

17. COST SHARE SCHEME PROPOSAL – AIDANFIELD HOLDINGS LTD

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| Officer responsible City Water and Waste Manager | Author John Moore, DDI 941-8961 |
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The purpose of this report is to obtain approval for the establishment of a sewer cost-sharing scheme that will distribute the costs of a sewer pipeline provided by Aidanfield Holdings Ltd.

BACKGROUND

The Aidanfield subdivision is part of the urban growth area surrounding Halswell. There was insufficient capacity within the existing sewers on Halswell Road and Dunbars Road to serve the land bounded by Halswell Road, Dunbars Road, Wigram Road, Templetons Road, and the land used by the Canterbury A&P Association. Aidanfield is part of this area. The whole growth area is defined by areas A, B and C on the plan in Attachment 'B'.

To service this area Aidanfield Holdings Ltd was required, as a condition of subdivision, to install a new sewer within Halswell Road to pump station No 60 with sufficient capacity to serve the area and also meet the future needs of surrounding land. Capacity for growth has also been constructed within each stage of the development. Aidanfield Holdings Ltd provided this additional capacity on the understanding that they could recover a share of the costs from future development when it occurred.

Costs are recovered from future development through the establishment of Cost Share Schemes. Examples of Wastewater Cost Share Schemes that the Council has recently approved are at the intersection of Burwood and Preston Roads (Alpine Sawmills) and Halswell (Milnes Estate). In each case the original developer pays for a larger pipe than is initially required, and subsequent developers contribute as they progressively connect to this pipe. In these examples, the Council has agreed to take over the role of banker from the original subdivider after a ten-year period. This limits the long-term risk for the original developer should further development not proceed within a reasonable (10-year) time frame. By waiting ten years before taking on the role as banker the Council can ensure that new infrastructure provides for additional development in a cost effective manner without affecting the ten-year programme. There remains however a commitment by the Council to cover the value of any outstanding contributions, which needs to be allowed for in year ten of the following year's Capital Programme.

DETAILS OF PROPOSED COST SHARE SCHEME

Technical details including costs and budget provisions for this cost share scheme are shown in 'Attachment A'.

SUMMARY

In order to provide sewerage for future development of land marked (A), (B), and (C) shown on the plan 'Attachment B', Aidanfield Holdings needed to install sewerage capacity in excess of their needs. A scheme is required to reimburse Aidanfield Holdings Ltd for the additional cost of providing this extra capacity. To gather in appropriate contributions from other future developments, it is necessary to establish the cost sharing area as outlined in this report.

Staff

- Recommendation:**
1. The "Aidanfield Holdings Ltd - sewer cost share area" be established for areas (A), (B), and (C) as shown on plan 'Attachment B' to recover the cost of sanitary sewer infrastructure required to service this area.
 2. The contributions for the cost share area will be as follows for each area.

(A) \$6,971.76 plus GST per hectare
(B) \$5,060.13 plus GST per hectare
(C) \$3,369.12 plus GST per hectare
 3. The contribution amounts are adjusted annually in accordance with the CPI commencing 30 June 2002.
 4. The Contribution amounts are to be adjusted in accordance with any variation between actual installation costs and estimated costs summarised in this report.
 5. The Council deducts \$100.00 from each contribution as an administration fee.

6. Aidanfield Holdings Ltd acts as banker for a period of 10 years from the time the sewer becomes available at the boundary of land within the cost share area, not in the ownership of Aidanfield Holdings Ltd, (as it applies to each sub area (A), (B), and (C)), after which time the Council takes over the role of banker and pays any outstanding contribution to Aidanfield Holdings Ltd excluding contributions for land within Aidanfield Holdings Ltd ownership.
7. An amount of \$204,751.54 plus GST be provided for in year 10 of the budget to cover any outstanding commitment for this cost share area.

**Chairman's
Recommendation:**

That the above recommendations be adopted.