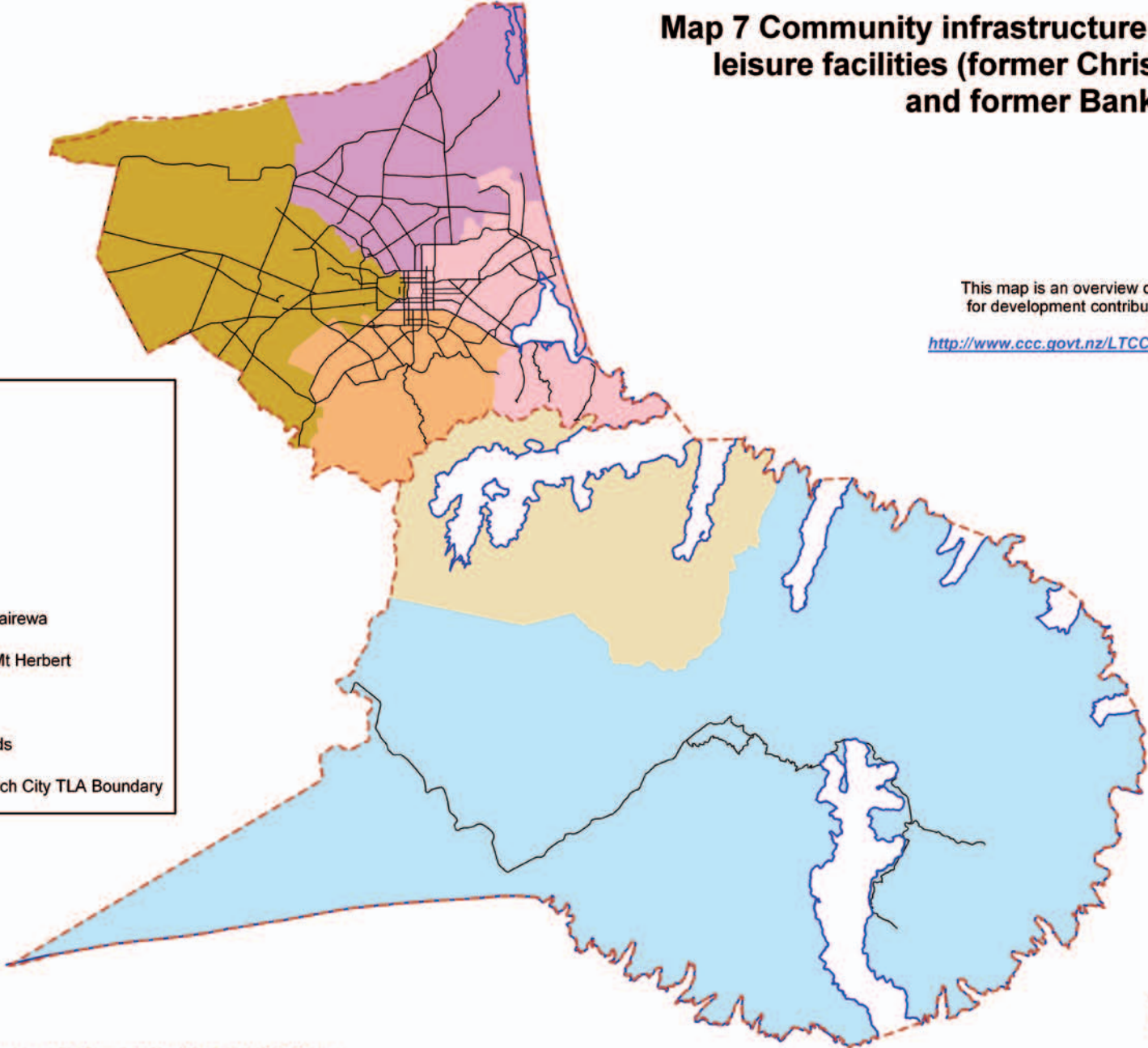
Map 7 Community infrastructure catchments: leisure facilities (former Christchurch City and former Banks Peninsula)

This map is an overview of the growth catchments
for development contributions for leisure facilities.
For a detailed view visit:

<http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp>

Legend

- North
- East
- South
- West
- Akaroa-Wairewa
- Lyttelton-Mt Herbert
- Coast
- Main Roads
- Christchurch City TLA Boundary



3.2.5 Step 5 – Check schedule of development contributions for network and community infrastructure

Identify the charges per HUE payable within the relevant catchments (identified from Step 4) for each activity from the following table.

Table 3.2.5 Schedule of development contributions (excluding transitional discount)					
Activity		Catchment	Development contribution per HUE (excluding GST)	Development contribution per HUE (including GST)	
Reserves	Reserves	City-wide	\$12,272.00	\$13,806.00	
Network infrastructure	Water supply and conservation	City-wide	\$2,292.49	\$2,579.05	
	Wastewater collection	City-wide	\$2,412.44	\$2,714.00	
	Wastewater treatment and disposal	City-wide	\$4,429.03	\$4,982.66	
	Surface water management	Avon		\$1,721.93	\$1,937.18
		Heathcote		\$2,721.12	\$3,061.26
		Estuary		\$2,153.38	\$2,422.55
		Halswell		\$2,132.45	\$2,399.01
		Otukaikino		\$419.20	\$471.60
		Styx		\$506.30	\$569.59
		Akaroa		\$0.00	\$0.00
		Lytelton		\$0.00	\$0.00
		Northern Bays		\$0.00	\$0.00
		Southern Bays		\$0.00	\$0.00
Transport	City-wide	\$1,697.11	\$1,909.25		
Community infrastructure	Leisure facilities	East	\$672.67	\$756.76	
		North	\$1,079.59	\$1,214.54	
		West	\$1,743.34	\$1,961.26	
		South	\$464.20	\$522.22	
		Lytelton-Mt Herbert	\$0.00	\$0.00	
		Akaroa-Wairewa	\$0.00	\$0.00	

3.2.6 Step 6 – Calculate the development contributions for network and community infrastructure

For each network and community infrastructure activity, multiply the number of HUEs (as calculated at Step 3) by the charges payable for that activity for the relevant catchment (from Step 4).

3.2.7 Step 7 – Calculate any transitional discounts

The following Table 3.2.7 contains transitional discounts to be used in the calculation of development contributions for network and community infrastructure. The discount rates below provide a transition to the charging of development contributions at the full rate of 100% and will apply to complete consent applications received in the years indicated. Apply a transitional discount to any applicable development contribution from the following Table 3.2.7.

Table 3.2.7 Schedule of transitional discounts						
Activity		Catchment	Year			
			2008	2009	2010+	
Reserves	Reserves	City-wide	0%	0%	0%	
Network infrastructure	Water supply and conservation	City-wide	57%	28%	0%	
	Wastewater collection	City-wide	57%	28%	0%	
	Wastewater treatment and disposal	City-wide	57%	28%	0%	
	Surface water management	Avon		57%	28%	0%
		Heathcote		57%	28%	0%
		Estuary		57%	28%	0%
		Halswell		57%	28%	0%
		Otukaikino		57%	28%	0%
		Styx		57%	28%	0%
		Akaroa		57%	28%	0%
		Lyttelton		57%	28%	0%
		Northern Bays		57%	28%	0%
		Southern Bays		57%	28%	0%
Transport	City-wide	57%	28%	0%		
Community infrastructure	Leisure facilities	East	57%	28%	0%	
		North	57%	28%	0%	
		West	57%	28%	0%	
		South	57%	28%	0%	
		Lyttelton-Mt Herbert	57%	28%	0%	
		Akaroa-Wairewa	57%	28%	0%	

The transitional discount does not apply to development contributions for reserves for the following reasons:

- Development contributions for reserves and some network infrastructure effectively existed prior to the LGA, whereas development contributions for the current range of network and community infrastructure were only introduced in 2002 by the LGA;
- Development contributions for network and community infrastructure were one of the factors responsible for the significant changes between the DCP 2004/06 and the DCP 2006/07;
- Development contributions for reserves have historically been charged at the maximum allowable under Section 203 of the LGA and preceding statutes;
- Developers are used to paying the statutory maximums;
- Significant changes between the DCP 2006/07 and this amendment to it will, in some cases, reduce development contributions for reserves below the statutory maximums;
- The Council is reliant on this funding stream; and
- Discounting such an historic and current funding stream is without precedent.

3.2.8 Step 8 - Calculate the development contribution for reserves

The Council's former policy in relation to development contributions for reserves was to require payment by each development of the statutory maximum, as set out in Section 203(1) of the LGA. The Council has decided to move to a cost per HUE-based charge, which will provide consistency with the method it uses for development contributions for network and community infrastructure. This consistent approach will be administratively easier for the Council and is also seen as providing enhanced compliance with the development contribution principles in the LGA.

To achieve this, a fixed charge of \$12,272.00 (excluding GST) per HUE shall be made. The charge is applied:

- On both residential and non-residential subdivision, being one HUE charge for every additional lot created.
- On residential building, being one HUE charge for every additional household unit created.

The charge will also be subject to the statutory maximums under Section 203(1) of the LGA, namely development contributions for reserves must not exceed the greater of:

- 7.5% of the value of the additional lots created by subdivision; and
- The value equivalent of 20m² of land for each additional household unit created by the development.

Furthermore, the HUE charge will be reduced for small household units as provided for in Section 3.2.1.

3.2.9 Step 9 - Calculate total development contribution

The total development contribution can then be calculated by adding the results from Steps 7 and 8.

The total end-to-end process for assessment of development contributions is exclusive of GST. Once all the assessments are complete, GST shall be added to the final invoice as required by the statutory and/or regulatory requirements of the day.

3.3 Additional information on assessing the development contribution payable

3.3.1 Cash as opposed to land for development contributions for reserves

The Council will take development contributions of either cash and/or land towards providing reserves for open space and recreation from subdivision and/or development, depending on which will more effectively add to the quality, diversity and distribution of open spaces and recreation areas in the City, as determined by the Council's Area Plans Programme and other mechanisms concerning strategic land acquisition.

The basis for development contributions for reserves is the additional actual or potential demand anticipated for open space and recreational land consequent to subdivision and/or development; that is, its effects in terms of land use and intensification. Development contributions may be in the form of land, including landscaped land (where provision is practicable, such as from larger 'greenfield' sites) or cash, according to an equivalent value if land were taken in the locality.

