

100% NEW ZEALAND OWNED & OPERATED

5 May 2006

Freepost 178
Our Community Plan
Christchurch City Council
PO Box 237
CHRISTCHURCH 8003

Dear Sir/ Madam,

**SUBMISSION ON DRAFT POLICY ON DEVELOPMENT CONTRIBUTIONS
- CHRISTCHURCH CITY COUNCIL LONG TERM COUNCIL COMMUNITY
PLAN 2006-2016**

Please find attached the submission from Foodstuffs (South Island) Ltd, ("Foodstuffs") in relation to the draft Long Term Council Community Plan - draft development contribution policy.

Foodstuffs seek to be heard in support of their submission.

Yours faithfully

A handwritten signature in black ink, appearing to be "Rebecca Parish".

Rebecca Parish
RESOURCE CONSENTS MANAGER

DEPARTMENT OF DEVELOPMENT
AND ENVIRONMENTAL
HERITAGE

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To: Christchurch City Council

Name: Foodstuffs (South Island) Limited ("Foodstuffs")

1. This is a submission on the draft Long Term Council Community Plan – Draft Development Contribution Policy:
 - A). 1.3 – Relationship between Works and Services (Section 108 of the RMA) and Development Contributions.

Foodstuffs opposes the Council's ability to potentially "double-dip" by seeking conditions of resource consent, and the provision of works and services to avoid, remedy, or mitigate environmental effects and then to potentially also seek the provision of 'extra-over' works by the developer, such as installing a larger pipe in anticipation of future demand on those services beyond the boundaries of the development. This effectively provides Council with the ability to seek a double payment from developers which is contrary to the provisions of the Local Government Act 2002.
 - B). Clause 1.2.2 – Financial Contributions

Foodstuffs opposes the jurisdiction that Council is proposing relating to their ability to include site-specific provisions in the City Plan in the future requiring financial contributions for reserves in special cases. This may amount to "double-dipping", is potentially unlawful and offers no certainty to the developer.
 - C). Clause 2.1 – Adoption, Implementation and Review

It is Foodstuffs opinion that the Council has failed in its duty to establish a special consultative process that reflects the importance of the issues therefore there remains little ability to challenge this policy.
 - D). Clause 2.3 – Existing Applications

Foodstuffs opposes the ability of Council to seek additional fees for those applications whose consent or authorisation has not yet been complete. This will create significant financial uncertainty for developers who have lodged applications but have not completed the consenting process, particularly where an assessment of demand and financial contributions has already been undertaken.
 - E). Clause 2.4.1 – Historic Credits

Foodstuffs opposes that historic credits cannot be transferred across certificates of title. This is inconsistent with the policy statement in Clause 2.4 and fails to make allowance for replacement development

where there is no net increase in growth or demand on infrastructure (such as situations where buildings are demolished and rebuilt on adjacent certificates of title).

- F). Foodstuffs opposes the assessment of non-residential developments. The assessment has a discrepancy between the contribution for non-residential developments based on gross floor area and the corresponding calculation for residential developments based on HUEs.
- G). Clause 4.4 – Extraordinary Circumstances
Foodstuffs opposes the reserving of an unfettered discretion to the Council to impose additional and potentially higher assessments relating to the extraordinary circumstances of a development, such as a supermarket which may be seen as a 'high traffic generator'. Reserving discretion for a special assessment during the development stage is unjustified and creates uncertainty for developers.
- H). Clause 4.5 – Summary
Foodstuffs opposes the reserve contribution for residential activities, as there is no justification for Council to seek the maximum level of 7.5% contribution. The Council must justify the necessity for the maximum level of reserve contribution to be imposed.
- I). Clause 5 – Assessment of Development Contributions
Foodstuffs opposes the proposed methodology and costs calculations. The proposed calculations are not "fair and reasonable", and require substantial economic analysis.
- J). Foodstuffs opposes the Council's provision of background methodology documents that were available for inspection purposes only, which restricted the ability of Foodstuffs to undertake an adequate review of the methodology and cost calculations within the restrictive time period set for submissions to be made on the draft LTCCP.
- K). Foodstuffs opposes the methodology utilised in the policy, as the methodology does not provide a "causal connection" between the development and the contribution to fund new or upgraded infrastructure. Foodstuffs considers that the policy is not fair, rigorous or transparent.
- L). Foodstuffs opposes the amount of contributions payable, which will result in significant and uneconomic contributions to Council. The new policy is in Foodstuffs opinion unfair and unreasonable, and not based on the increased demand on infrastructure caused by the development, with no linking causal connection. The new policies defeat the stated intention to "ensure that the level of contribution does not generally act to discourage development".

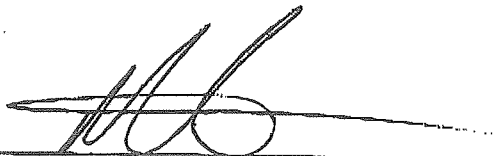
- M). Clause 8 – Significant Assumptions
Foodstuffs opposes the policy as it does not justify the substantial increases in level of contributions that will be imposed on developers.
- N). Appendix – Schedule of Charges
Foodstuffs opposes this schedule of charges as the basis for these charges is uneconomic to developers and has not been justified by Council.
- O). Appendix – Areas of Demand
Foodstuffs oppose the assessment of Areas of Demand. There is no justification for the identification of each Area of Demand, nor is there any link between Areas of Demand and the list of capital expenditure.
- P). General
Foodstuffs oppose the draft Development Contributions Policy on the following grounds:
- As it is contrary to other Council's policies which seek to encourage growth.
 - It appears to fail to provide for remissions or reductions that may otherwise be appropriate in certain circumstances.
 - It will result in significant development contribution costs for developers that are unjustifiable, resulting in a significant decrease in non-residential development throughout the City, and a significant decrease of capital expenditure to areas of the City that are in need new retail facilities.
 - It does not advantage Foodstuffs to invest in Christchurch City over other areas of the South Island.
 - There is no justification or rationale for why shopping centres or supermarkets develop such disproportionately high HUE's.
 - It unfairly and unjustifiably targets the retail sector, with extraordinarily high contributions costs.
 - It is a reaction to Council not appropriately rating consumers over time, which will result in financially adversely affecting developers in the future.

Relief sought:

That the draft Development Contributions Policy be rejected in its entirety.

Foodstuffs wishes to be heard in support of its submission at the hearings to be held between Thursday 25 May and Wednesday 7 June 2006.

If others make a similar submission Foodstuffs would be prepared to consider presenting a joint case with them at a hearing.



R Parish
Resource Consents Manager
Foodstuffs (South Island) Limited

Date 4/May/06

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