



**SUBMISSION ON PUBLICLY NOTIFIED CHRISTCHURCH CITY
COUNCIL – OUR COMMUNITY PLAN –CHRISTCHURCH O-TAUTAHI
2006/16 VOLUME 2 OF 2 DRAFT DEVELOPMENT
CONTRIBUTIONS POLICY**

To: Our Community Plan
Christchurch City Council
PO Box 237
Christchurch

Name of Submitter: Investment Southland Limited ("ISL").

1. This is a submission on the following draft Policy:

Christchurch City Council – Our Community Plan – Christchurch
O-Tautahi 2006/16 Volume 2 of 2 Draft Development
Contributions Policy (the "Policy").

2. ISL's submission is:

2.1. ISL **opposes in part** the Policy.

2.2. The Policy is retrospective in its application as per clause
2.3 of the Policy (page 10). This is unfair.

2.3. The Policy is complex in its application and its impact is
difficult to assess. Furthermore, a developer in the
planning of a development may not have had the
opportunity to conclude a full assessment of the Policy and
its impact on that development to the developer's
detriment.

2.4. The Policy potentially convenes the Local Government Act
2002.

2.5. There is no clear and binding period by which the Council
must provide the reserves, network infrastructure and/or
community infrastructure the Development Contributions
received relates too.

2.6. The level of development contribution charges proposed is
unreasonable and unfair (Appendix 1 - pages 30-32).

- 2.7. There must be a certain proximity and benefit for any development from the Development Contributions assessed, paid and allocated to the Projects pursuant to the Policy. That is, there must be a clear and measured benefit to the development from the payment of a Development Contribution under this Policy. If there is not or to the extent there is not then the Development Contribution should be refunded back to the developer.
- 2.8. The timing of the obligation to pay any Development Contributions under the Policy must be aligned with the time the Developer receives its return on the development. The developer should not be required to obtain costly 'bridging finance' for the payment of any Development Contributions (Clause 6.1).
- 2.9. Given the real possibility of development in Belfast on the S 293 Application site (Johns Road, Belfast) within the foreseeable future and the implications of such development, ISL considers it appropriate for the Policy to incorporate a policy on network and (in particular) community infrastructure specific to this area.
- 2.10. Clause 1.2.1 Development Contributions (page 7)
Clause 1.2.1 states:
"A development contribution is a contribution from developers of cash or land, or a combination of these, provided for under the DCP. The key purpose of development contributions is to ensure that the fiscal effects of growth, i.e. the cost of reserves and infrastructure to meet that growth, is funded by those who cause the need for those reserves and infrastructure. 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 that development.

The Council may and will require a development contribution in respect of any activities in the City that create a demand for new reserves and infrastructure. This will include, but not to be limited to new land titles, new residential units, new non-residential development, new accommodation and new community services development (such as sporting, educational, religious and charitable activities) irrespective of City Plan zoning and as applicable to the development"

It is unclear why the wording "external to the boundaries of the development site" is incorporated in this clause. Development or growth, in particular large-scale subdivision, will frequently require the internal development of reserves etc.

The language in paragraph 3, that is "may and will" is somewhat contradictory. It is suggested that, as the Local Government Act 2002 provides a statutory discretion to levy development contributions, the more appropriate wording is "may".

As worded, paragraph 3 also seems to suggest that the Council could potentially levy contributions for new community services development where these will create an increased demand on other Community (i.e. Council owned) infrastructure, specifically leisure facilities. To levy contributions for community services development as a matter of course may provide a significant disincentive for developers who wish to incorporate community services/facilities within large-scale development such as that proposed for Belfast.

2.11. Remission and Reduction of Development Contributions (Clause 6.6.3)

This Policy does not provide for any remissions or reductions to be applied for or granted. It is inappropriate that the Development Contributions Policy does not make provision for reduction or remission of development contributions. While it is arguable under section 201 (1)(c) that such provisions are not required, they should be incorporated as a matter of public policy.

Clause 6.6.3 is contradicted by Part B which relates to development contributions within Banks Peninsula – see *Circumstances for refunds or reductions* at p 81. No distinction should be made between development within Banks Peninsula and Christchurch City.

The removal of any possibility of a reduction or remission of development contributions will provide a disincentive to developers to incur expenditure in, for example, developing local reserves within large-scale developments over and above what is required by the Council.

In respect of potential development on the s 293 Application site, there will little (if any) incentive for the developers to contribute towards badly needed community services development that would inevitably benefit the Belfast and wider Christchurch community.

3. ISL seeks the following decision from the Council:
 - 3.1 That the Policy be amended after further consultation to address the specific areas of concern noted above.
 - 3.2 Amend the Policy to incorporate a specific policy on network and community infrastructure relating to development at the s 293 Application site.
 - 3.3 Remove wording "external to the boundaries of the development site" from paragraph 1 of clause 1.2.1. Remove "*and will*" from paragraph 3 of Clause 1.2.1.

Paragraph 3 of clause 1.2.1 - either clarify circumstances where development contributions may be required for community services development; or exempt some or all community services development from the payment of development contributions.

3.4 The Policy to apply from a date in the future and be implemented gradually over a period of 5 years.

3.5 In respect to clause 6.6.3 - Either reinstate the remission and reduction of development contributions provisions in the earlier version of the Development Contributions Policy; and/or amend clause 6.6.3 to outline conditions and/or criteria where the Council may exercise its discretion for the remission or reduction of Development Contributions, to refund that part of any Development Contributions paid by a Developer when the benefit assessed by the Policy for that development does not occur within the time prescribed.

4. ISL wishes to be heard in support of the submission.

5. If others make a similar submission, it will consider presenting a joint case with them at a hearing.

For **Investment Southland Limited**



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Date: 5 May 2006

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