

APPENDIX ONE

DRAFT DEVELOPMENT CONTRIBUTIONS POLICY

Wellington City Council - Policy on Development Contributions

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1 Introduction

1.1 What are development contributions?

A development contributions policy provides Council with a method to obtain contributions to fund infrastructure required as a result of growth.

Development contributions are required to fund capital expenditure where development requires additional assets or increased capacity in network infrastructure, community infrastructure and reserves. A development contributions policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by Council in anticipation of development.

1.2 Legislative requirements

This document sets out Council's policy on development contributions under the Local Government Act 2002 (LGA 2002). Under section 102(4)(d) of the LGA 2002, Council is required to adopt a policy on development contributions or financial contributions as a component of its Funding and Financial Policies in its Long Term Council Community Plan ('LTCCP').

Section 198 of the LGA 2002 provides Council with the power to require a contribution from developments.

This policy has been prepared to meet the requirements for development contribution policies set out in sections 106, 197-211, and Schedule 13 of the LGA 2002. In summary, the policy:

- Summarises and explains the capital expenditure identified in the 03/04 LTCCP (as varied by the 04/05 Annual Plan) that the Council expects to incur to meet the increased demand for network infrastructure (roads, water, wastewater and stormwater collection and management) and reserves resulting from growth; and
- States the proportion of that capital expenditure that will be funded by development contributions; and
- Explains the rationale for using development contributions as the funding mechanism (as opposed to other mechanisms such as financial contributions, rates, or borrowings); and
- Specifies the level of contribution payable in different parts of the city; and
- Specifies when a development contribution will be required; and
- Prescribes conditions and criteria applying for remission, postponement and refund of development contributions.

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1.3 Application of Development Contributions

The policy provides for Council to impose development contributions to fund growth related capital expenditure on:

- Network infrastructure, i.e.
 - water supply;
 - wastewater;
 - stormwater;
 - transport and roading; and
- Reserves.

Development contributions are not payable at this stage for community infrastructure such as libraries, swimming pools and community centres. Council may extend the Policy to recover the growth related costs to Council of providing such infrastructure in the future.

Council will not require a development contribution where:

- It has imposed a condition on a resource consent in relation to the same development for the same purpose under section 108(2)(a) of the Resource Management Act 1991 ('RMA'); or
- The developer will fund or otherwise provide for the same local network infrastructure, community infrastructure or reserve in agreement with Council (and citywide fees will still apply); or
- Council has received, or will receive, funding from a third party.

1.4 Relationship with Financial Contributions in the District Plan

This Development Contribution Policy is distinct from and in addition to the provisions in the District Plan that provide Council the discretion to require financial contributions under the Resource Management Act 1991. Council will use the Policy where a Development Contribution is payable for a particular purpose within a catchment and for all Citywide contributions.

However, where a development results in Council incurring Capital Expenditure that is not included in the LTCCP Capital Expenditure in the Policy, Council may impose a financial contribution as a condition of resource consent under section 3.4.5 of the District Plan which states that:

“where a proposed development creates the need for increased capacity or upgrades to infrastructure at the point of connection (in terms of traffic, stormwater, sewers, or water) the Council may require a payment towards the cost of necessary works. The Council will set a payment on the basis of what is believed to be a fair and appropriate proportion of the costs that should be borne by the developer (up to 100%)”.

2 Planning for growth

2.1 Growth in Wellington City

City growth assumptions underpin Council's Asset Management Plans and capital expenditure budgets in the LTCCP for the period 2003/04 to 2012/13. These assumptions are informed by forecasts based on Greater Wellington Regional Council's MERA projection modelling on population, dwellings and employment based on Statistics NZ census data for the periods 2001 to 2011 and 2021 as follows:

	2001 Census	Projection to 2011	10-year % increase	Projection to 2021	20-year % increase
Population	163,793	177,187	8.2%	185,773	13.4%
Households	62,454	68,359	9.5%	74,443	19.2%
Employment					
- Full Time	74,741	81,655	9.3%	84,755	13.4%
- Part Time	18,653	21,163	13.5%	21,849	17.1%

Source: Statistics NZ census data and projections as modelled by MERA (Monitoring and Evaluation Research Associates Ltd) for Greater Wellington Regional Council's projections.

These projections indicate that:

- Residential ten-year 2001 – 2011 growth assumptions are for an additional **5,905** (9.5% growth) equivalent household units ('EHU's' – refer section 2.2 of the Policy)¹ spread across the city in greenfield, infill and central city conversion locations;
- Residential household twenty-year 2001 – 2021 growth assumptions are for an additional **11,989** EHUs (19.2% growth);
- Non residential ten-year 2001 – 2011 growth assumptions, based on full time employment increases of 6,914² converted to EHUs (i.e. by dividing the total expected employment by the 2.6 average number of persons living in a Wellington household), are an additional **2,659** EHUs;
- Non residential twenty year 2001 – 2021 growth assumptions, based on full time employment increases of 10,014², are projected to be an additional **3,851** EHUs;
- These non residential projections are conservative as they do not account for the projected increase of 2510 persons in part time employment (i.e. approximately 500 EHUs assuming part-time is 0.5 FTE);
- Overall total projected ten-year (2001 – 2011) residential and non residential growth based on the 2001 census, excluding increases in part time employment, amount to **8,564** EHUs.

¹ Source: Greater Wellington Regional Council Population Projections, (MERA Base Census 2001 Wellington TLA modelling of Statistics New Zealand data for occupied private household projections by usual residents from the 2001 base year NZ census of population and dwellings counts).

² Source: Greater Wellington Regional Council Population Projections, (MERA Base Census 2001 Wellington TLA modelling of Statistics New Zealand data for Usually Resident NZ Population aged 15 years or over engaged in full or part time work by usual residence, based on medium projection all ages total 2001-2011 with the base year based on custom NZ Census of Population and Dwellings Counts 2001).

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Growth projections are subject to significant uncertainties as to the quantum, timing and location of growth.

Informed by the above 2001 – 2021 estimates, other forward planning projects³ and recognising potential forecasting errors, for calculation purposes a **ten year EHU growth assumption of 10%** has been used for both residential and commercial sectors over the period 2003/04 – 2012/13, conservatively assumed to be **9,175 EHUs**⁴.

The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population and employment, i.e. actual costs to provide for growth will depend upon the particular capital works required. However for Citywide catchments in water, stormwater, roading and reserves, Council has assumed such a proportional relationship as there is little spare capacity and capital works have been designed with an ongoing 10% provision for growth.

