

SUBMISSION ON DRAFT LONG TERM COUNCIL COMMUNITY PLAN

1. **Submission on behalf of Reefville Property Holdings Limited**
2. **Reefville Property Holdings Limited do wish to be heard** and will submit that:
 - The contributions proposed are unfair and unreasonable; and
 - The relevant information relating to the methodology adopted in apportioning the contributions in a manner and format the is inappropriate and inaccurate;
 - It fails to ensure that there is a causal link between the demand for a service arising from the development and the contribution sought upgrading infrastructure; and it
 - Has been prepared without regard to the economic impact of the adoption of this policy; and
 - It seeks to recover contributions in an excessive and exorbitant manner.

Our submission is in the full version of the LTCCP.

3. It is further submitted that the development contribution policies are not consistent with various provisions of the LTCCP including:
 - That Christchurch is “*a global investment destination*” (Vol 1, page 9);
 - Strategic Directions : Prosperous Economy (Vol 1, page 56) “*The council acts as a facilitator/catalyst of economic development*”
 - “*This Development Contribution Policy (DCP) seeks to establish a transparent, consistent and equitable basis for requiring developer contributions..*”, Vol 2, page 7
 - “*To ensure that the level of such contribution does not generally act to discourage development..*” Vol 2, page 7
 - *...in terms of this policy ‘Growth’ means the increase in capacity of reserves, network and community infrastructure external to the boundaries of the development site required to service the development*” Vol 2, page 7
4. Our specific concerns in regard to the development contributions are as follows:
 - 4.1. **Consultation**

We submit that the Council has failed to establish a Special Consultative Process that properly reflects the importance of the issues addressed in the LTCCP, in that:

- It has not provided appropriate access to the relevant information relating to the methodology
- It has not allowed sufficient time for consideration of the policy, preparation and hearing of submissions and deliberation and amendment of the policy prior to the statutory requirement to adopt a LTCCP.

4.2. Methodology

That the documents which purport to contain the information in respect of this matter are inadequate in terms of the justification and calculations and in some instances the calculations that lead to the supposed outcomes are unavailable. As such the matters have not been demonstrated in a manner sufficient to satisfy the statutory requirements and obligations of the Council.

4.3. Availability of Information

The information necessary to assess the impact of contributions and how these were established (i.e. the justification) is not readily available. It is marked confidential, difficult to obtain and subject to somewhat onerous confidentiality agreements. These are not the hallmarks of an open, constructive consultation process. As such the Council has failed to provide information in a manner appropriate to allow proper public assessment.

4.4. Lack of Causal Linkage

There is insufficient identification of the linkage between the activities and the need for or quantum of payment. The Council should be able to identify in its methodology how it has attributed the demand to particular activities as a consequence of developments. For example, how can activities such as carparking buildings be subject to any levy when there is no demand on services (eg, sewer, wastewater).

4.5. HUE equivalents for non-residential development

The conversion factor for non-residential uses to dwelling equivalents are vague, inaccurate and apportion costs in an unrealistic manner. It implies a proportional relationship that does not exist and is not explained.

That the application of HUE equivalents to any given case can lead in some cases to a 10, 20, 30 times or even greater magnitude of increase in contributions for commercial developments. This cannot be right or justified in terms of assessed impacts or Council's anticipated growth in population.

The draft policy notes (p3) that *it is the objective of the policy to ensure contributions to not generally act to discourage development.*

The draft contributions policy will significantly discourage development across the board and in particular in respect of the business sector.

4.6. Deferred Works

Developers are being asked to pay for deferred works needed to improve existing levels of service or satisfy current statutory obligations. This is inappropriate.

4.7. Growth Beyond the 10 Year Period

Financial contributions levied during the process should be at a level which reflects anticipated capacity and uptake over the period. Development beyond that period should be the responsibility of those undertaking growth when that growth occurs.

4.8. Absence of Transitional Provisions

There are no transitional provisions to the policy. It is inequitable and punitive to apply the new policy on the 1st July 2006. A transition period for all levies on a graduated basis should be applied, e.g. 5 years.

The absence of such provision is unreasonable and involves elements of retrospective charging in a manner neither explained by or apparently understood by the Council.

4.9. Remissions

There should be provision for remissions from development contributions. There should be a continuation of the current policy. Developers will frequently make an effective contribution through undertaking development of services, contributions to the community (health, heritage) or other infrastructure and this should be recognised. The proposed provisions do not reflect a fair approach between developers and the Council to achieve other community benefits.

4.10. Refunding Contributions

The provision is unclear and should be removed. Money can only be used (S.204(1)) for the infrastructure for which the contribution was required. The whole policy on refunds is ambiguous. The current consent holder for the development may not be the party who made the contribution and to whom the refund is due.

4.11. Extraordinary Assessments

This provision provides for a discretion to enter special arrangements with developers as is appropriate. However the provision also notes that if the Council determines that a specific development will have a greater impact than provided for in the averaging policy (i.e. in the methodology as best can be ascertained), then the contribution will be at the determination of the Council. In particular the policy refers to additional information in terms of high traffic generation. Already the provisions are requiring some business developments to provide for increases of several hundred-fold in contributions (erroneously attributed to transport). That such an approach is at the discretion of the Council is unreasonable, not transparent and destructive to growth.

4.12. Surface Water Management

This policy provides for no acknowledgment that when developments already provide for detention and treatment on site there is no remission. As such development will be paying for the same matter twice, once on site, and once as a contribution to the Council. Such remissions exist in the current policy and should be retained.

4.13. Network Infrastructure

Sewer and water - that the lot changes or HUE equivalents in terms of business developments are disproportionate, exorbitant and unrelated to development impacts.

4.14 General Lack of Assessment of Economic effects on the Christchurch Economy

The Council does not appear to have undertaken any form of economic impact assessment in terms of what would happen to the market and those involved in development should this policy be implemented.

The opportunity has been taken to investigate the likely effect to any significant degree due to the limited time to prepare submissions. Our assessment is that this would effectively result in a significant reduction in the level of development in the short to medium term with development not returning to current levels for several years until the market has adjusted.

5. RELIEF SOUGHT

- that the Council defer the adoption of the LTCCP until it has prepared a Development Contributions policy that is fair, reasonable, equitable and transparent, or:
- that should the Council move to adopt the LTCCP that it will not, as provided for under Section 96(2) of the Local Government Act 2002, act on implementing the charges as contained in the Development Contributions Policy until such time as this policy has been subject to a Special Consultative process that fairly reflects the importance of these issues by allowing access to all of the background information and reasonable period for submission and hearing deliberations; or
- that the Council retain the current Development Contributions Policy for the next 12 month period during which the proposed Development Contribution Policy is subject to a Special Consultative process that fairly reflects the importance of these issues by allowing access to all of the background information and reasonable period for submission and hearing deliberations; or
- that the Development Contribution Policy amended to fairly and accurately reflects the actual costs that are directly attributable to development.

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