The Council needs to retain the ability to make decisions on the appropriateness of land needed for open space and recreation purposes. The Council acknowledges that, in designing a subdivision, the developer has an understanding of the needs of the potential occupiers and has a financial stake in ensuring that the subdivision is attractive and satisfies those needs. As the City grows, there is a continuing need for more land to satisfy open space and recreational needs, new areas of which will inevitably become more difficult to acquire in appropriate locations as the City becomes more intensively developed. The resource consent process instead provides the opportunity for the Council to consult with the developer on whether a cash and/or land contribution is appropriate in the circumstances, so that it is possible for the Council to acquire suitable land as, where and when opportunities arise. In the final analysis, the Council has the right to decide on the appropriate level of cash and/or land contribution.

The Council will seek cash and/or land contributions where they will provide for one or more of the following:²

- the purchase or acquisition of land for district reserves in areas where there are existing or potential deficiencies in the provision of them;
- the purchase or acquisition of land for local reserves in areas where there are existing or potential deficiencies in the provision of them;
- the purchase or acquisition of land of ecological or conservation value where there is a need to protect such areas by way of public ownership;
- the purchase or acquisition of regional reserves including coastal areas, the plains, wetlands and the Port Hills, for the protection and conservation of natural, cultural and heritage landscapes, ecology and features and to contribute to the 'Garden City' image;
- the development of land purchased or acquired as development contributions to a usable state for local and district reserves, including to upgrade an existing reserve, either adjoining or in the vicinity of a subdivision, rather than provide a new reserve within the subdivision, if the existing reserve is linked to and serves the subdivision;
- the purchase and development of land for amenity purposes within or adjoining non-residential areas; and
- any other purpose permitted by Sections 205 and 206 of the LGA.

The following are some examples to provide a guide to the level of service expected:

- a relatively flat, useful area of land for a local reserve, accessible to the user population and of a size (at least 2,000-3,000m²) adequate to accommodate children's play equipment, substantial tree plantings and open space;
- a linkage, or potential linkage, along or to significant natural features, or between other areas of public open space and community facilities;
- protection or enhancement of significant mature trees, significant areas of indigenous vegetation, indigenous wildlife habitat, margins of waterways or other significant natural features;
- protection or enhancement of historic or cultural features of significance to the City's population;
- a usable area of open space for planting as visual relief from a built or highly developed environment; or
- a flat, usable area of land for a district reserve, accessible with full road frontage and a size (at least 4ha) adequate to accommodate at least two sports fields, tree planting and other open space. To accommodate sports clubs, at least 4ha, ideally more, would be needed.

The Council accepts that there are benefits for the future occupants of subdivisions of having plenty of local open space and recreation areas. However, the Council is often asked to take over and maintain larger open space and recreation areas within a new subdivision than are required under the development contribution provisions. Because there are also additional demands from the future occupants of such subdivisions on the Council's other open space and recreation resources, the Council also needs to ensure that it obtains sufficient cash contributions, in addition to land contributions, to fund the acquisition and development of district, metropolitan, regional and other reserves and walking and cycling tracks. While the Council is prepared to accept the vesting and future maintenance of such land, it will not accept as a credit towards the development contribution required additional land provided (over and above the development contribution requirements according to this policy) for open space and recreation where it is only for the benefit of the future occupants of the subdivision. Likewise, the Council will not accept as a credit towards the development contribution required unnecessary levels of development, such as the provision of entrance gateways and fountains, etc. If developers choose to provide such features for the benefit of the subdivision, its future occupants and its competitiveness within the market, it is appropriate that they do so at their own expense.

² In this policy, this supercedes Policy 14.1.4 in Volume 2 of the Christchurch City Plan.

To avoid doubt, Section 3.3.4 does not in any way limit the Council's discretion on whether development contributions for reserves be paid in the form of cash or land.

3.3.2 Basis of land valuation

Land valuation for the purpose of calculating development contributions for reserves will be determined by the Council on the basis of the market value at the time the development contribution is assessed as per Sections 3.2.5 and 3.2.7, but including the rights and configuration given to the land under the consent application which gives rise to the development contributions assessment, and including any rights or configuration given by consents already granted.

Without limiting the Council's ability to recover under Section 208 of the LGA, if for any reason the development contribution is not paid within 12 months of assessment then a revised valuation will be required.

Land valuation for the purpose of vesting land will be separately calculated according to the nature of the land being vested.

3.3.3 Private developer agreements

A private developer agreement (PDA) is an agreement, between the developer and the Council governing the payment of development contributions, that can be used for special developments, not as a case by case bargaining tool. Under a PDA, land or works may be provided instead of a development contribution of cash, as assessed under this policy, for reserves, network infrastructure and community infrastructure. Alternatively land or works may be deferred, reallocated or used as compensation for additional demand placed on infrastructure resulting from development.

A PDA will be a contractual agreement in writing and will identify the terms of the agreement, the extent to which they depart from the standard process and assessment for development contributions and the reasons for entering into the agreement. The terms of a PDA may include the treatment of HUEs and/or the funding arrangements, statements regarding the impacts of the development on the Capital Works Programme, agreement on the timing of payments and other transactional matters.

A PDA cannot be entered into if the consent has already been granted.

An application for a PDA will be considered where it is in the best interests of the developer, the Council and the City. The Council may initiate or, at its reasonable discretion, enter into a PDA with a developer at the request of the developer before, or as part of, the consent application process for the development. Representatives of the developer, the Council and, if the Council considers it appropriate in relation to its decision-making obligations under the LGA, the City, will be consulted before the implementation of any PDA. The Council requires the general managers from the Council units associated with the PDA to approve the terms of the PDA.

PDAs may be considered in the following circumstances and in any other circumstance where the Council considers the best interests of the developer, the Council and the City will be met by using a PDA, rather than requiring the payment of a development contribution under the standard provisions of this policy:

1. Where additional reserve and/or network and community infrastructure requirements for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service. Where the cost of the works exceeds the total development contributions assessed and payable for that development, the Council may, at its discretion, reimburse the developer;
2. Where land offered by the developer is accepted by the Council as environmental compensation for development opportunities, generally in addition to, and not instead of, development contributions of cash and/or land for reserves. It is the Council's policy to apply the concept of 'environmental compensation' where land of high landscape or natural value is protected or made available for public use and/or significant public benefit will be gained from hazard mitigation measures which would substantially enhance amenity values, e.g. planting and wetland protection; and
3. Where a major infrastructure development project is being undertaken, e.g. some types of project carried out by Christchurch International Airport Limited or by Transit New Zealand.

The Council may also enter into an agreement with a developer for infrastructure provision, such as in the following situations. These will not necessarily lead to an adjustment of the development contributions payable:

4. Where the developer of a residential or non-residential subdivision applies a development contribution of cash and/or land for reserves to provide immediate landscaping and other amenities on a neighbouring or other local reserve outside the subdivision area from which it was derived;
5. Where the developer will meet the additional costs of providing above normal levels of service for reserves or infrastructure, provided the Council agrees to the above normal levels of service for that particular reserve or infrastructure; and
6. Where reserves or network infrastructure are funded or supplied by a developer to meet levels of service and the infrastructure requirements of rezoning. Deferred reimbursement may be required if the current capital programme at the time of consent does not reflect the requirements of the rezoning.

3.3.4 When the Council will not require a development contribution

Limitations to the application of development contributions

The Council will not require a development contribution to the extent that:

- it has, under Section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure (fund in this sense excludes the cost of community facilities funded by the developer in the short term but recovered from the Council in the long term); or
- the Council has received, or will receive, full funding from a third party for those works.

This does not prevent the Council from collecting a development contribution in respect of any subsequent application for consent or service authorisation for any development, where the demand assessed for the development for the same activity is more than the demand assessed pursuant to any prior consent or authorisation for that development.

Where a further increase in demand is so assessed, a development contribution will be required only on the additional demand being created by the development.

Development contributions payable by the Council

The Council is exempt from paying any assessed development contributions for each activity if the development itself is a capital expenditure for which development contributions are required. This avoids the possibility of collecting development contributions on development to pay for the funding of development. The Council is otherwise required to pay development contributions as appropriate.

Development contributions exemption for the Crown

Where the Crown is exempt from paying development contributions by statute, it is invited to pay development contributions as appropriate on any activities which consume infrastructural capacity. The invitation to pay will not be a condition of the issue of a property information memorandum (PIM) or consent, Section 224(c) certificate, code compliance certificate or service connection.

Development contributions payable by private development on reserves

Where the Council permits private developments on reserves, such as clubrooms, as non-residential developments these will be subject to development contributions.

Boundary adjustments

Where a resource consent (subdivision) is granted for a boundary adjustment and no additional lots are created, development contributions will not be assessed or payable on the resource consent.

3.3.5 Other charges

Works and services

Nothing in this policy will prevent the Council from requiring, as a condition of resource consent, the provision of works and services usually, but not exclusively, internal to or on

the boundaries of the development site required to service that development, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development, except where such works are provided for in the LTCCP. The City Plan defines the nature and standard of the works and services that are to be provided (refer Part 14: Subdivisions in Volume 3 of the Christchurch City Plan and Chapter 31: Subdivision in the former Banks Peninsula Proposed District Plan) and these works and services standards also apply to development fronting existing legal roads. These works and services are provided by the developer at their cost and, where the asset created is normally owned and maintained by the Council, transferred without charge into Council ownership.

Nothing in this policy will prevent the Council from requiring, at its request and cost, the provision of additional 'extra-over' works by the developer, such as installing a larger pipe and/or constructing a wider road through their development, in anticipation of future demand on those services beyond the boundaries of the development. Where additional extra-over works for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service, and where the cost of the works exceeds the development contribution assessed and payable for that development, the Council may, at its discretion, reimburse the developer. The reimbursement will be via a contractual agreement entered into by both parties, being the developer and the Council. The payment terms of any monies will be negotiated in the terms of the contractual agreement.

Service connection

In addition to development contributions payable at the time of any applicable service connection, the Council may continue to collect service connection fees in accordance with current practice and the LGA for the following assets:

- Water supply connection;
- Wastewater connection;
- Surface water connection; and
- Vehicle crossing.

3.3.6 Construction demand

The demand on infrastructure of any activity will be assessed based on the demand which will exist once the activity is established and operational, not on the demand during construction.

3.4 Postponement, review, remission, reduction and refund of development contributions

3.4.1 Postponement of development contributions

There are no specific situations where a development contribution will be postponed. The Council may, at its discretion, grant any postponement of any development contribution payable under this policy (such as in the situations outlined in Sections 3.1.2 and 3.2.1).