2.2 Application of Equivalent Household Units (EHUs) as the unit of demand

The most equitable way to apportion the cost of new infrastructure in response to growth demand is on the basis of the number of equivalent new households expected in Wellington as detailed in 2.1 above for both residential and non residential uses.

In an infill residential development, the identifiable unit of demand will either be a subdivided allotment or an additional household unit as defined in the District Plan. In a greenfields development, the identifiable unit of demand is an allotment. For a non residential/commercial development, Council has assumed that an employee requires approximately 25m² of gross floor area ('gfa') and that 2.6 employees, being the equivalent average household occupancy, would require 65m².

When calculating the number of EHUs in a non-residential/commercial development the 65m² of gfa will be applied on a pro-rata basis (rather than rounding to the nearest EHU). In other words, a non-residential/commercial development with a gfa of [100m²] will equate to [1.54] EHUs.

³ To ensure the collection and analysis of robust data, Council is involved with two forward planning projects that have clear linkages with the development of a Development Contributions Policy – the Wellington Urban Development Strategy and the Wellington Regional Strategy.

⁴ Comprises residential and non residential household units based on Wellington city's 2001 census night population of 163,793 at 10% divided by an average household size of 2.6 people (6,300 EHUs) plus the total population in full time employment of 74,741 at 10% divided by an average household size of 2.6 people (2,875 EHUs)

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In summary:

Type of EHU:	Based on:
Infill residential	<ul style="list-style-type: none"> ▪ Subdivided allotment; or ▪ Household unit as defined in the District Plan
Greenfields	<ul style="list-style-type: none"> ▪ Allotment
Non residential/commercial	<ul style="list-style-type: none"> ▪ Every 65m² of additional gfa equals 1 EHU

2.3 Credit for EHUs for original development

In calculating the additional EHUs resulting from development, a credit is given for the number of EHUs relating to the original development, for example:

Type of existing original development:	Nature of credit:
Infill Residential fee simple subdivision of existing allotment into 3 fee simple allotments	<ul style="list-style-type: none"> ▪ 1 EHU credit – for the original allotment. Development Contributions payable on 2 EHU's
Residential development of existing CBD site with 650m ² gfa commercial building into 100 unit title apartments	<ul style="list-style-type: none"> ▪ 10 EHU credit (ie 650m² gfa /65m²)
Additional household unit on exiting allotment with one house – (with or without subdivision)	<ul style="list-style-type: none"> ▪ 1 EHU credit for the existing household unit
Development of 4 fee simple lots in the Northern Growth area for commercial storage facility – with 10,000m ² gfa	<ul style="list-style-type: none"> ▪ 4 EHU credit for the existing allotments to be deducted from the total payable for the commercial storage facility (10,000 m² gfa/ 65)

3 Rationale for funding the costs of growth through development contributions

Section 106(2)(c) of the LGA 2002 requires the Council's development contributions policy to explain why the Council has determined to use development contributions as a funding source, by reference to the matters referred to in section 101(3) of the LGA 2002 detailed in sections 3.1 to 3.5 below.

3.1 Community outcomes

The following five key community outcomes for the city's built environment were identified by Wellington City Council for the LTCCP in 2003/04:

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- Wellington is a great place to live and offers a variety of places to live, work and play within a high quality public environment;
- Wellington is easy to get around, pedestrian-friendly and has a highly interconnected street system;
- Wellington is a memorable, beautiful city celebrating its distinctive landmarks, defining features and heritage;
- Wellington is a compact city with mixed land use, structured around a vibrant central city and suburban centres, and connected by major transport corridors;
- Wellington's form reflects the unique character and beauty of the harbour and hills.

Charging new development for the additional infrastructure ensures a fair contribution to the community outcomes. This means, for example, that:

- Traffic resulting from development is managed by a programme of works that maintains existing traffic flow, pedestrian and cycle access, parking and safety standards.
- Large, efficient reservoirs and pumping stations are built and shared across a number of developments,
- Reserves are created and developed to service growth.

3.2 Distribution of benefits and the extent to which particular individuals or groups contribute to the need to undertake an activity

It is appropriate that development contributions fund additional capacity in water supply, wastewater, stormwater, roading and reserves. The benefits of this additional capacity accrue to new households (EHUs) generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section prices to the residents of new households. Existing residents, however, gain no direct benefit from, and should not be required to fund through rates, the addition of capacity to existing networks that adequately meet their needs.

Conversely, the cost of maintaining or improving levels of service provided by Council infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not benefit developers or new households.

3.3 Costs and benefits of funding the activity distinctly from other activities

The benefits of funding additional infrastructure capacity resulting from development growth through development contributions include greater transparency and allocative efficiency through passing on the actual costs to developers. The use of catchments also aids transparency and allocative efficiency by signalling the variations in the cost of providing infrastructure according to the characteristics of the particular locality and the nature of the works required. Although development contributions are not a significant administrative cost once systems are established, for small catchments collection of development contributions may not be cost effective and therefore a Citywide fee will be more efficient for some activities with a large number of widely located projects.

3.4 Overall impact on community wellbeing

Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the city. Funding the cost of providing increased capacity in Council infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and newcomers.

4 Capital expenditure in response to growth

4.1 Activities and catchments for which development contributions may be required

LGA 2002 allows Council to require a development contribution from any development for:

- Capital expenditure **expected** to be incurred as a result of growth; or
- Capital expenditure **already** incurred in anticipation of growth⁵.

Development contributions will be required for Council-funded capital works resulting from growth associated with the provision of the following network infrastructure and reserves.

Water supply

Development contributions will be required for:

- The ongoing Citywide upgrade in capacity of the water supply network of pipes and pumping stations;
- Capital works to provide additional reservoir and pump station capacity for specific catchments.

Wastewater

Development contributions will be required for:

- The ongoing Citywide upgrade in capacity of the networks of wastewater pipes and pumps;
- Council funded capital works associated with the provision of the Council's Clearwater project that serves the Moa Point and Karori Wastewater Catchments and was developed with additional capacity in anticipation of growth.
- Capital expenditure incurred to purchase additional capacity in the Porirua Treatment Plant from Porirua City Council.

Stormwater

Development contributions will be required for the ongoing Citywide upgrade in capacity of the network of pipes and streams that make up the stormwater system.

⁵ S199(2) LGA

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Roading

Development contributions will be required for the ongoing Citywide upgrades of roads, public transport facilities, cycleways and pedestrian walkways to facilitate growth.

Reserves

Development contributions will be required in three catchments – a Citywide catchment, an inner city catchment and for greenfields catchments (in accordance with Council's policies for playgrounds and local reserves).

