

LTCCP 2006-16 Submission - Received by Email

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CC:

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Your Submission:

Submission Draft Development Contributions Policy

Submission on Council Development Contribution Policy Comprised in Volume 2 of the Draft Long Term Council Community Plan

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- I wish to talk to the main points in my written submission at the hearings to be held between Thursday, 25 May 2006 and Wednesday, 7 June 2006.

1. Remissions

The 2004 LTCCP provided incentives by way of remissions or credits for developments to include and enhance reserve land and retain or protect existing features and vegetation. Remissions included:

- Development of reserves
- Existing allotments and buildings
- Surface water management
- Esplanade reserves and strips
- Historic buildings, objects, trees
- Art in public places
- Affordable housing
- Elderly Person Housing
- Central City Housing

There is no recognition that developments can have an element of public good associated with them.

There should be encouragement for developments inside the city instead of for ever expanding Christchurch.

Recommendation

That the existing 2004 remission policy be reinstated and adopted.

2. Existing Applications

Section 2.3 states that applications that have been granted all necessary consents and authorisations, will not attract any further development contributions. Section 2.3 goes on to further state that in the event of non-payment, contributions may be adjusted as set out in Section 6.2 which conflicts with the previous statement. Generally existing consents include a clause allowing for contributions to be reassessed and adjusted in terms of the Cost Price Index (CPI) if not paid within one year. It is unclear whether the reassessment under Section 6.2 will be in terms the 2006 LTCCP policy or the contribution policy in force at the time the consents were granted.

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Recommendation

Amend Section 2.3 to allow for reassessment of contributions payable on existing consents in terms of the CPI or in terms of the contribution policy in force at the time of the consent.

3. Timing of Introduction

The timing of the introduction of the policy makes no allowance for developers who have either purchased land or pre-sold land or buildings based on the existing contributions. It is unacceptable in these situations to more than double Council fees as this could bankrupt a project.

Recommendation

Either delay the introduction or develop a transitional period. A transition period of 4 years with the costs introduced incrementally, 12.5 % at 12 months 30% at 2 years and 60% at 3 and 100% at 4 years. 4 months would allow developers and Council to develop the necessary systems and deal with existing projects.

4. Magnitude of the Increase

The magnitude of the increase is significant.

The policy documentation provides no details on the calculation of the contributions or demonstrates the linkage between developments and the demand for reserves/infrastructure. Has the projected costs of new infrastructure and contribution calculation model been independently audited.

An independent costing of these proposals should be carried out to reassure the people who have to pay for all this that it is not just a wish list of some Council employees.

The magnitude of the increase will have a direct impact on land values and/or growth within the city. The magnitude of the increase is likely to see a short terms drop in growth or even negative growth as a direct result of the impact of the contributions. If this occurs Council will be unable to fund any infrastructure projects.

The timing of these contributions is not very smart. If we are looking at a downturn in development, this surely will make it come true.

Unless all surrounding Local bodies implement similar charges, and they are not, there will be a flight of developments outside of Christchurch, increasing the existing peak hour transport problems.

If ratepayers have been subsidising growth infrastructure until now, the development contribution policy should see a substantial corresponding reduction in rates. Otherwise this surely is the biggest con ever.

5. Payment of Development Contributions

Payment of development contribution upon granting subdivision consent is a departure from existing policy where financial contributions are due at the application for the RM Act 224(c), completion, certificate. There can not be any justification for Council to demand payment for projected services before a connection to these services is made or for a project that might not even go ahead.

It might make more sense to receive payment for services upon the sale of a title. By having a covenant on the title Council could be guaranteed of payment.

**Your Submission
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The period of payment within 12 months of assessment allows certainty in the determining the amount of contribution payable. However as the policy allows Council the ability to take contributions on subdivision consent, building consent or service connection it appears that Council can take **further** or "top-up" contributions should the value of the contribution increase. The policy states (section 4.1) that Council wishes to recover contributions at the earliest opportunity so that they are not unfairly borne by future potential purchasers of subdivided sites yet has retained the ability to take further "top-up" contributions.

Recommendations

That the existing policy of payment of development contributions on subdivision consents be made prior to the issue of Council's Section 224 certificates be retained.

If consistency in terms of the payment process is the issue we suggest that the contributions relating to building consents are paid at issue of the code compliance certificate

Amend the actual credits to reflect that once contributions have been paid they can not be reassessed for top-ups.

6. Undeveloped allotments created prior to 2004

Development or building on undeveloped allotments created prior to 2004 receive a credit based on 10% per year prior to 2004. Further development will incur a contribution at the time of building consent which seems to be a case of double dipping as contributions were paid based on whatever policy was in force at the time with the expectation that further development or building would occur.

Recommendation

Amend Historic Credits (Section 2.4.1) so that full credit on basis of 1 HUE per allotment is made and only new allotments, buildings or service connections are subject to development contributions.

7. Undeveloped allotments created after 2004

Development or building on undeveloped allotments created after 2004 receive a credit based on the dollar amount paid. Given the magnitude of the increase of contributions further development of these allotments will incur significant contributions. Again this seems to be a case of double dipping as contributions were paid based on whatever policy was in force at the time with the expectation that further development or building would occur.

Recommendation

Amend Historic Credits (Section 2.4.1) so that full credit on basis of 1 HUE per allotment is made and only new allotments, buildings or service connections are subject to development contributions.

8. Credits

The policy is unclear how credits will apply on development consented in stages where contributions are paid on one stage that cover further stages. An example of this would be a large residential development where all of the reserve land is vested on the first stage to cover subsequent stages.

While the policy allows for Actual Credits being the monetary value paid it is unclear how this will be administered. Any contribution paid will need to run with the land and not the consent holder. Prior to committing to a development of any nature be it large or small developers require certainty of timeframes and costs. It is questionable whether Council has the resources or systems in place to be able to advise whether a property requires further contributions to be paid.

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Recommendation

That the policy of credits be reviewed to specifically allow and advise how credits can be carried over from one stage to another in a development.

Council have the systems in place to be able to advise what development credits exist or contributions are payable prior to implementation of the policy.

- 9 Should charges for services be based on the number of users, e.g number of bedrooms? It would than follow that Financial contributions should be levied, or at least partly levied, at the building consent stage.
This might make the collection of fees more complicated, but looking at the amounts proposed it is essential to make the contributions fair as well. E.g. only be paid by users.
- 10 As far as stormwater management is concerned, should we not look at trying to retain stormwater on site to be used for garden watering. Perhaps all developments where a 2000 litre holding tank is installed should get a financial contribution from Council.
- 11 Transport.
Provision for roading could substantially be reduced by encouraging inner city development.
With the increasing fuel prices what effect is this having on private transport?
Could Council provide large parking areas on the outskirts of the City, with a 5 min. bus service to/ from town during peak hours?
- 12 The idea of not allowing a review of Development Contributions, but leaving it to Council Officers to set the final amount is not acceptable. It does not seem very democratic and can only lead to many High Court reviews.

• Date 4 May 2006