3.4.2 Review of development contributions

The Council does not consider it appropriate to provide any formal review process. Sufficient opportunities exist for any developer to discuss all matters relating to this policy with Council staff, to outline any extraordinary circumstances and for matters to be brought before the Council for a decision.

3.4.3 Remission and reduction of development contributions

This policy does not provide for any remissions or reductions to be applied for or granted, other than the credits and transitional discounts described elsewhere in the policy. The Council does not consider development contribution remissions to be an appropriate means of advancing strategic objectives unrelated to growth-related capital cost recovery (such as the retention of heritage buildings or the provision of social housing), for the following reasons:

- The introduction, and a large number or range, of remissions leads to less transparency and more complexity in the administration of development contributions.

If the Council wishes to advance particular strategic objectives, it is considered more appropriate to do so via a means separate to DCP remissions.

- It may be considered unfair that developers, rather than the City as a whole, should pay to achieve such strategic objectives; and
- The availability of relevant remissions is likely to be capitalised into and increase the land value of development sites. Remissions may not advantage the developers of developments that remissions seek to encourage.

3.4.4 Refund of development contributions

The refund of cash and return of land will occur in accordance with Sections 209 and 210 of the LGA, in the following circumstances:

- If the development does not proceed;
- If a consent lapses or is surrendered;
- If the Council does not provide any reserves, network infrastructure or community infrastructure for which a development contribution was required; or
- If the Council does not apply money within 20 years, or use land within 10 years, or any relevant agreed period, of that contribution being received for any specified reserve purpose.

For the avoidance of doubt, and except in relation to any money or land taken for a specified reserves purpose, the Council will not refund a development contribution where any specific project does not proceed, unless the activity for which the development contribution was taken is not provided.

Any refunds will be issued to the current consent holder and/or title holder for the development to which they apply. The amount of any refund will be the development contribution paid, less any costs already incurred by the Council in relation to the development and its discontinuance, but may include any interest earned depending on the circumstances of the case.

PART 3 SUBSTANTIATION OF POLICY

4.0 Basis for the policy

4.1 Statutory requirements and options for contributions

The Council has historically required those developers whose developments (including subdivision and buildings) place new demands on the City's reserves and network and community infrastructure to make a fair contribution toward the expansion of those services. An exception to this has been the network effects of incremental growth, which have been paid for by the ratepayer.

The LGA allows councils to require development contributions from developers if the effect of their developments requires the Council to provide new or upgraded reserves and infrastructure. Councils may use either the provisions of the LGA (development contributions) or those of the RMA (financial contributions), or a combination of both, to obtain cash or land from developers. The Council uses a combination of both.

Section 102(4)(d) of the LGA requires the Council to have a policy on development or financial contributions as a component of its funding and financial policies in its LTCCP and sets out the requirements and constraints that must be observed in its preparation. This DCP seeks to establish a transparent, consistent and equitable basis for requiring development contributions in order that the Council's following policy objectives are achieved:

- *To obtain from those responsible for development that places additional demands on the Council's provision of community facilities a fair and reasonable contribution towards the expansion of those services;*
- *To generate income for the City, in addition to rates and other funding options, to cover the capital costs of growth;*
- *To generate information for the Council on what infrastructure investments need to be made to cater for growth, to assist the Council and City to differentiate between investments in growth infrastructure and investments made for other purposes; and*
- *To ensure that the level of such contribution does not generally act to discourage development, recognising that the contribution will be influenced by the complexity of site works and that this may act to discourage development of a particular area.*

4.1.1 Development contributions

A development contribution is a contribution from developers of cash or land, or a combination of these, provided for under the DCP. The Council is required to use development contributions only for the activity for which they are collected. This will be undertaken on an aggregated project category basis for each of the activities, not on a project by project basis. The Council may and will require a development contribution in respect of any developments in the City that create a demand for new reserves and infrastructure. This will include, but not be limited to, additional lots (except with respect to the unit and strata titling of existing development), additional residential units, additional non-residential development, additional accommodation and additional community services development (such as sporting, educational, religious and charitable activities) irrespective of City Plan zoning and as applicable to the development, for the following:

- to meet the growth component of the future capital expenditure budgets over the following 10 years as set down in the LTCCP for the following activities:
 - o Reserves.
 - o Network infrastructure:
 - Water supply and conservation
 - Wastewater collection, treatment and disposal
 - Surface water management
 - Transport.
 - o Community infrastructure:
 - Leisure facilities
 - A summary of this expenditure is set out in Table 7.2.
- capital expenditure already incurred in anticipation of development. A summary of this expenditure is set out in Table 7.1.

The DCP contributes to the achievement of community outcomes in the LTCCP by ensuring the provision of appropriate infrastructure to meet the needs of growth.

4.1.2 Financial contributions

A financial contribution is a contribution from developers of cash or land, or a combination of these, provided for under the RMA. The key purpose of financial contributions is to

take account of the wider impact of a specific development, which may include offsetting or mitigating any adverse effects on the natural and physical environment, including infrastructural services, of a new development. The following financial contributions are provided for in the City Plan and will remain in that document because they do not fall within the scope of the LGA provisions for development contributions:

Christchurch City Plan

- A financial contribution towards the provision of parking spaces where it is not practical to physically provide the required amount on-site as part of the development in specified Central City and business zones (refer Part 13: Transport, Appendix 2 in Volume 3);
- A financial contribution towards the conservation of heritage assets where the development causes their reduction or removal (refer Part 9: General City Rules, Section 7.3.3 in Volume 3); and
- A financial contribution towards the provision of esplanade reserves where a development occurs without subdivision, but which would have invoked esplanade reserve provisions had subdivision occurred (refer Part 9: General City Rules, Section 7.3.1 in Volume 3). Esplanade reserves do not therefore fall within the ambit of reserves for development contributions and will continue to be dealt with under the RMA.

Former Banks Peninsula Proposed District Plan

- A financial contribution towards both existing and proposed facilities, works or services within the Council's approved development programme; and facilities, works and services specific to a proposed subdivision outside of the Council's approved development programme towards:
 - o reserves;
 - o water supply and wastewater disposal;
 - o new road/s and upgrading that portion of any existing road/s outside the site being developed where expected traffic from the development will exceed 50% of existing vehicle movements; and
 - o works and services specific to a proposed subdivision outside of the Council's approved development programme for stormwater disposal and other district facilities (refer Chapter 32: Development Contributions).
- A financial contribution towards esplanade reserves or strips on land use adjacent

to Wairewa and Te Waihora, the coast and rivers (refer Chapters 10: Water Resources and 31: Subdivision);

- A financial contribution towards the manufacture and erection of all new road name plates (refer Chapter 31: Subdivision); and
- A financial contribution of cash in lieu of on-site parking provision (refer Chapter 35: Access, Parking and Loading).

The financial contributions in the former Banks Peninsula Proposed District Plan are not operative or enforced and will be the subject of a proposed variation to align them with the Council's approach to development and financial contributions.

The Council may in the future include site-specific provisions in the City Plan requiring financial contributions for reserves, network infrastructure and community infrastructure in exceptional circumstances that cannot be covered by the LGA or by PDAs.

The capital expenditure summarised in Table 7.1 does not include any projects funded by financial contributions.

4.2 Review of the policy

The LTCCP and therefore this policy can only be amended through a special consultative procedure. It is intended that the DCP will be reviewed every three years in parallel with the LTCCP cycle (i.e. 2009, 2012, ...), but the Council may review it at shorter intervals in parallel with the Annual Plan cycle or at any time, if the Council deems it necessary to take account of:

- Any changes to the significant assumptions underlying the DCP;
- Any change in policy as the Council continues to develop and implement area plans for the City;
- Any changes to the City Plan;
- Any changes in the capital works programme for growth, including as a result of regular liaison with developers;
- Any changes in the pattern and distribution of development in the City, including as a result of regular liaison with developers;
- Any audits and reviews of the LTCCP;
- Any significant changes in cost indices; and

- Any other matters the Council considers relevant.

In addition to the above, it is intended that the schedule of development contribution charges will be updated annually with each annual plan to account for inflationary adjustments to the costs of projects, changes to the service delivery project scopes to meet changes in the City and inflationary adjustments to the development contribution charges. The inflationary adjustments will be based on construction cost movements.

Opportunities for interested or affected parties to seek amendment to the policy are available whenever the special consultative procedure is used to propose an amendment under the above scenarios. In addition, the Council welcomes suggested amendments at any time and will consider these as it prepares the three yearly LTCCP and DCP review. The Council's decision to adopt this policy is subject to judicial review to the High Court only.

Future versions of this policy may provide for development contributions for the following additional activities (imposition of a development contribution charge for the identified catchments):

- Network infrastructure:
 - o Surface water management on former Banks Peninsula; and
 - o Other transport infrastructure, including additional cycle ways and safety improvement works.
- Community infrastructure:
 - o Other infrastructure on reserves;
 - o Sporting facilities;
 - o Swimming pools;
 - o Community halls;
 - o Libraries;
 - o Leisure facilities on former Banks Peninsula; and
 - o For non-residential developments.

5.0 Planning for growth

5.1 Growth model

City growth assumptions underpin the Council's asset management plans and capital expenditure budgets in the LTCCP for the 2006-16 period. Growth in the City has been projected for the following three components: additional residential households, additional non-residential floor area (m²) and additional non-residential impervious surfaces (m²).

Population and household growth is based on the medium population and household projections for the City produced by SNZ.³ These projections assume medium rates of fertility, mortality, net migration and household structure. Non-residential growth as estimated by the Council is based on historic rates of development collected from the Council's non-residential building consent records. These were projected using either the SNZ sub-national population projections, or the New Zealand Institute of Economic Research's Employment Projections for Canterbury, whichever was appropriate for each specific business zone defined by the City Plan. Changes in impervious surfaces in the City are based on impervious information provided by Landcare Research derived from landsat satellite imagery. Impervious surface projections were then generated by using the projected non-residential growth to identify the amount and location of future change.

Growth due to increased visitors is included in the holiday home part of the residential household projections in the former Banks Peninsula area and to the extent that the non-residential floor area projection includes visitor-related development.⁴

³ Statistics New Zealand, Subnational Population Projections (2001) base February 2005 release and Subnational Household Projections (2001) base October 2005 release.

⁴ Christchurch City Council, Development Contributions Policy Growth Model: Documentation at March 2007.