4.2 Growth-related capital expenditure

The table below sets out for each activity:

- The capital expenditure identified in the 2003/04 LTCCP (as amended) that the Council expects to incur to meet the increased demand for network infrastructure and reserves resulting from growth;
- The total amount of development contribution funding sought for that activity;
- The proportion of the capital expenditure that will be funded by development contributions and other sources of funding.

Summary of capex for infrastructure area	Total cost of capital works	Total growth component	Amount to be funded by development contributions	Amount to be funded from other sources
Water supply	105,857,479	8,783,054	8,783,054	-
Wastewater	100,274,812	1,970,878	1,970,878	-
Stormwater	27,753,294	1,427,769	1,427,769	-
Roading	246,596,984	10,761,890	5,825,529	4,936,361
Reserves	72,759,724	24,456,290	24,456,290	-

Where Council anticipates funding from a third party (such as Land Transport New Zealand) for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the costs used to calculate development contributions.

4.3 Capital costs already incurred in anticipation of growth

Development contributions will also be required from development to meet the cost of infrastructure capacity already incurred in anticipation of development where Council has assessed it appropriate and reasonable.

For the purpose of this policy, taking a development contribution for capital expenditure already incurred in anticipation of development is considered appropriate for the

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wastewater network infrastructure in the catchment areas of the Moa Point and Western treatment plants (Clearwater), Council's share of the Porirua Treatment Plant and for several water supply catchments but not for any of the other listed activities in section 4.2 above.

The capital expenditure already incurred to meet increased growth demand for network infrastructure and reserves is summarised below.

Activities	Total capital expenditure incurred in anticipation of development to be funded by development contributions
Water Supply	\$5,933,130
Wastewater	\$61,661,595
Stormwater	\$0
Roading	\$0
Reserves	\$0

4.4 Use of development contributions

Council will use development contributions either for or towards the capital expenditure for which they were required, or for providing analogous reserves or network infrastructure (or community infrastructure if development contributions are set in the future).

Where a development contribution is received for capital expenditure that has already been incurred by Council, Council will have met its obligations under the Local Government Act 2002 that relate to the use of the Development Contributions, unless a refund is due (see section 8.2).

Where Council has received development contributions for reserves, in addition to the powers governing the use of development contributions for reserves in the Local Government Act 2002, Council must use the land or cash received as follows:

- Cash - within 20 years of it being received;
- Land - within 10 years of it being received, unless a longer period is agreed with the party who paid the contribution. (Note: in all circumstances the Council will seek to reach such an agreement).

5 How development contributions have been calculated

5.1 LGA Requirements

Section 201(1)(a) of the LGA 2002 requires the Development Contributions Policy to include, in summary form, an explanation of and justification for the way each development contribution in the Schedule to the policy is calculated.

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In summary, each contribution has been calculated in accordance with the methodology set out in Schedule 13 of the LGA 2002, by using the following seven step process.

Step	Explanation	LGA Reference
One	<p>Define catchments</p> <ul style="list-style-type: none"> ▪ A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes. ▪ Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits. 	LGA Schedule 13 1(a)
Two	<p>Identify ten-year capital expenditure resulting from growth</p> <ul style="list-style-type: none"> ▪ The proportion of total planned costs of capital expenditure for network and community infrastructure and reserves from the LTCCP resulting from growth. ▪ Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten-year capital costs budgeted in the LTCCP, the other two components being level of service improvements and renewals. These two costs must be met from funding sources other than development contributions. ▪ Justification for the level of growth capital expenditure should be supported by Financial Management funding considerations (refer to 3 above) and show significant assumptions and impacts of uncertainty. 	LGA 106(2)a and Schedule 13 1(a) LGA 106(2)(a) LGA 101(3)(a) LGA 201(1)(b)
Three	<p>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions</p> <p>Unless Council wishes to reduce fees for clear policy reasons, this is likely to be 100% in most cases, because:</p> <ul style="list-style-type: none"> ▪ It directly relates to the planned capital expenditure set out in the LTCCP and detailed in Council's Asset Management Plans; and ▪ The capital expenditure identified for growth can be reasonably identified. 	LGA 106(2)(b)
Four	<p>Identify the appropriate units of demand</p> <p>The selected unit of demand is Equivalent Household Units ("EHU") calculated as follows:</p> <ul style="list-style-type: none"> ▪ For a greenfields development, an allotment, e.g. in Northern Growth developments the average lot size is 550 - 600m². ▪ For non residential development, 65m² (based on average space per office worker of 25m² and an average number of persons per household in the Wellington region of 2.6 (per the 2001 census). ▪ For an infill development, a residential dwelling as defined in the District Plan. ▪ EHUs will be applied uniformly for each lot regardless of size 	LGA Schedule 13(1)(b)

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Step	Explanation	LGA Reference
	for reasons of administrative simplicity and lot size is not considered to have a material impact on demand.	
Step	Explanation (continued)	LGA Reference
Five	<p>Identify the designed capacity (in units of demand) provided for growth</p> <ul style="list-style-type: none"> ▪ The designed capacity may vary between different types of infrastructure. In many cases it will be considered economically prudent to provide spare growth capacity considerably beyond current ten-year expectations. For example, large scale, high cost Citywide infrastructure such as a sewerage treatment plant will have significantly more designed capacity for growth than ongoing roading improvements. ▪ Costs are recovered across the full designed number of EHUs. Projected growth in EHUs over the ten year period of the LTCCP will be relevant to Council's budgeting of revenue but not to the calculation of the development contribution per EHU. 	LGA Schedule 13(1)(b) & (2)
Six	<p>Allocate the costs to each unit of demand for growth</p> <ul style="list-style-type: none"> ▪ The development contribution charge per EHU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five). 	LGA Schedule 13(1)(b)
Seven	<p>Input results to comprehensive schedule of fees by catchment</p> <ul style="list-style-type: none"> ▪ A detailed schedule must be prepared as part of the policy that enables the development contributions to be calculated by infrastructure type and catchment. ▪ The policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps. 	LGA 201(2) LGA 201 (1)(a) LGA 201(1)(b),(c) & (d)

5.2 Significant assumptions

Section 201(b) of the LGA 2002 requires the development contribution policy to state significant assumptions underlying the calculation of the Schedule of development contributions.

System-wide view

In developing a methodology for the development contributions, Council has taken a system-wide view in identifying the cumulative effect of development on infrastructure, i.e. by considering the infrastructure impacts on all ratepayers created by both individual

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and multiple developments across a catchment. For Citywide catchments this means growth is proportionally reflected in total capital expenditure.

