

CHRISTCHURCH CITY COUNCIL

NOTES OF A SEMINAR OF THE COUNCIL

**Held in the Council Chamber, Civic Offices
on Tuesday 5 December 2006 at 9.30am**

PRESENT: The Mayor, Garry Moore (Chairperson),
Councillors Helen Broughton, Sally Buck,
Graham Condon, Barry Corbett, Carole Evans,
Pat Harrow, Bob Parker, Bob Shearing, Sue Wells and
Norm Withers.

APOLOGIES: An apology for absence was received and accepted from
Councillor Anna Crighton.

IN ATTENDANCE **Development Contributions Policy**
David Caygill (Chairman, Development Contributions
Policy Review), Mike Theelen (General Manager Strategic
Development).

CCC/CDC Proposed Economic Development Programme 2007/08

Chris Pickerill, (Chief Executive, Canterbury
Development Corporation), Mike Theelen (General
Manager Strategic Development) and Communications
staff.

1. DEVELOPMENT CONTRIBUTIONS POLICY REVIEW

David Caygill, Chairman of the Working Party established to review the basis, structure and application of the 2006 Development Contributions Policy, delivered a presentation summarising the initial Working Party briefing.

Copies of the briefing papers were distributed at the seminar and the following points were covered:

- The Working Party's Terms of Reference
- Working Party Membership
- Meetings to Date
- Local Government Act 2002 (relevant section)
- Graphs depicting Community Outcomes and Level of Service
- Key Issues - Capital Works Programme/Methodology/Reserves/Remissions/Incentives
- Financial Impact of Development Contributions
- Basic Adjustment Options.

Points noted during the presentation included:

Background (Local Government Act 2002)

The Council may, but is not obliged to, collect development contributions.

Capital Asset Programme

It is only the growth portion that can be recovered through development contributions.

Level of Service (graph)

The section between growth and backlog is important when Council considers what it can or cannot do with development contributions.

Key Issues (1)

Capital Works Programme

The Working Party recommends regular meetings between the Council and developers, make it clear to developers how they can work with Council – meet regularly

The presenter explained the “private developer agreement” outlined in the Local Government Act.

Methodology

The Working Party considers that titles created before 1 July 2007 should have 1 HUE cred (or non-residential equivalent) to be less complicated, and more appropriate.

Key Issues (2)

Reserves

Although it recognises that the Council has retained the 7.5% contribution on the basis of fairness and equity, the Working Party recommends that the Council moves from valuation based charges, to a charge that assesses the impact reserve contributions.

Remissions/Incentives

The Working Party’s view is that incentives are often captured in the price of land, ie not an effective incentive, and suggests that best place to incentivise is outside the current policy.

It was explained that if a developer agrees to undertake work that the Council would otherwise have to perform, it should be classified as a “transaction”.

Financial Impact of Development Contributions

The Working Party can produce some options, but it is not likely that there will be a solution without implications.

Basis Adjustment Options

The essential three options in terms of the way forward in a financial sense:

- ***Further freeze at current level***
(to allow further discussion) – one of the questions that the community clearly thinks the Council should ask is what is happening in neighbouring Councils.
- ***Align DC's with those of neighbouring councils***
In the view of many developers they can choose to work here or surrounding districts where development contributions are lower - a benchmark figure may be worth considering.
- ***Longer transition path to 100% recovery***
The Council may consider extending the transition path to 100% recovery.

Responses to Questions:

- it is reasonable to ask the question - is each element of that Capital Works Programme absolutely necessary
- in all the Council's policy areas ensure that justification is real and spelled out
- the system that assesses the contribution does not need to be any different for reserves
- there should not be two policies
- developers need to know what they are being charged for.

2 CCC/CDC PROPOSED ECONOMIC DEVELOPMENT PROGRAMME 2007/08

Chris Pickerill, Chief Executive, Canterbury Development Corporation, delivered a presentation discussing the nature and shape of the Council's commitment to economic development.

Tabled:

- 2006 Survey Outcomes Report Summary
- Canterbury Development Corporation 2006 Annual Report.

The presentation included:

- The history of the CDC – founded in 1983
- Significant milestones including social initiatives
- Funding Summary
- Council Funding Split
- Breakdown and Duration of 2005/06 CEF Interest Allocation
- Total CDC funding
- CCC commitment to economic development in terms of going forward
- The Government's ETA
- CREDS: The top 10 Regional Issues

- Prosperous Christchurch –
 - ‘Our People’ - the role in identifying the current and future skills needs of employers; targeting all young people to be in work, training or further education and reinforcing positive attitudes to learning
 - ‘Our Place’ – CANWIRE – the availability of a city wide next generation internet infrastructure
 - ‘Our Prosperity’ – ICT/Digital South - Tourism; Bio Medical/Bio Engineering – Research development & testing; Aviation & Aerospace – alternative energies; Antarctic.
- CDC’s Mission
- CDC Nature and Scope of Business
- CDC’s 2005/06 Service – 4 main areas, viz., Regional Economic Development, Business & Industry Support, Science & Technology, Employment Development
- The external environment
- A suggested way forward –
 - CDC/CCC staff prepare a 2007/08 budget
 - Present to Councillors in March/April 2007 for feedback
 - Relationship outlined in a new relationship/partnership contract – Statement of Intent
 - Sign off for 2007/08 operations
 - Review new model – March 2008

Key points to emerge from discussion:

- Government has signalled that it wants to see strong governance at the local level
- The importance of a support structure for businesses is acknowledged
- CDC and CCC actively work together to gather ideas, identify what is appropriate in terms of economic development issues, and prioritise
- Transparency of relationship between CDC and CCC and with CCHL, and the role CCC has in economic prosperity
- Adopt a collaborative approach to develop an effective economic development strategy.

After Councillors had aired their views, it was **agreed by consensus** that economic development and employment creation funding should be split and that a focus on employment development is no longer required, taking into account the current buoyant market and the existence of effective external support systems.

The seminar concluded at 12.15pm.