	2006	2016	10 year percentage change 2006-16	2041	Percentage change 2006-41
Population	355,900	374,000	5.1%	399,700	12.3%
Households	142,400	154,900	8.8%	176,600	24%
Business floor area (million m ²)	7.4	8.0	8%	8.7	18%
Non-residential impervious surfaces (million m ²)	19.3	20.2	5%	20.6	7%

These projections indicate that:

- Residential growth between 2006 and 2016 will produce 12,500 additional households (8.8% growth) spread across greenfield, infill and rural locations;
- Household growth from 2006 to 2041 is estimated to produce around 34,200 additional households (24% growth);
- Non-residential growth between 2006 and 2016 is expected to be in the order of 0.6 million m² of new floor area, a growth rate of 8.1%;
- Non-residential growth from 2006 to 2041 is expected to be around 1.3 million m² (18% growth); and
- Impervious surfaces for non-residential areas of the City is expected to increase by 0.9 million m² (5% growth) in the ten years from 2006 to 2016 and by 1.3 million m² from 2006 to 2041 (7% growth).

Growth projections are subject to significant uncertainties as to the amount, timing and location of growth. Therefore the regular update and assessment of growth projections is a key component of monitoring growth and planning future infrastructure requirements. Future growth projections will be informed by the Urban Development Strategy and Action Plan for Greater Christchurch (UDS), which is expected to be adopted prior to this policy becoming operative. This will provide an updated picture of the location and nature of future residential and non-residential development.

The Council will continue to monitor the actual growth in residential development, non-residential development and impervious surfaces and compare these trends with the forecast growth from the growth model. It is anticipated that over the short term there will

be periods where growth will be above or below the forecast growth. However, the aim is that these periods will average out close to the forecast trend. The monitoring of actual trends versus the predicted growth will be used to adjust the growth model to improve the accuracy of forecasting over time. It will also inform future asset management planning and its subsequent capital programmes in future LTCCPs.

The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population, household or business growth, i.e. actual costs for growth will depend upon the particular capital works required.

5.2 Application of household unit equivalents (HUEs) as the unit of demand

The most equitable way to apportion the cost of new reserves, network infrastructure and community infrastructure in response to growth demand is on the basis of the number of equivalent new households expected as detailed in Section 5.1 for both residential and non-residential development. A growth model has been developed in order to predict growth throughout the City in HUEs and this growth information is presented per activity, per catchment. In the growth model, a HUE is defined as being equivalent to one 'average' household unit. It is recognised that household units vary throughout the City and that the demands they generate also cover a broad range. Given the relatively large size of the development contribution catchments and the implied averaging, the approach is considered equitable and appropriate, as well as being consistent with the level of detail recognised by the growth model itself.

The projections in Section 5.1 for the non-residential floor area (GFA) and non-residential impervious surface area (ISA) are multiplied by the equivalences in Table 5.2 to convert the non-residential growth to HUEs.

In a subdivision, 1 HUE applies per lot. In a residential development, 1 HUE applies per household unit, subject to the small residential unit adjustment. In a non-residential development, the m² of non-residential floor and impervious surface areas are subsequently converted into HUEs as follows.

Table 5.2 Non-residential land use HUE equivalents							
Non-residential land-use/zone classification	Measure	Water supply and conservation	Wastewater collection	Wastewater treatment and disposal	Surface water management	Transport	Leisure facilities (1)
Business 1	m ² GFA	0.0035	0.0039	0.0039		0.0138	0.0028
Business 2	m ² GFA	0.0035	0.0040	0.0040		0.0211	0.0028
Business 3	m ² GFA	0.0031	0.0035	0.0035		0.0041	0.0028
Business 4	m ² GFA	0.0050	0.0057	0.0057		0.0051	0.0028
Business 5	m ² GFA	0.0041	0.0046	0.0046		0.0028	0.0028
Business 6	m ² GFA	0.0033	0.0037	0.0037		0.0014	0.0028
Business Retail Park	m ² GFA	0.0035	0.0039	0.0039		0.0148	0.0028
Central City & Central City Edge	m ² GFA	0.0032	0.0036	0.0036		0.0065	0.0028
Other non-residential zones	m ² GFA	0.0035	0.0039	0.0039		0.0062	0.0028
All zones	m ² ISA				0.00375		

Note:

(1) Non-residential activities will not be charged development contributions for leisure facilities under this policy.

6.0 Rationale for funding the costs of growth through development contributions (consideration of Section 101(3) of the LGA)

The development contribution charges in this policy have been set after the Council has considered the requirements of Sections 101(3)(a) and (b). The following is an explanation of the issues considered.

6.1 Community outcomes (Section 101(3)(a)(i))

The following community outcomes⁵ have particular relevance to the Council's decision on how to fund growth-related reserves and network and community infrastructure:

- A city of people who value and protect the natural environment:
 - o Our lifestyles reflect our commitment to guardianship of the natural environment in and around Christchurch; and
 - o We actively work to protect, enhance and restore our environment for future generations;
- A well governed city:
 - o Our values and ideas are reflected in the actions of our decision-makers; and
 - o Our decision-makers manage public funds responsibly, respond to current needs and plan for the future;
- A healthy city:
 - o We live long, healthy and happy lives;
- A city for recreation, fun and creativity:
 - o We value leisure time and recognise that the arts, sports and other recreational activities contribute to our economy, identity, health and wellbeing; and
- An attractive and well-designed city:
 - o Christchurch has a vibrant centre, attractive neighbourhoods and well-designed transport networks; and
 - o Our lifestyles and heritage are enhanced by our urban environment.

The above list summarises some of the most relevant outcomes, however, the specific outcomes for each activity are listed in Volume 1 of the LTCCP under each Group of Activity

page and are not repeated in full here. For example, the community outcomes for reserves are listed on page 123 and those for water supply on page 165.

Charging new development a development contribution towards additional or increased capacity of community facilities ensures an appropriate contribution to these community outcomes. For example:

- Reserves are created and developed to service growth;
- Large, efficient water reservoirs and pumping stations are built and shared across a number of developments; and
- Traffic resulting from development is managed by a programme of works that maintains existing traffic flow, pedestrian and cycle access, parking and safety standards.

6.2 Distribution of benefits (Section 101(3)(a)(ii))

The benefits in this context are:

- benefits which flow from the extra capacity, identified as coming from the capital expenditure specified as relevant to the development contributions. These flow to:
 - o the existing community; and
 - o the new growth community, separated into:
 - growth within the next 10 years; and
 - growth capacity thereafter (excess capacity);
- assumed to have a value equal to the capital expenditure; and
- similar to the benefits which flow from the underlying service activity, being that which the consumers of the services receive as value from the availability of the capital assets.

The capital expenditure and benefit allocation in this policy is analysed as follows:

- renewal expenditure – this benefits the existing community only and replaces the existing asset base;
- backlog expenditure – new asset capacity is of benefit to the existing community only, to meet the shortfall in the current level of service;

⁵ In producing the community outcomes, the Council undertook a review of the former Banks Peninsula Community Outcomes 2006 to 2012.

- changed (increased) levels of service - capital expenditure that benefits all of the community. The pro-rata portion which benefits the growth community is allocated to them and is recoverable by development contributions;
- new services expenditure – capital expenditure to provide the benefits to both the existing and the growth community on a pro-rata basis. The portion which benefits the growth community is recoverable by development contributions; and
- growth expenditure – that which benefits and is needed by the projected growth in the community, estimated over the next 10 years. Asset capacity which provides benefits beyond that period may be allocated to future growth communities and may form part of future development contributions.

The level of service supplied for most activities is homogenous and the benefits are enjoyed by the whole community, both the existing and new growth in households. There is generally no mechanism to exclude one or the other.

Likewise, both existing and growth communities share proportionately in the benefits of excess capacity until consumed by the expanding community.

The existing community (and the expanding existing community) have to fund any excess until future growth in demand (beyond the 10 year period) occurs and the development contributions include recovery of the current excess capacity.

Built into the existing network are components with excess capacity which will benefit the growth community. Some components are included in the development contribution, but many are not. The growth community therefore benefits from some past capital expenditure without any additional charge made to them.

The benefit considerations taken into account by the Council in setting the development contribution for each of the selected activities is discussed in greater detail in one of the supporting documents to this policy: 'Development Contributions Policy – Section 101(3) Considerations'.

6.3 The extent to which actions or inactions of particular individuals/ groups contribute to the need to undertake an activity (Section 101(3)(a)(iv))

The Council considers that both new residential and non-residential development are 'actions' of the development/growth community that contribute to the City's need for increased community facilities.

The Council has estimated the extent of growth within the City and has translated that to the number of developments which constitute that growth. The Council has also identified its capital expenditure necessary to meet the needs of the growth community and this is explained in this policy.

The Council then identified, through the cost allocation methodology, the extent that the growth community that is forecasted to occur within the period 2006 to 2016 will benefit from selected capital expenditure. This is shown by:

- The inclusion of the capital expenditure item on the development contribution schedule of growth-related capital expenditure – this shows the project is necessary and has a growth component;
- The application of the growth and benefit allocation assumptions to the capital expenditure project and the consequential development contribution which results (and which in turn sums up to the development contribution for each activity); and
- The full development contribution listed in the DCP.

The Council also recognises that there may be capital expenditure necessary to change the level of service, to increase the level of service for all, due to:

- Ratepayers who want increased levels of service;
- Obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions; and
- Visitors coming to this city using the facilities.

The allocation of the benefits and the costs take these factors into account.

6.4 Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities, and the period over which the benefits are expected to occur (Sections 101(3)(a)(iii) and (v))

Each activity for which a development contribution is made is separated from other activities because of the nature of the asset and services which flow from the use of the assets.

The benefits of funding additional infrastructure capacity required as a result of development growth through development contributions include greater transparency and efficiency by passing on an appropriate share of the actual costs to developers. The developments expected in the next ten years are charged their fair portion, in that the capacity that benefits the existing community and growth community beyond 2016 is excluded from the development contributions. The growth portion on which a development contribution is based is that which provides the level of service for the assumed growth in households and non-residential property over the 10 year period.

For some activities, the use of catchments also aids transparency and efficiency by identifying the variations in the cost of providing infrastructure, according to the characteristics of the particular locality and the nature of the works required. Although development contributions are not a significant administrative cost once systems are established, small local catchments collection of development contributions may not be cost effective and therefore a city-wide charge will be more efficient for some activities with a larger number of widely located projects.

6.5 Overall impact on community wellbeing

Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the City. Funding the Council's net cost of providing increased capacity in the City's infrastructure through development contributions, rather than rates-serviced debt or other forms of funding, promotes equity between existing residents and newcomers.