Planning Horizon

The planning horizon varies by infrastructure type typically ranging from 10 years to more than 50 years. This is consistent with Council's asset management planning. Longer horizons may result in larger capital expenditure for some projects but also means the costs are spread across a larger designed city capacity (ie. greater number of EHUs).

Growth Forecasts

The overall planning assumption is for a 10% increase in growth and capacity for renewals and upgrades for Citywide catchments to take account of the impact on infrastructure of continuing growth within the city over the next ten years.

Application of costing methods

Average costs have generally been applied to the allocation of capital expenditure between existing and new EHUs. In most cases, it is a difficult and complex exercise to determine incremental costs and average costs reflect a fair allocation of capital infrastructure costs to newcomers.

Cost of individual items of capital expenditure

Council has used the best information available at the time of developing this policy to estimate the cost of individual items of capital expenditure that will be funded in whole or part out of development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond Council's ability to predict, such as changes in price of raw materials, labour, etc, and the time of capital works. Council will review its estimates of capital expenditure annually and adjust the LTCCP.

Financial Assumptions

The following financial assumptions have been applied:

- All costs in the Development Contributions Policy are based on current known infrastructure prices in current 2005 dollars and no allowance has been made for inflation.
- Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
- All Land Transport New Zealand subsidies will continue at present levels and that eligibility criteria will remain unchanged.
- The methods of service delivery will remain substantially unchanged.

6 Application of methodology to specific activities

Development contributions are required both on a Citywide basis and on a more localised catchment-by-catchment basis depending on the type of infrastructure and reserves, the type of development and the impact of development on infrastructure and reserves.

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6.1 Citywide development contributions

Citywide fees are applied to:

- Network infrastructure – those systems characterised by interdependent components where development growth adversely impacts other areas of the network if action is not taken to mitigate those effects. The network infrastructure attracting Citywide development contributions will comprise roads and the water supply, stormwater and wastewater reticulation networks.
- Reserves that are destination amenities used by groups from across the city such as sports fields and the botanic gardens.

Increases in capacity resulting from growth are factored into the regular, ongoing renewal and upgrade work undertaken on these networks and reserves. Over a ten year period these works typically comprise a variety projects right across the city.

In estimating the cost proportion of additional growth-related capacity included in renewals and upgrades Council has assumed that:

- Capacity increases are designed to reflect the overall level of growth in EHUs expected over the next 10 years;
- Growth for capacity planning purposes is estimated after consideration of projections of population, households and employment prepared by Statistics NZ based on census data (section 2.1 above);
- Average cost is a reasonable proxy for the incremental cost of additional capacity. The cost of additional capacity for development growth installed during renewal projects is limited to the appropriate proportion of materials costs as all other costs are deemed to relate to the renewal of the asset.

Citywide fees may be applied to community infrastructure in the future. Citywide community infrastructure would be likely to include those community facilities that are available for all residents and which need to be expanded or enhanced to cater for the impact of development growth. Citywide fees may be applied to community infrastructure in the future.

Citywide water supply

The water supply reticulation system comprises a network of pipes and pumping stations supplying fresh water from 18 bulk water supply points around the city. Development growth reduces the level of service standards for water pressure for other households within the network although not necessarily for that new development. To maintain the level of service, additional capacity is continually built into the network either as specific upgrades or as part of the renewal programme.

Citywide stormwater

Large scale flooding has occurred in the past in the central city, Miramar, Karori, Island Bay/Berhampore, Kaiwharawhara and the Tawa Basin. The lack of sufficient pipe capacity and the resulting need to implement flood protection works across the City is seen as one of the most significant impacts of continued development. Planned works are likely to be ongoing across the city as growth continues. The priorities for these works are determined after consideration of the impact of flooding, environmental risk, existing consent and potential growth.

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Citywide wastewater

The wastewater reticulation system comprises a network of pipes and pumping stations clearing wastewater and sewage to the Moa Point, Western and Porirua treatment plants.

Development growth increases the volume of wastewater requiring additional capacity to be built into the network on an ongoing basis either as specific upgrades or as part of the renewal programme.

Citywide traffic and roading

The transport and roading network comprises the cities main arterial routes and secondary roads including related bridges, walls and embankments, footpaths, walkways and cycleways, parking and public transport access and shelters.

Development growth increases traffic volumes and congestion which adversely impact traffic flows, safety, and wear and tear on road surfaces. To maintain the level of service, additional works are required across the network on an ongoing basis. These works typically comprise many small projects right across the city over a ten year period. Works are planned to approximately match expected growth to ensure cost effective use of Council's resources and assets.

Citywide reserves

Citywide reserves comprise amenities such as the botanic gardens and sportsfields and other open space required for ecological reasons and to provide attractive and desirable city environs. They are destination reserves that provide active recreational facilities to the city community. Therefore, increased demand can come from anywhere within the city.

Growth impacts these reserves in a number of ways including a degradation in the quality of the reserve, overcrowding causing inability to use the reserve for the intended recreational activities, changes in activities and usage by residents, etc. Capital works are continually required to upgrade these reserves to enable increased usage as well as to purchase land to create new reserves. Works are planned to approximately match the expected impact of growth to ensure cost effective use of Council's resources and assets.

6.2 Development contributions for specific catchment areas

In addition to Citywide development contributions, capital works are required to mitigate the impacts of development growth in clearly defined catchments. Examples include:

- A new water reservoir designed to provide capacity for a development (ie an identifiable catchment of EHUs) ,
- A new link road to provide a subdivision with access to main arterial roads, or
- Development of local playgrounds and open space to service a new subdivision or to cater for additional growth in household units within existing suburbs or the inner city.

It is anticipated that specific catchments will be defined from time to time as specific local works are required to mitigate the impact of growth on the local community. Currently, there are specific catchments for water supply, wastewater and reserves.

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Water supply catchments

There are ten specific water supply catchments where water reservoirs and pumping station upgrades are required to provide for growth, either to provide the necessary water storage capacity based on projected population or to increase the level of service to enable further development.

The water supply catchments comprise:

- Onslow
- Ngaio West
- Johnsonville West
- Kelburn
- Churton-Stebbings
- Happy Valley and Frobisher
- Grenada North High Level
- Messines
- Roseneath.
- Grenada-Lincolnshire

Wastewater catchments

Three wastewater catchments have been defined around the service areas of the three wastewater treatment plants:

- Moa Point
- Western (Karori)
- Porirua (Northern Suburbs).