LECG, an independent global provider of specialist knowledge in regulation, economics, financial and statistical theories and analysis, as well as in-depth knowledge of specific markets and industries, was commissioned by the Council to assess its development contributions cost allocation methodology in, and to provide advice about the likely economic impacts of, its DCP 2006/07. Using economic principles commonly accepted in cost allocation problems, LECG concluded that the methodology is well designed; the challenge being to implement it correctly and consistently over time. With respect to the economic impacts, the LECG approach focussed on and utilised the price elasticity of property (based on research completed by the Property Council). Their main findings were that the implementation of the DCP 2006/07 will lead to a slowdown of construction activity in the short to medium term. However, their report also indicates that the magnitude, duration and overall impact of this slowdown could be negated by other market forces. The Council has endeavoured to include in this policy, being an amendment to the DCP 2006/07, and its processes the range of recommendations LECG made to ensure that DCP implementation is seamless and integrated. It has also included the majority of the recommendations of the joint Council and development industry working party.

With respect to integration, achieving charging parity with other local councils has merit, however it may be a challenge deciding what parity is. There are a number of competing issues that make fair comparison difficult, as explained below and illustrated by the comparison the Council has undertaken to date between its development contributions and those of adjoining Waimakariri and Selwyn District Councils and the North Shore and Wellington City Councils further afield. Achieving charging parity will result in changes to charging regimes in all the local councils. The main issues that will have to be resolved include, but aren't limited to:

- Integrating the various methodologies and ensuring harmonious, balanced charging schemes;
- The mix of activities, different ways of treating costs and the varying levels of service;
- Not all development activities connecting to the services, thus development contributions may not compare;
- Inclusion or not of the full cost of growth, e.g. including the cost of debt;
- Selection of projects to be included in the development budget and determination of the specific capital programme parameters;
- Retention of financial contributions for some aspects of development and partial development contributions for others;

- The way the different policies treat reductions and remissions;
- Facilitating the design and implementation of standardised administrative procedures and processes in the respective councils; and
- Ensuring sustainability in the various localities, which could prove difficult as a result of varying sustainability thresholds and criteria.

Nevertheless, the Council will continue to monitor the development contributions of adjoining and other councils. Furthermore, alignment of development contributions and other development charges using, wherever practicable, consistent growth assumptions and formulas is one of the key actions and approaches of the UDS to be pursued by the Council in future.⁶

The practical result of the Council's consideration of the overall impact of the development contributions on the four 'wellbeings' has been implemented by:

- Calculating the full charge based on the cost allocation methodology and the Section 101 considerations;
- The resulting charge then being modified by the transitional discount, as a result of the Section 101(3)(b) consideration; and
- Other relevant provisions in the policy, which do or may have an affect on the charge, including:
 - o Excluding remissions; and
 - o Private developer agreements.

⁶ The Urban Development Strategy and Action Plan for Greater Christchurch, November 2006, page 30.

7.0 Capital expenditure in response to growth

7.1 Activities and catchments for which development contributions may be required

The LGA allows the Council to require a development contribution from any development for:

- Capital expenditure expected to be incurred as a result of growth; or
- Capital expenditure already incurred in anticipation of growth.

Activity	Sum past years	Sum future years	Total cost	3rd party funding	Renewal	Backlog	Unallocated	Growth
Reserves		171.1	171.1				10.5	160.6
Water supply and conservation	11.5	58.2	69.7		24.7	8.5	1.2	35.3
Wastewater collection	22.0	105.6	127.6		5.5	71.6	0.7	49.8
Wastewater treatment and disposal	47.7	136.7	184.4		2.6	117.2	0.2	64.4
Surface water management	14.5	78.4	92.9			62.6	1.8	28.5
Transport	32.8	189.5	222.3	101.8	12.1	54.4	7.7	46.4
Leisure facilities	17.0	19.3	36.3		2.9	22.7		10.7
Total	145.5	758.8	904.3	101.8	47.9	337.0	22.0	395.7

Note:

The full schedule of past and pending growth-related capital expenditure is obtainable online at <http://www.ccc.govt.nz/LTCCP/2006-16/Volume2.asp> and at the Council's Civic Offices, 163-173 Tuam Street.

Development contributions will be required city-wide for the Council-funded capital works summarised in Table 7.1 resulting from growth associated with the provision of the following reserves and network and community infrastructure.

Reserves

The Council's reserves assets portfolio includes the following (internally classified) types of reserves:

- Local reserves – small to medium sized reserves intended to provide for informal, local, passive and active recreation and open space;
- District reserves – large reserves intended primarily to provide for formal, city-wide, active recreation (sporting activities and events) and open space;
- Metropolitan reserves – large reserves intended to provide for both informal and formal, city-wide and regional, passive and active recreation and open space;
- Regional reserves, including coastal areas, the plains and wetlands and the Port Hills, for the protection and conservation of natural, cultural and heritage landscapes, ecology and features – large reserves intended primarily to provide for passive recreation with a feeling of visual relief and remoteness from urbanity and to contribute to the 'Garden City' image of former Christchurch City;
- Reserves for amenity purposes within or adjoining non-residential areas;
- Pedestrian and cycling linkages along or to significant natural features, or between other reserves and community facilities; and
- Works for any other purpose permitted by Sections 205 and 206 of the LGA.

Reserves may be comprised of either soft or hard landscaping, along with associated infrastructure such as seating, lighting, play equipment, public conveniences, artworks and water features, i.e. grassed with planting, or paved with raised planters in a highly developed environment such as the Central City.

Development contributions will be required for:

- The expansion of the reserves assets portfolio, through the continued purchase of new reserves and through vesting new reserves from subdivision, to maintain a level of service providing 4.7ha of urban (local, district and metropolitan) and 13.1ha of regional reserves per 1000 people respectively; and
- The development of reserves and levels of service provided to meet new needs.

Funding provision for growth over the next 10 years will focus on the expansion of the reserves asset portfolio, through the continued purchase of new reserves (which

has averaged around 130ha per year for the last seven years) and through vesting new reserves from subdivision (which has averaged 12ha per year for the last seven years).

Strategic reserve purchases from the Port Hills Acquisition Programme is leading the purchase programme. Local reserve purchases are being made as part of the Local Parks Acquisition Strategy to balance infill housing in Living 3 Zones and to meet the goal of the strategy to ensure at least 90% of residents in the urban environment live within 400m of a reserve. In particular, additional local reserve purchases are being made in areas such as Addington, Riccarton, Central City, St Albans, Papanui and the inner city east. District reserve purchases are also factored in every second year where additional growth is occurring on a larger scale, such as in Halswell, Belfast and Burwood, due to the subdivision of rural land.

In addition to extensions to existing reserves or the formation of linkages between them, the new reserve vesting programme adds around 10 new reserves per year, which also need to be developed and levels of service provided to meet new needs. Population, as measured by the last four census periods from 1991 to 2006, has been growing at an average of 5.4% per census. The take up of vacant residential land for new housing is averaging 110ha per year (1994 – 2004). This creates the demand for new reserve assets to be developed.

Open space service levels have also been raised in many infill areas, such as the Central City, where there has been an increase in unit development leading to the purchase of houses beside existing parks to incorporate into the reserve and create greater space for new recreation equipment.

The development of land for residential purposes increases the actual or potential number of users of the open space and recreational facilities that reserves provide. Similarly, the development of land for non-residential purposes usually implies an increase in employment in an area, with consequent demands for open space to meet the leisure, walking and cycling needs of workers in, and visitors to, business areas and to enhance local amenity values. The emergence of residential units above businesses in the light industrial zones as part of recent subdivision trends and the greater mixed-use zoning proposed by the UDS further supports the need for development contributions for reserves from subdivision for non-residential purposes.

Significant work has been required by the Council to change from a percentage-based charge to a HUE-based charge. The current charge has been kept to a simple and easy to administer city-wide charge. The charge will be modified as part of the 2009-19 long-term plan process and subsequent years based on analysis yet to be completed and may include a different charging basis for non-residential subdivisions, similar to that used for network and community infrastructure, and multiple charges based on:

- A city-wide charge applicable to both residential and non-residential land uses, being a development contributions component towards, for example:
 - o local reserves;
 - o district and major metropolitan reserves; and
 - o regional reserves; and
- A catchment-wide charge to reflect local land prices and levels of service in terms of reserves distribution and development, being a development contributions component towards, for example:
 - o the growth cost for urban reserves.

Any such changes will be reflected in the next LTCCP, being the next review of the DCP.

Water supply and conservation

Development contributions will be required for:

- The ongoing city-wide upgrade in capacity of the water supply network of pipes and pumping stations; and
- Capital works to provide additional reservoir and pump station capacity.

Wastewater collection

Development contributions will be required for:

- The ongoing city-wide upgrade in capacity of the network of wastewater pipes and pumps.

Wastewater treatment and disposal

Development contributions will be required for:

- The ongoing upgrade in capacity of wastewater treatment plants.

Surface water management

Development contributions will be required for:

- The ongoing city-wide upgrade in capacity of the network of pipes and streams that make up the surface water management system.

Transport

Development contributions will be required for:

- The ongoing city-wide upgrades of roads, public transport facilities, cycle ways and pedestrian walkways to facilitate growth.

Leisure facilities

Development contributions will be required for:

- The refurbishment of Jellie Park; and
- The establishment of a northern multi-use facility.

7.2 Growth-related capital expenditure

The total capital expenditure incurred by the Council as a result of growth to meet increased demand for the activities stated in Sections 1.2 and 4.1.1, both in the past and future is summarised in Table 7.1.

The capital expenditure that is related to growth in the LTCCP is summarised in Table 7.2, including the portion expected to be recovered from development contributions and other sources.