The Clearwater treatment plants (Moa Point and Western) were built with the intention of providing significant capacity for growth over a long period of time, with Moa Point having the capacity to service twice the current population. Development contributions will be used to recover the costs of this additional capacity against new developments.

Reserves – inner city

The high growth in residential apartments and other non residential buildings continuing to be experienced within the inner city area is increasing demand for additional local reserves. This requires the redevelopment of existing reserves to accommodate additional usage and the purchase of additional inner city land to create new reserves.

Therefore, an inner city catchment has been defined where the predominant users of these reserves are local inner city residents and, to a lesser extent, people working within the inner city.

Reserves – greenfields development

New subdivisions are required to meet Council's policy for playgrounds and reserves. Generally, developers contribute appropriate areas of land and either develop the reserve themselves or Council develops the reserve and charges a contribution per allotment.

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Reserves - other

Current reserve management policies indicate that other areas are adequately provided with local reserves and open space (except for Citywide reserves). As further reserves management plans are developed, new local reserves may be required in established suburbs as a result of infill development growth.

6.3 Rural Areas

Rural developments where there is no connection to water supply or wastewater reticulation systems will be required to pay citywide development contributions for roading and reserves only.

If the rural development is subsequently connected to the water and/or wastewater reticulation systems, the applicable additional citywide contribution plus any local catchment area development contribution will be payable prior to connection.

7 When development contributions will be required?

7.1 When a development contribution is required under the LGA 2002

Council has the power to require development contributions to be paid to Council when granting:

- A resource consent under the Resource Management Act 1991 for a development;
- A building consent; or
- An authorisation for a service connection.

Subdivision

A development contribution is payable when granting resource consent for any subdivision. Payment is due immediately, however may be deferred at Council's discretion with its written consent until such time as prior to the issue of a certificate under section 224 (c) Resource Management Act 1991.

Development

For developments on one or more existing allotments, a development contribution is payable as follows:

- Where a landuse consent is required, payment must be made prior to commencement of the consent.

(Note that Council has the power to prevent commencement of the consent unless payment is made.)

- Where a development contribution was assessed as payable at the time of obtaining a landuse consent, and it has not been paid prior to the commencement of the

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consent, it shall be payable on the grant of building consent. Payment must be made prior to the code compliance certificate being issued.⁶

(Note council has the power to refuse to issue a Code Compliance Certificate ('CCC') under s208(b) LGA 2002 until the contribution is paid).

- Where the development is permitted under the District Plan (or otherwise does not require a resource consent) and a building consent is required, any development contribution payable is when the application is granted and must be paid prior to the CCC being issued.

(Note council has the power to refuse to issue a CCC under s208(b) LGA 2002 until the contribution is paid.)

- Where the development is permitted under the District Plan (or otherwise does not require resource consent) and a building consent is not required, any development contribution payable is when consent is given to connect to a Council service, and must be paid prior to the service being connected.

(Note: under s208(c) LGA 2002 Council has the right to withhold the service).

New connections

Where an existing development that is not connected to the City water or wastewater network as at 1 July 2005, connects to the City water or wastewater network the development contribution payable for water or wastewater must be paid prior to the service being connected.

Council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the LGA 2002.

7.2 Effective date

Any resource consent, building consent or application for service connection lodged with Council on or after the date that this policy takes effect, will be required to pay the development contribution payable under this policy.

7.3 When Council will not require a development contribution

Under the Local Government Act Council is unable to require a development contribution for a reserve, network infrastructure or community infrastructure if, and to the extent that:

- It has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose;

⁶

See section 208(b) LGA

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- The developer will fund or otherwise provide for the same local reserve, network infrastructure, community infrastructure in agreement with Council (and citywide fees will still apply); or
- Council has received or will receive funding from a third party.

7.4 Private development agreements

Council may enter into a private agreement with a developer. The agreement must clearly record why an agreement is being used, record the basis of the cost sharing and, in particular, whether there is any variation from the Council's policy that new development should pay 100% of growth related capital expenditure, and when the infrastructure will be provided.

Council foresees two situations where a private agreement may be appropriate:

- In a greenfields situation where Council will work with a developer to provide greater local capacity than that required for a particular subdivision to allow for potential further development and/or to reduce Council's long term operating costs;
- Where new capital expenditure is required to facilitate development of an area, but because there is no budgeted capital expenditure for the project there is no development contribution set under the policy.

8 Remission, postponement and refund of development contributions

8.1 Remission and postponement

Council may remit or postpone payment of a development contribution at its complete discretion. Council will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of Council will not be regarded as creating precedent or expectations.

Remissions will only be granted by resolution of Council (or a Committee or Subcommittee acting under delegated authority).

An application under 8.1 must be applied for before a development contribution payment is made to Council. Council will not allow remissions retrospectively.

An application must be made in writing, and set out the reasons for the request.

8.2 Refunds

Council will refund the original sum paid (less Council's costs) to the consent holder or to his or her personal representative⁷ in the circumstances set out in section 209 of the LGA 2002, namely:

- the resource consent:

⁷ Personal representative is interpreted to mean the land owner at the time of any refund.

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- (i) lapses under section 125 of the Resource Management Act 1991; or
- (ii) is surrendered under section 138 of that Act; or
- the building consent lapses under section 41 of the Building Act 1991; or
- the development or building for which the consent was granted does not proceed; or
- Council does not provide infrastructure or reserves for which the contribution was required.

8.3 Exemption from the application of the policy

Council's own developments are exempt from being liable to pay development contributions.

9 Schedule of development contributions

9.1 Citywide development contributions

Citywide development contributions	\$ per EHU (ex GST)
Water Supply	\$160
Stormwater	\$156
Wastewater	\$215
Traffic and roading	\$635
Reserves	\$352
Total Citywide Development Contributions	\$1,518

9.2 Specific catchment related development contributions

Wastewater development contributions	\$ per EHU (ex GST)
Central (Moa Point) Catchment	\$1,185
Western (Karori) Catchment	\$2,440
Northern Catchment ⁸	\$722

Water supply development contributions	\$ per EHU (ex GST)
Onslow Catchment	\$677
Ngaio West Catchment	\$3,907

⁸ Assumes that additional capacity at the Porirua Treatment Plant can be purchased at a cost similar to the current cost.

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Johnsonville West Catchment	\$850
Kelburn Catchment	\$1,392
Happy Valley and Frobisher Catchment	\$1,904
Grenada North High Level Catchment	\$7,250
Messines Catchment	\$961
Roseneath Catchment	\$1,775
Churton - Stebbings	\$2,357
Granada - Lincolnshire	\$3,179

Roading development contributions	\$ per EHU (ex GST)
Churton - Stebbings	\$2,291
Granada - Lincolnshire	\$1,897

Reserves development contributions	\$ per EHU (ex GST)
Inner City Catchment - Residential	\$2,987
Inner City Catchment – Non residential	\$373
Greenfields Catchment	\$7,510 ⁹

9.3 Summarised schedule of development contributions

The schedule of development contributions refers to areas A to O. These refer to geographically defined development contribution areas set out in Appendix 1 – Map.

All fees in the schedule are GST exclusive.

⁹ Estimated average cost where Council purchases and develops a four hectare reserve in a new 110 hectare (1400 lot) subdivision where the reserve comprises a 3000m² play area and passive land reserve of 37,000m². Actual costs will vary according to the size of the specific reserve. In many cases the developer will contribute the land and develop the reserve in accordance with Council's playgrounds and reserves policies. In such a case, no cash development contribution for local reserves will be charged

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	Citywide \$ per EHU	Water Supply \$ per EHU	Wastewater \$ per EHU	Roading \$ per EHU	Reserves \$ per EHU	Total \$ per EHU
A Roseneath	\$1,518	\$1,775	\$1,185	\$0	\$0	\$4,477
B Messines	\$1,518	\$961	\$2,440	\$0	\$0	\$4,919
C Grenada North HL	\$1,518	\$7,250	\$1,185	\$0	\$0	\$9,952
D Frobisher	\$1,518	\$1,904	\$1,185	\$0	\$0	\$4,606
E Kelburn	\$1,518	\$1,392	\$1,185	\$0	\$0	\$4,094
F Johnsonville West	\$1,518	\$850	\$1,185	\$0	\$0	\$3,552
G Proposed Ngaio West	\$1,518	\$3,907	\$1,185	\$0	\$0	\$6,609
H Onslow	\$1,518	\$677	\$1,185	\$0	\$0	\$3,379
I Churton-Stebbins	\$1,518	\$2,357	\$722	\$2,291	\$7,510	\$14,398
J Grenada-Lincolnshire	\$1,518	\$3,179	\$722	\$1,897	\$7,510	\$14,826
K Inner City - Residential	\$1,518	\$0	\$1,185	\$0	\$2,987	\$5,689
Inner City - Non residential	\$1,518	\$0	\$1,185	\$0	\$373	\$3,076
L Northern	\$1,518	\$0	\$722	\$0	\$0	\$2,240
M Western	\$1,518	\$0	\$2,440	\$0	\$0	\$3,958
N Central	\$1,518	\$0	\$1,185	\$0	\$0	\$2,702
O Rural (citywide roading & reserves only - if not connected to water or wastewater)	\$975	\$0	\$0	\$0	\$0	\$975

9.4 How to calculate your development contribution

Step 1	Go to Appendix 1 – Map and check which development contribution area your development is in.
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Step 2	Go to the development contributions schedule in 9.3 above and identify the fees payable per equivalent housing unit (EHU) for your development contribution area.
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Step 3	Using the EHU table in section 2.2, calculate how many EHUs your development will create.
---------------	---



Step 4	Multiply the number of EHUs in your development by the development contribution charge identified in Step 2 and add 12.5% GST. This is the total development contribution payable for your development.
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10 Definitions

In this policy:

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991, and **'lot'** has the same meaning.

Community facilities means reserves, network infrastructure or community infrastructure for which development contributions may be required in accordance with section 199 of the LGA 2002.

Community infrastructure means:

- (a) land, or development assets on land, owned or controlled by Council to provide public amenities; and
- (b) includes land that the Council will acquire for that purpose.

'Development' means:

- (a) any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

Development contribution means a contribution:

- (a) provided for in this development contribution policy; and
- (b) calculated in accordance with the methodology.

Development Contribution Policy means the policy on development contributions included in the LTCCP for a territorial authority under section 102(4)(d) of the LGA 2002.

Equivalent Household Unit ('EHU') means:

Type of EHU:	Based on:
Infill residential	<ul style="list-style-type: none">▪ Subdivided allotment; or▪ Household unit (defined below)
Greenfields	<ul style="list-style-type: none">▪ Allotment
Non residential/commercial	<ul style="list-style-type: none">▪ Every 65m² of additional gfa equals 1 EHU

Gross floor area ('gfa') means the sum of the gross area of the floor or floors of a building or buildings (including any void area in those floors, such as a lift or service shaft) measured from the exterior faces of exterior walls, or from the centre line of walls separating two buildings

Household unit means a home or residence that is a self-contained unit includes kitchen and bathroom facilities of any nature and is physically separated, or capable of being separated, from any other household unit.

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Methodology means the methodology for calculating development contributions set out in Schedule 13 to the LGA 2002.