Activity	Total capital programme for activity \$million	Total capital costs attributable to growth \$million (4)	Estimated funds from development contributions \$million	Balance \$million	Funding of balance
Reserves	\$252.0	\$160.6	\$137.1	\$23.5	Rates through capital funding such as borrowing.
Water supply and conservation	\$112.3	\$26.9	\$22.9	\$4.0	
Wastewater collection	\$340.7	\$40.0	\$34.0	\$6.0	
Wastewater treatment and disposal		\$41.2	\$35.0	\$6.2	
Surface water management	Included in the \$252.0 under reserves	\$21.4	\$15.0	\$6.4	
Transport	\$649.9	\$28.3	\$24.0	\$4.3	
Leisure facilities	\$45.9	\$6.3	\$5.0	\$1.3	
Total	\$1,400.8	\$324.7	\$273.0	\$51.7	

Notes:

- (1) Section 7.2 and Table 7.2 summarise and explain the capital expenditure for reserves, network infrastructure and community infrastructure identified in the LTCCP that the Council expects to incur to meet increased demand from growth. Further information on this can also be found in Volume 1 of the LTCCP, under the heading Council Activities and Programmes, Group of Activities, in particular City Development, Community Support, Economic Development, Parks and Open Spaces, Recreation and Leisure, Streets and Transport, Wastewater Collection and Treatment and Water Supply.
- (2) The amounts included in Table 7.2 are 2007 un-inflated base amounts.
- (3) The estimated funds from development contributions represents the anticipated receipt of development contributions over the funding periods assumed in the methodology. The amounts do not include the impact of transitional discounts being introduced for 2007 and 2008 (the impact of which is a reduction of the above amounts of \$11.3 million).
- (4) The capital costs attributable to growth are net of any third party funding, such as Land Transit New Zealand (LTNZ) subsidies toward Transport projects.

7.3 Capital expenditure already incurred in anticipation of growth

In the past, the Council has incurred expenditure in anticipation of development. Under the LGA the Council can recover the growth component of these projects implemented to support the future City. A 'Schedule of past projects with residual capacity' is included in the supporting information for this policy. The cost of the growth component is determined from the actual total cost to implement these projects.

Where the Council anticipates funding will be available from a third party for any part of the growth component of the capital expenditure budget, then this proportion of funding has been excluded from the total estimated growth component to be funded by development contributions.

7.4 Use of development contributions

The Council will use development contributions either for, or towards, the capital expenditure for which they were required, or for providing analogous reserves or network and community infrastructure.

Where a development contribution is received for capital expenditure that has already been incurred by the Council, the Council will have met its obligations under the LGA that relate to the use of the development contributions, unless a refund is due.

Where the Council has received development contributions for reserves, in addition to the powers governing the use of development contributions for reserves in the LGA, the Council must use the cash or land received as follows:

- Cash – within 20 years of it being received; and
- Land – within 10 years of it being received, unless a longer period is agreed with the party who paid the contribution (in all circumstances the Council will seek to meet such an agreement).

Should the development contribution revenue not meet the target, the Council may, at its discretion, reduce the cost of capital expenditure by varying the scope of the project or substituting the project for another more suited to the growth needs of the City.

There will be a review of the capital expenditure programme each year and changes to the development contribution charges may result. However, notwithstanding a change in any specific project, it is expected that the activity as a whole will continue to address the service level needs of the City.

8.0 How development contributions have been calculated

8.1 LGA requirements

Section 201(1)(a) of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule of development contribution charges is calculated. In summary, each development contribution has been calculated in accordance with the methodology set out in Schedule 13 of the LGA, by using the following six step process.

Table 8.1 Calculation of development contribution		
Step	Explanation	LGA reference
One	From the capital expenditure projects included in the LTCCP:	Section 106(2)(a)
	<ul style="list-style-type: none"> Determine the activity for the purposes of assessing the development contribution. 	Section 106(2)(d) Schedule 13(1)(a)
	<ul style="list-style-type: none"> Record the catchment where the project provides capacity to meet demand. 	Schedule 13(1)(a)
	<ul style="list-style-type: none"> Summarise in the DCP the capital works (with a component of capacity for growth) from the LTCCP that have been included in the determination of the development contribution charge (refer to Table 7.1). 	Section 106(2)(a)
	<ul style="list-style-type: none"> Deduct from the project cost all reasonably anticipated funding from third parties (typical sources of third party funding include LTNZ, Lotteries Grant, community fund raising). 	Section 200(1)(c)
	<ul style="list-style-type: none"> Record the capacity life of the project – the growth cost share will be assigned to the demand reported in the growth model over the capacity life of the project to a maximum of the 30 years (as referred to in the Council’s Revenue and Finance Policy). 	Schedule 13(1)(b)
	<ul style="list-style-type: none"> Include completed projects that were constructed to provide capacity for future demand and still have remaining surplus capacity. The actual costs of these projects less third party funding are included. 	Section 199(2)
	<ul style="list-style-type: none"> Exclude projects which may be implemented as works and services on condition of a resource consent, etc, from the determination of the development contribution charge. 	Section 200(1)(a) Section 200(1)(b)
	<ul style="list-style-type: none"> Assess each activity (and selected projects) that will use development contributions as part of their funding against the factors in Section 101(3)(a) (refer to Section 6). 	Section 101(3)(a)

Table 8.1 Calculation of development contribution		
Step	Explanation	LGA reference
Two	Undertake a cost allocation analysis using the Modified Shared Drivers methodology to determine the share of cost to growth. (Refer to Section 8.3).	Schedule 13(1)(a) Schedule 10(2)(1)(d)
	<ul style="list-style-type: none"> The cost allocation methodology provides a procedure based on the capacity and demand requirements of the current levels of service identified in the LTCCP to determine the growth cost share of the project cost. 	Section 106(2)(a)
	<ul style="list-style-type: none"> The cost allocation methodology provides a consistent and equitable methodology for assessing the project growth cost share. 	Schedule 13(1)(b)
	<ul style="list-style-type: none"> The outcomes of the cost allocation are summarised in the DCP to state the proportion of capital expenditure to be funded by development contributions and other sources of funding (refer to Table 7.1). 	Section 106(2)(b) Schedule 10(2)(1)(d)
Three	The growth model forecasts changes in household numbers and business floor areas (refer to Section 5.1).	Schedule 13(1)(a) Schedule 13(1)(b)
	<ul style="list-style-type: none"> Determine for each activity and catchment the changes in demand for service from the existing and growth communities over the capacity life of the project. 	
	<ul style="list-style-type: none"> Include measures of both household and business demand. 	
Four	Undertake a funding analysis of each project to determine the total cost of growth for each unit of demand.	Schedule 13(1)(a) Schedule 13(1)(b)
	<ul style="list-style-type: none"> The project growth cost share is funded by development contributions from each of the incoming growth demand units (identified in the growth model) in the catchments serviced by the project over the capacity life of the project (refer above and to Section 8.4). 	

Table 8.1 Calculation of development contribution		
Step	Explanation	LGA reference
Five	Aggregate the outcomes of the funding analyses for each project by activity and catchment to determine the development contribution charge for that activity and catchment.	Section 202(1) Section 202(3)
	<ul style="list-style-type: none"> Present the Schedule of development contribution charges (refer to Table 3.2.5). 	Section 201(2) Section 202
Six	Audit and review.	
	<ul style="list-style-type: none"> Undertake independent reviews of projects, cost allocation analyses and funding analyses. The purpose of the reviews is to check reasonableness of assumptions and correctness of the project data used in analysis. 	
	<ul style="list-style-type: none"> Internal reviews are comprehensive. External reviews are based on a mixture of selected and random samples. 	
	<ul style="list-style-type: none"> Adjust outcomes as appropriate and in accordance with the considerations in Section 101(3)(b). 	Section 101(3)(b)

Further explanation as to how development contributions have been calculated is provided in Sections 8.2, 8.3 and 8.4 as follows.

8.2 Level of service

The Council's activity management plans for each activity define the relevant level of service for that activity.

From these level of service statements a capital project list to meet projected growth has been identified and costed, based on sustaining, or where necessary changing, these levels of service.

In general, the development contributions will be assessed based on the existing levels of service across the City.

Any requirement to increase the level of service for existing users will not be funded by development contributions.

8.3 Cost allocation methodology

The cost allocation methodology used in this policy is referred to as a 'Modified Shared Drivers.' This methodology is applied to the 10 years of capital works projects expenditure set out in the LTCCP and expenditure on past projects with residual capacity for growth (summarised in Table 7.1). The methodology has been applied to the programmes of capital expenditure delivering the levels of service defined in the LTCCP.

Programmes are planned capital expenditure to deliver the levels of service, while projects are planned or completed works delivering the programmes. The analysis to determine the cost of growth has been undertaken at either project level or at programme level as appropriate for that level of service. In preparing the schedule of development contribution charges, priority has been given to high value projects.

The Modified Shared Drivers approach takes the planned costs of a proposed project and assigns them to various drivers, with only the growth component of a project being recouped through development contributions. The categories of drivers within the methodology are:

- Renewal;
- Backlog;

- Growth; and
- Unallocated.

A summary of the cost allocation methodology is as follows:

- The scope and gross cost of the project are reviewed. Any non-capital (operations and maintenance costs, feasibility costs) are deducted.
- Third party funding (e.g. from LTNZ) is identified and deducted.
- The catchment is established.
- A share for renewal is deducted, taking into account the scope of assets being renewed and their remaining life at the time of renewal.
- Capacity and demand information based on current levels of service is used to allocate shares to backlog and growth.
- Any remaining share is defined as unallocated.
- Capacity and useful life information is gathered to help determine the period over which development contributions should be collected.

8.4 Funding model

The purpose of the funding model is to ensure an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is an assessment of the required development contributions. These charges are listed in Table 3.2.5.

The model takes account of:

- The funding requirements to support the costs of growth infrastructure;
- Equitable application of those funding requirements to the incoming growth community;
- Recognition that the backlog components of the growth infrastructure are funded by the existing community, typically by rates;
- Future rating revenue from the increasing community has been estimated and incorporated into the assessment of the development contributions in the funding model as a deduction to the charge;
- Interest on funds raised to implement growth infrastructure; and
- Interest on development contributions received in advance of provision of growth infrastructure.

8.5 Significant assumptions

Information

Throughout the entire process of determining development contributions the Council has used the best information available. As more accurate or up-to-date information becomes available it will be used for amendment or review of this policy as necessary.

Planning horizons

A 35-year timeframe is used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons.

Growth

The Council's growth model makes use of the best available information in anticipating growth of the City.

Household equivalent units (HUEs)

Refer to Section 5.2.

Financial

The following financial assumptions have been applied:

- The methods of service delivery will remain substantially unchanged.
- While the funding policies of third parties such as LTNZ are subject to change, the Council has assumed that they will remain the same for the period of the LTCCP 2006-16 and eligibility criteria will remain unchanged.
- All costs in the DCP are based on current known infrastructure prices in current 2007 dollars and no allowance has been made for inflation. The Council has used the best information available at the time of developing this policy to estimate the cost of individual items of capital expenditure that will be funded in whole or part by development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond the Council's ability to predict, such as changes in the price

of raw materials, labour, etc, and the time of capital works. The Council will review its estimates of capital expenditure annually and adjust the LTCCP.