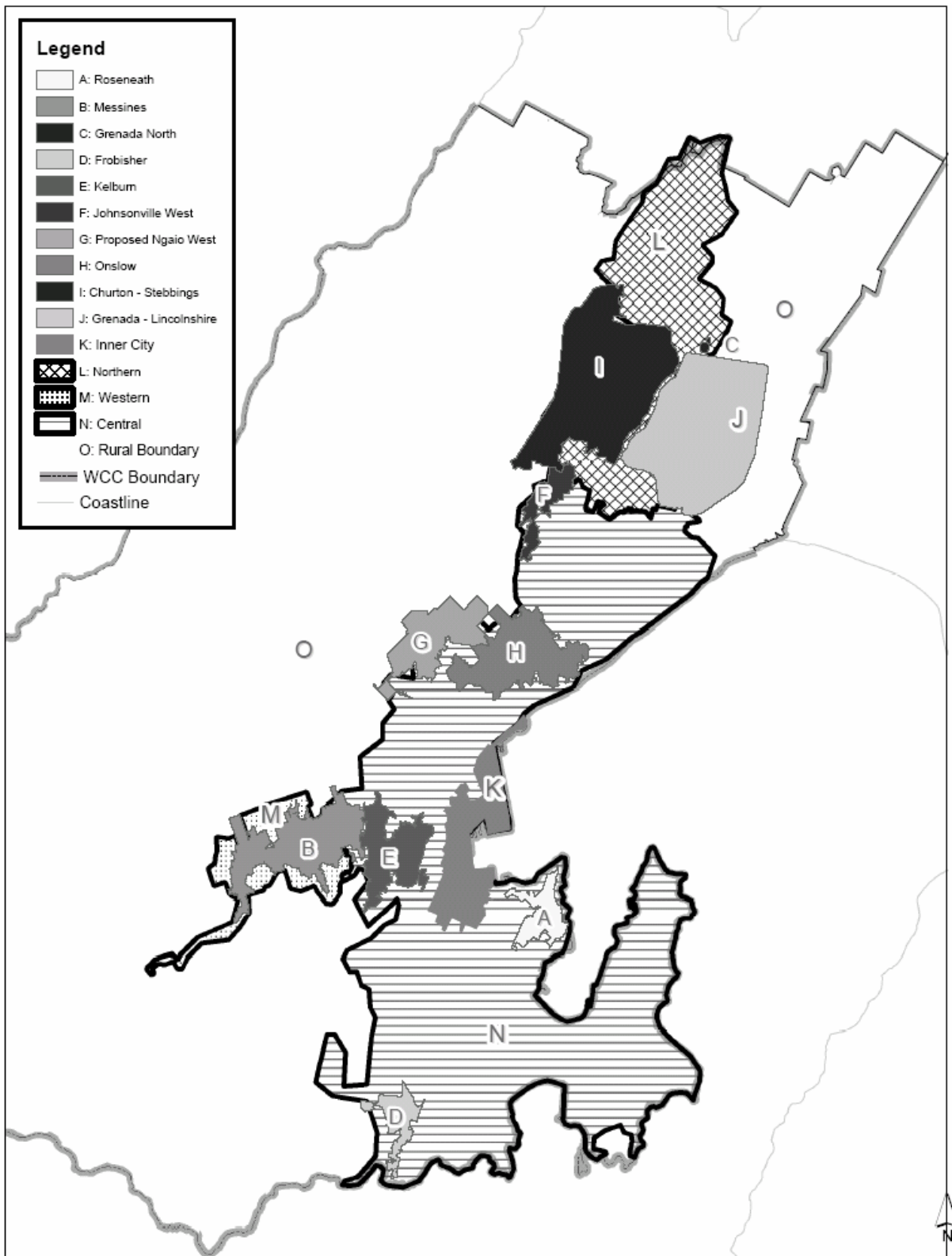
Network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network utility operator has the meaning given to it by section 166 of the Resource Management Act 1991.

Service connection means a physical connection to a service provided by, or on behalf of, the Council.

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Appendix 1 Draft map of development contributions catchment areas



DATA STATEMENT

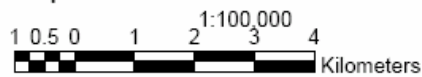
Property boundaries
Land Information NZ
Licence MB06035412
Copyright reserved
Accuracy in urban areas: ±10m
Accuracy in rural areas: ±30m

Other data has been
compiled from a
variety of sources and
its accuracy may vary

Any numbers displayed
are only approximate
and must not be used for
detailed engineering design

Color Orthophotography 1:500
From Feb 2002 owned by
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Development Contributions Catchments



PROPOSED AMENDMENT TO THE REVENUE AND FINANCING POLICY

It is proposed that the following statement on funding of capital expenditure (see p6 of the policy) in the Revenue and Financing Policy is amended as follows:

- The new text is shown by the **bold underlined text**
- The text in [*italics*] is deleted

2. Policy Statement on the funding of capital expenditure

Capital expenditure represents expenditure on property, plant and equipment. Property, plant and equipment are tangible assets that are held by the Council for use in the provision of its goods and services (for example: bridges, libraries, the Wellington Regional Aquatic Centre), for rental to others or for administrative purposes, and may include items held for the maintenance or repair of such assets. The assets must also have been acquired or constructed with the intention of being used on a continuing basis.

Capital expenditure is funded from depreciation, asset sales, and restricted funds or through new or extended borrowings as outlined below:

- If the capital expenditure relates to the replacement (renewal) of an existing asset, that expenditure will be funded by depreciation. Funding for depreciation comes from rates. Any surplus depreciation, after paying for the replacement of Council assets, will be used to repay borrowings.
- If the capital expenditure relates to the construction or purchase of a new asset or to the upgrade or increase in service potential of an existing asset, that expenditure will usually be funded from new or extended borrowings.
- The funding of capital expenditure from the sale of surplus assets is decided on a case-by-case basis. Funds received from the sale of surplus assets that are not applied to the funding of capital expenditure may be used to repay borrowings.
- The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.
- If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period to enable the project to be completed.
- *[While currently the Council operates under the auspices of the Resource Management Act (1991) in the use of financial contributions, consideration is currently being given to the adoption of a development contributions policy under the Local Government Act. Any revenue derived from such a policy will likely be used to fund the construction or purchase of a new asset or to the upgrade or*

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increase the service potential of an existing asset. This] **The Council has agreed that Development Contributions are to be used as the primary funding tool for capital expenditure resulting from growth for water, wastewater, stormwater, roads and reserves. The Council's Development Contributions Policy has been adopted to give effect to this policy decision. The Council has indicated that Development Contributions may also be used to fund growth related expenditure for Community Infrastructure, but that further work is required on the funding options and choices for such activities. The Council will continue to use RMA based Financial Contributions in some circumstances. Funds collected under either the Development Contribution Policy or the Financial Contributions provisions in the District Plan** will result in a corresponding decrease in the amount to be funded from new borrowings.

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APPENDIX THREE: PROPOSED AMENDMENT TO THE LTCCP TO UPDATE CAPEX FIGURES

1 Capital Expenditure Amendments

The adoption of the Development Contributions Policy requires an amendment to the 2003/04 Long Term Council Community Plan (LTCCP), to reflect updates to capital expenditure forecasts contained in the 2004/05 Annual Plan and 2005/06 Draft Annual Plan. These changes are summarised in the table below.