- The interest rates used within the development contributions funding model are those defined in the budget assumptions for the LTCCP 2006-16. While interest rates are subject to fluctuation and are reviewed annually, these are reasonable assumptions over the period of the LTCCP 2006-16.
- Income generated from rates will be sufficient to meet the operating costs of growth-related capital expenditure into the future.

Key risks/effects

The growth and uptake predictions in the growth model may not eventuate, resulting in a change to the assumed rate of development. The Council will continue to monitor the rate of growth and will update assumptions in its capital programme and growth and funding models as required.

There is also a risk that the lag between expenditure incurred by the Council and development contributions received from those undertaking developments is different from that assumed in the funding model and that the costs of capital are greater than expected. This would result in an increased debt servicing cost and could also result in increased depreciation costs for future ratepayers. The Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models as required.

The potential economic effects on the development community of immediately introducing significantly greater charges are also acknowledged. The provision of transitional discounts for the 12 month period from 1 July 2006 while the policy was reviewed, plus changes to the timing of assessment and payment, were included to minimise such effects. Further to these initial provisions, the increase to the full development contribution charges will be spread evenly over the three years commencing 1 July 2007.

PART 4 APPENDICES

Appendix 1

Methodology to establish HUE equivalences

Water supply and wastewater

The methodology to establish the equivalences for both water supply and wastewater is the same and the calculations are shown below. Using typical water and wastewater daily usage figures and typical floor area allocations per person, water and wastewater usage figures per m² are established for a range of different non-residential land uses. These figures are then applied to the mix of these land uses that occur in the different business zones defined for the City, to arrive at water and wastewater demand figures per m² and by business zone. These figures are then compared to the City's household demand figures to determine the household equivalents.

Water supply					
Usage	248 L/p/day		(1)		
Occupancy	2.6 p/HH		(2)		
Average daily flow per household	644.8 L/HH/day		(3)		
Background standards (4)	Floor area per person (m ² /p)	Use per person (L/p/day)	Use per floor area (L/day/m ²)		
Commercial	40	80	2.00		
Retail	35	80	2.29		
Industrial (light/dry)	40	80	2.00		
Industrial	40	130	3.25		
Warehouse	40	80	2.00		
Education	12.5	25	2.00		
Usage per m ²	Commercial	Retail	Industrial (light/dry)	Industrial	Warehouse
L/day/m ²	2.00	2.29	2.00	3.25	2.00

Zone (5)	Commercial	Retail	Industrial (light/dry)	Industrial	Warehouse	Total
Business 1	20%	80%	0%	0%	0%	1
Business 2	5%	95%	0%	0%	0%	1
Business 3	5%	0%	25%	0%	70%	1
Business 4	0%	0%	0%	100%	0%	1
Business 5	0%	0%	0%	50%	50%	1
Business 6	0%	0%	0%	10%	90%	1
Business Retail Park	20%	80%	0%	0%	0%	1
Central City & Central City Edge	70%	30%	0%	0%	0%	1
Business type/zone	Floor area yield (m ²) (6)	L/day/m ² (floor area measure) (7)	Household equivalents per m ² (HH/m ²) (8)	M ² /HH (9)		
Business 1	5,159	2.23	0.0035	289		
Business 2	6,453	2.27	0.0035	284		
Business 3	5,190	2.00	0.0031	322		
Business 4	2,676	3.25	0.0050	198		
Business 5	3,339	2.63	0.0041	246		
Business 6	1,975	2.13	0.0033	303		
Business Retail Park	3,438	2.23	0.0035	289		
Central City & Central City Edge	15,962	2.09	0.0032	309		
Overall household equivalents (HH/m ²)			0.0035 (10)			

Notes:

- (1) Estimate of average residential consumption per person (total abstraction minus leakage, public, commercial and industrial use divided by population).
- (2) Occupancy.
- (3) Usage multiplied by occupancy.
- (4) From Auckland City: Sanitary Sewer Design Manual.
- (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
- (6) Floor area in each business zone provided by the Council's Strategy and Planning Group.
- (7) Standard discharge per m² weighted by activities carried out in zone.

- (8) Previous column divided by average daily flow per household.
- (9) Inverse of previous column.
- (10) Weighted average of household equivalents based on total floor area in each business zone.

Wastewater						
Discharge	220 L/p/day					(1)
Occupancy	2.6 p/HH					(2)
Average daily flow per household	572 L/HH/day					(3)
Background standards (4)	Floor area per person (m ² /p)	Discharge per person (L/p/day)	Discharges per floor area (L/day/m ²)			
Commercial	40	80	2.00			
Retail	35	80	2.29			
Industrial (light/dry)	40	80	2.00			
Industrial	40	130	3.25			
Warehouse	40	80	2.00			
Education	12.5	25	2.00			
Discharge per m ²	Commercial	Retail	Industrial (light/dry)	Industrial	Warehouse	
L/day/m ²	2.00	2.29	2.00	3.25	2.00	
Zone (5)	Commercial	Retail	Industrial (light/dry)	Industrial	Warehouse	Total
Business 1	20%	80%	0%	0%	0%	1
Business 2	5%	95%	0%	0%	0%	1
Business 3	5%	0%	25%	0%	70%	1
Business 4	0%	0%	0%	100%	0%	1
Business 5	0%	0%	0%	50%	50%	1
Business 6	0%	0%	0%	10%	90%	1
Business Retail Park	20%	80%	0%	0%	0%	1
Central City & Central City Edge	70%	30%	0%	0%	0%	1

Business type/zone	Floor area yield (m ²) (6)	L/day/m ² (floor area measure) (7)	Household equivalents per m ² (HH/m ²) (8)	M ² /HH (9)
Business 1	5,159	2.23	0.0039	257
Business 2	6,453	2.27	0.0040	252
Business 3	5,190	2.00	0.0035	286
Business 4	2,676	3.25	0.0057	176
Business 5	3,339	2.63	0.0046	218
Business 6	1,975	2.13	0.0037	269
Business Retail Park	3,438	2.23	0.0039	257
Central City & Central City Edge	15,962	2.09	0.0036	274
Overall household equivalents (HH/m ²)			0.0039 (10)	

Notes:

- (1) Estimate of average residential consumption per person (total abstraction minus leakage, public, commercial and industrial use divided by population).
- (2) Occupancy.
- (3) Usage multiplied by occupancy.
- (4) From Auckland City: Sanitary Sewer Design Manual.
- (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
- (6) Floor area in each business zone provided by the Council's Strategy and Planning Group.
- (7) Standard discharge per m² weighted by activities carried out in zone.
- (8) Previous column divided by average daily flow per household.
- (9) Inverse of previous column.
- (10) Weighted average of household equivalents based on total floor area in each business zone.

Surface water management

The surface water management equivalence concept entails the assessment of demand for surface water management services from a unit area of non-residential land as a proportion of the surface water management demand from a typical residential site.

Residential imperviousness

The demand measure for residential surface water is the average impervious area per site, being the sum of the building footprint (m²) and impervious surfaces (m²). It does not include any allowance for impervious surfaces off the site, such as roads, vehicle crossings and footpaths. Assessments of impervious areas have been made for a number of projects in the past, including measuring representative samples from aerial photographs.

A typical residential site impervious area was estimated from:

- Interpretation of satellite photography for degree of imperviousness by Landcare Research Ltd.
- Knowledge of a typical residential building footprint.

Residential imperviousness is therefore calculated as follows:

Typical residential building footprint	195m ²
Typical impervious area on a residential site	+ 232m ²
	427m ²

Non-residential imperviousness

Each m² of impervious surface can be considered to have an equal impact on flooding and erosion regardless of the source being residential or non-residential. However, surface water management projects may have multiple drivers, including resolving surface water discharge quality in addition to flooding and erosion.

It is generally considered that the contamination of surface water runoff is higher in non-residential areas. The need to deal with additional contaminant loadings affects the cost of surface water management services and hence the equivalence calculation. For the purpose of this assessment, it is considered that surface water contaminants from

non-residential environments are twice the load from residential environments and this differential is adopted for the equivalence calculation.

The calculation also makes the assumption, based on forward planning to date and experience from other cities, that 40% of capital expenditure will relate to flooding and erosion mitigation and 60% will relate to water quality mitigation.

Assumptions applicable to the non-residential surface water equivalence calculation are therefore:

- The portion of the capital works programme related to flooding and erosion is 40%.
- The portion of the capital works programme related to surface water quality is 60%.
- The contaminant load ratio between non-residential and residential is 2:1.

Non-residential imperviousness is therefore calculated as follows:

Share of 1m ² of non-residential impervious surface related to flooding and erosion =	
1m ² x flooding and erosion portion =	1m ²
	x 40%
	0.40m ²

Share of 1m ² of non-residential impervious surface related to surface water quality =	
1m ² x contaminant load ratio x surface water quality portion =	1m ²
	x 60% x 2
	1.20m ²

Effective equivalent area =	
Flooding and erosion share + contaminant loading share =	0.40m ²
	+ 1.20m ²
	1.60m ²

Equivalence 1m ² of non-residential impervious surface =	1.60
	÷ 427 HUE/m ²
	0.00375 HUE/m ²

Transport

For transport, equivalence is based upon ‘trips’ generated by an activity and the unit of measure is based on the average annual daily trips for a weekday – vehicles per day (VPD).

The methodology to establish the equivalences for transport is based on a published database of information on vehicle generation by activity type, together with the Christchurch Transport Study (CTS) TRACKS model. This model extends from the Ashley River south towards the Selwyn River. It thus covers not only the former Christchurch City, but also the principal areas associated with commuting from surrounding districts, including Rangiora, Kaiapoi, Rolleston, Lincoln, Lyttelton and Diamond Harbour.

The trip data requires adjustment to reflect that the trips observed ‘at the gate’ are driven by activities at either end. For example, a one-way trip from home to work (e.g. office) is driven by both the residence at one end and the office at the other and thus the capacity taken up by that one trip should be allocated equally between the residence and the office. In terms of this allocation, the following table gives the allocations, by trip purpose, that have been calculated using data from the Christchurch Transport Model:

Trip purpose	Residential	Non-residential
Home-based work	50.0%	50.0%
Home-based shopping	50.0%	50.0%
Home-based social	83.4%	16.6%
Home-based other	71.3%	28.7%
Non-home based	32.9%	67.1%
Light goods vehicles	32.0%	68.0%
Heavy goods vehicles	30.9%	69.1%
External (trips with an origin or destination outside the former Christchurch City)	73.1%	26.9%
Overall	51.9%	48.1%

Basic measures of transport demand from business land uses ('at the gate') adopted in the policy are:

Zone (1)	Base trips/100m ² (2)	GFA for zone (former Chch City only available) (3)	Business trips - at 'gate' (4)	Adjustment factor (5)	Adjusted total trips (6)	Equivalent HUE (7)	Equivalent HUEs/100m ² (8)	Adjusted equivalent trips/100m ² (9)	Equivalent HUEs/m ² (10)	Peak adjustment factor (11)	Equivalent HUEs/m ² (12)
Business 1	30.30	268,640	81,398	0.678	55,224	5522.4	2.06	20.56	0.0206	0.67	0.0138
Business 2	46.40	549,570	255,000	0.678	173,004	17300.4	3.15	31.48	0.0315	0.67	0.0211
Business 3	9.00	1,322,070	118,986	0.678	80,726	8072.6	0.61	6.11	0.0061	0.67	0.0041
Business 4	11.30	1,689,120	190,871	0.678	129,496	12949.6	0.77	7.67	0.0077	0.67	0.0051
Business 5	6.10	2,050,510	125,081	0.678	84,861	8486.1	0.41	4.14	0.0041	0.67	0.0028
Business 6	3.00	87,310	2,619	0.678	1,777	177.7	0.20	2.04	0.0020	0.67	0.0014
Business Retail Park	32.48	126,600	41,120	0.678	27,898	2789.8	2.20	22.04	0.0220	0.67	0.0148
Central City & Central City Edge	14.35	1,725,120	247,555	0.678	167,953	16795.3	0.97	9.74	0.0097	0.67	0.0065
Total/Average	13.59	7,818,940	1,062,630	0.678	720,939	72094	0.92	9.22	0.0092	0.67	0.0062

Notes:

- (1) This is the City Plan land-use zoning classification adopted within the growth model.
- (2) The existing estimated land use (household and non-residential GFA by each land use zone) for each of the traffic zones within the Christchurch Transport Model was provided from the growth model. This data was analysed (for 2006) to determine household trip generation (based on the notional assumption adopted for this equivalence exercise, of 10 total trips per household per day) and the 'residual' business generation ('at the gate') determined as a total across the UDS area. Only those traffic zones with exclusive land use (e.g. all B1, or all B2, etc) were used in this analysis, the output of which is this 'base trip rate' (for non-residential activities only) per 100m² GFA, that are shown in column 2.
- (3) This column summarises the estimated GFA (for the base year 2006) across the former Christchurch City area only.
- (4) The estimated business trip generation ('at the gate') is shown in this column, calculated from (Column 2 x Column 3)/100.
- (5) Column 5 shows the adjustment factor applied to convert the estimated non-residential trip generation ('at the gate'), given in Column 4, to the actual total trips allocated to non-residential activities, which amount to 720,829 trips a day. This factor is thus (on average) 0.675, being (720,829/1,062,630).
- (6) The adjusted total trips by land use zone shown in this column is simply Column 4 x Column 5. This column thus gives the actual 'true' number trips allocated to non-residential (within the former Christchurch City) within the Christchurch Transport Model.
- (7) Column 7 indicates the equivalent HUE, based on the total adjusted trips in Column 6 and the standardised assumption (for the sake of simplicity) that 1 HUE represents 10 trips per day (note that this actual value is not critical, but is required to be accounted for, as this process is about obtaining an equitable relative value of equivalence for non-residential activities compared with residential activities).
- (8) The equivalent HUEs per 100m² GFA of non-residential floor area is obtained from Column 7 (Column 3/100).
- (9) This is simply the equivalent trips per 100m², based on the standardised assumption of 10 trips/household/day (Column 8 x 10).
- (10) This is simply the equivalent HUEs per m², based on the standardised assumption of 10 trips/household/day (Column 8 ÷ 10).
- (11) The ability of a road to deliver adequate level of service is driven principally by peak traffic flows. These peak flows are dominated by cars travelling to/from home/business, whereas business to business trips occur predominantly outside peak times. To account for this impact a peak adjustment factor of 0.67 is applied reducing the share of demand to non-residential.
- (12) The final HUE equivalence for charging is determined from Column 10 x Column 11.

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Land use	Trips (VPD) (1)	Measure	Classification (2)			Net trips (3)	Equivalence HUE/residential unit, HUE/m ² , or HUE/ accommodation unit (4)
			1	2	3		
			50%	20%	3%		
Residential							
Residential unit	10.0	Unit	100	0	0	10.0	1.0
Business							
Commercial premises/offices	20	100m ² GFA	50	30	20	6.3	0.0042
Retail							
Centres ≥ 10,000m ²	87	100m ² GFA	30	50	20	22.3	0.0149
Centres < 10,000m ²	160	100m ² GFA	30	50	20	41.0	0.0273
Supermarket	130	100m ² GFA	20	50	30	27.2	0.0181
Service stations with retail facilities	600	100m ² GFA	5	20	75	52.5	0.0350
Markets	5	100m ² GFA	40	50	10	1.5	0.0010
Bulky goods	40	100m ² GFA	60	30	10	14.5	0.0097
Drive-in fast food restaurants	320	100m ² GFA	10	20	70	35.5	0.0237
Restaurants	66	100m ² GFA	60	20	20	22.8	0.0152
Industry							
Manufacturing industry	18	100m ² GFA	60	30	10	6.5	0.0044
Warehouses/storage	5	100m ² GFA	70	20	10	2.0	0.0013
Accommodation							
Within Central City and Central City Edge Zones	0.3	Unit	95	5	0	0.15	0.0001
Within other zones	3	Unit	95	5	0	1.5	0.0010

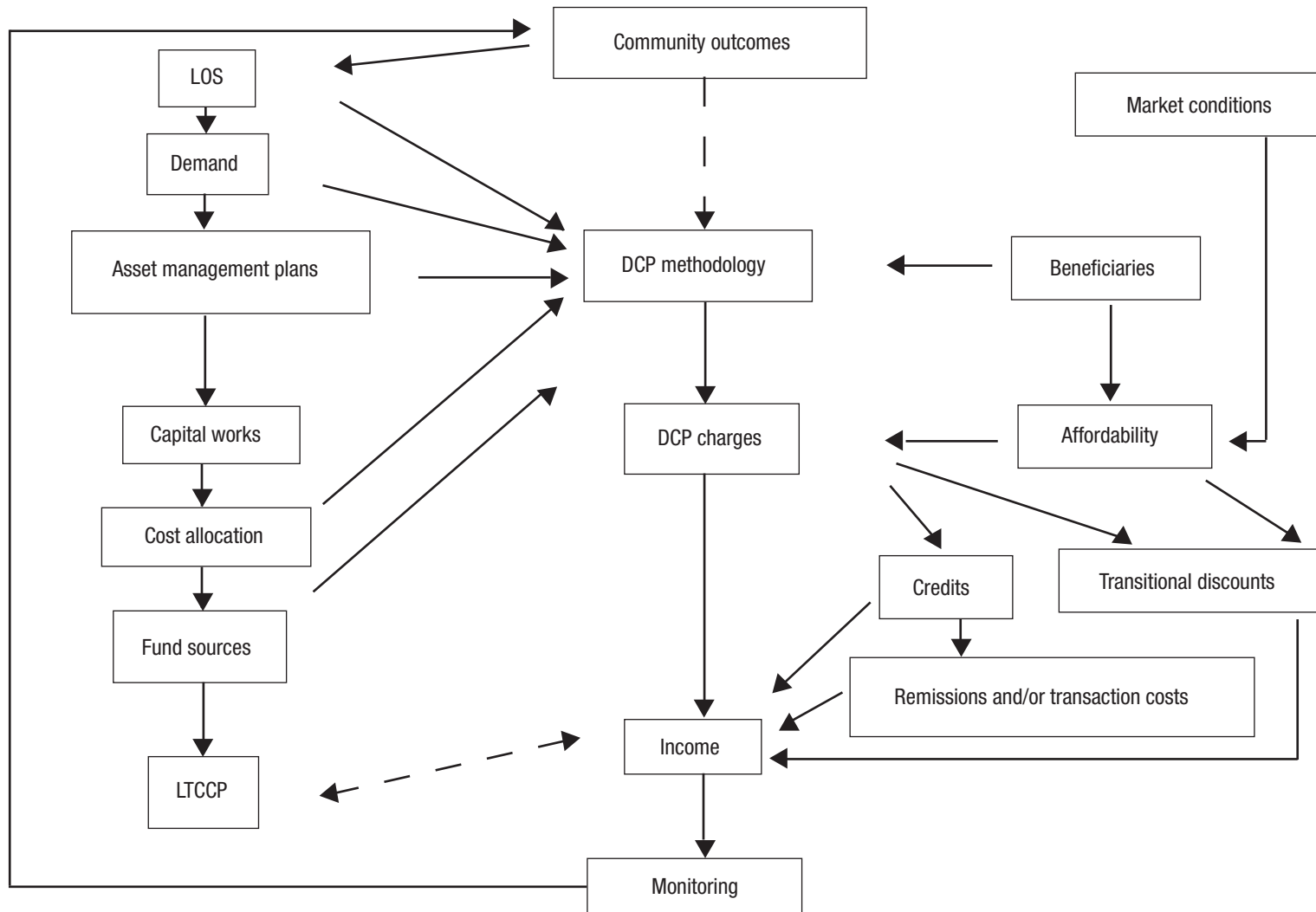
Notes:

- (1) The source of this data is primarily the New Zealand Trips and Parking database.
- (2) Many trips include a number of stops. A portion of the total trips associated with the non-residential land use is assumed to fall under each of the following three classifications:
 - 1 Primary: That portion where the sole purpose of the trip is to visit a single business. It is assumed that 50% of those trips are associated with that business land use.
 - 2 Secondary: That portion where the purpose of the trip is to visit a number of businesses. It is assumed that 20% of those trips are associated with that business land use.
 - 3 Incidental: That portion where the visit to the business is incidental to other purposes. For example, it is

- likely that a visit to a service station is incidental to the primary purpose of a trip. It is assumed that 3% of those trips are associated with that business land use.
- (3) The net trip rate is the basic generation 'at the gate' (2nd column) proportioned by the classification of trips.
- (4) The final HUE equivalence for charging is determined by applying the peak adjustment factor of 0.67 for business trips.

Appendix 2

DCP development process – key elements and linkages





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