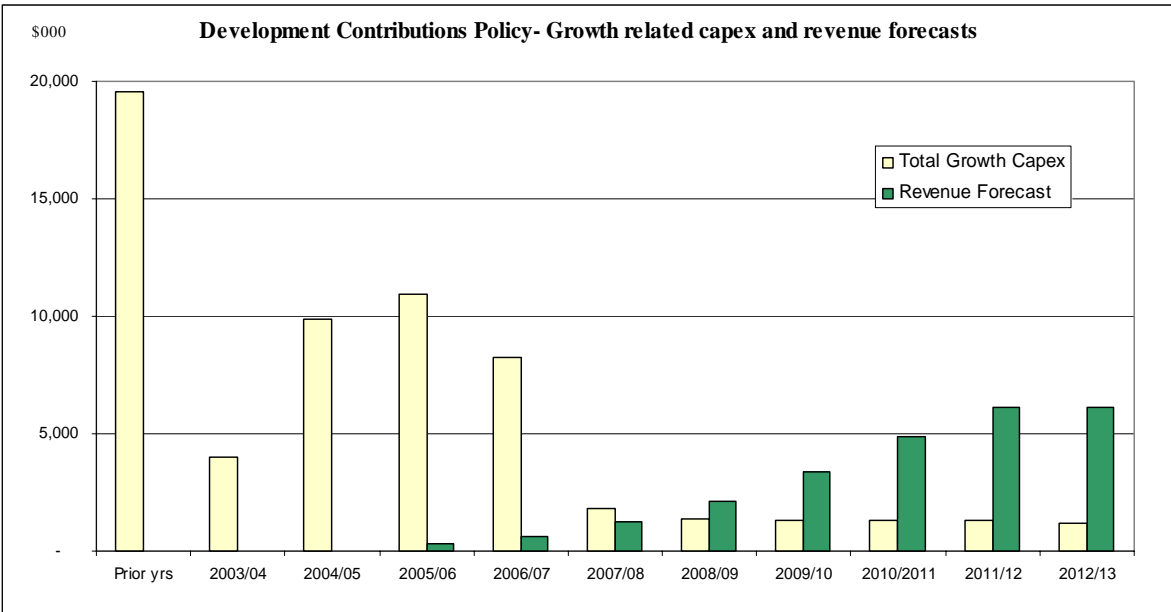
CAPITAL EXPENDITURE AMENDMENT TO 2003/04 LTCCP		2003/04 Budget \$000	2004/05 Budget \$000	2005/06 Budget \$000	2006/07 Budget \$000	2007/08 Budget \$000	2008/09 Budget \$000	2009/10 Budget \$000	2010/11 Budget \$000	2011/12 Budget \$000	2012/13 Budget \$000
Built environment	2003/04 LTCCP	8,461	16,052	10,065	8,212	3,831	1,726	2,186	2,671	1,636	1,636
	Changes 04/05 & 05/06	0	(3,472)	1,639	7,552	1,063	(798)	59	59	14	(156)
	Amended LTCCP	8,461	12,580	11,703	15,763	4,894	928	2,245	2,730	1,650	1,480
Community, health and safety	2003/04 LTCCP	8,594	6,267	5,669	4,728	3,132	716	640	763	743	743
	Changes 04/05 & 05/06	0	(137)	(797)	1,443	(870)	1,780	7,326	6,899	5,834	1,667
	Amended LTCCP	8,594	6,130	4,872	6,170	2,262	2,496	7,966	7,662	6,577	2,410
Culture and arts	2003/04 LTCCP	4,870	175	25	25	25	25	25	25	25	25
	Changes 04/05 & 05/06	0	300	350	0	0	0	0	0	0	0
	Amended LTCCP	4,870	475	375	25	25	25	25	25	25	25
City economy	2003/04 LTCCP	595	1,382	1,259	618	571	829	544	579	438	804
	Changes 04/05 & 05/06	0	501	9,865	446	313	111	112	113	115	116
	Amended LTCCP	595	1,883	11,124	1,064	884	940	656	692	553	921
Natural environment	2003/04 LTCCP	3,342	2,980	2,777	2,805	2,875	2,500	2,525	2,525	2,525	2,525
	Changes 04/05 & 05/06	0	345	1,238	1,394	1,005	1,394	669	567	581	434
	Amended LTCCP	3,342	3,325	4,014	4,199	3,879	3,894	3,194	3,091	3,106	2,959
Resources and waste	2003/04 LTCCP	27,307	29,153	30,898	28,777	25,898	23,329	22,659	22,949	23,169	23,169
	Changes 04/05 & 05/06	0	673	(3,753)	4,660	5,478	9,650	9,138	4,568	668	668
	Amended LTCCP	27,307	29,826	27,145	33,438	31,377	32,979	31,797	27,517	23,837	23,837
Recreation and leisure	2003/04 LTCCP	6,766	8,594	6,581	7,442	6,673	5,375	6,073	5,861	6,611	3,661
	Changes 04/05 & 05/06	0	1,732	8,854	4,704	7,005	7,912	2,746	3,170	1,520	3,712
	Amended LTCCP	6,766	10,326	15,435	12,146	13,678	13,287	8,819	9,031	8,131	7,373
Transport	2003/04 LTCCP	17,708	20,412	21,047	20,717	20,397	20,067	20,537	20,537	17,847	17,847
	Changes 04/05 & 05/06	0	3,126	4,065	5,570	6,114	6,409	6,504	6,873	6,404	4,413
	Amended LTCCP	17,708	23,539	25,112	26,287	26,511	26,476	27,041	27,410	24,251	22,260
Governance and Citizen Information	2003/04 LTCCP	113	80	0	0	80	0	0	80	0	0
	Changes 04/05 & 05/06	0	20	0	0	0	0	0	0	0	0
	Amended LTCCP	113	100	0	0	80	0	0	80	0	0
Organisational (corporate)	2003/04 LTCCP	8,138	7,869	9,569	6,474	8,068	6,243	8,488	7,493	7,588	8,018
	Changes 04/05 & 05/06	0	(969)	2,450	436	1,304	776	451	(691)	2,090	743
	Amended LTCCP	8,138	6,900	12,019	6,910	9,371	7,019	8,938	6,802	9,678	8,761
Total per 2003/04 LTCCP		85,893	92,964	87,890	79,798	71,550	60,810	63,677	63,482	60,583	58,429
Total changes 04/05 and 05/06		0	2,120	23,911	26,204	21,412	27,234	27,005	21,558	17,225	11,597
Amended LTCCP (Draft) 05/06		85,893	95,084	111,800	106,002	92,962	88,044	90,682	85,041	77,808	70,026

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2 Forecast Development Contribution Funding

Because there is not a direct correlation between the timing that growth related capital expenditure will be incurred by the Council and when new development actually occurs the level of development contribution funds actually received over the duration of the LTCCP is forecast to be lower than the actual Capex expended. The difference between growth related capital expenditure and the actual level of development contributions expected to be received in the initial years after the policy’s introduction is exacerbated by the lead-in time for the policy (i.e. there are a number of consents already lodged for new developments, to which development contributions will not apply).

The graph below and table on the following page summarise the level of contributions forecast to be received by the Council over the duration of the current LTCCP. Note these forecasts are indicative only and are subject to change dependant on rate and geographical spread of development within the City over the next eight years.



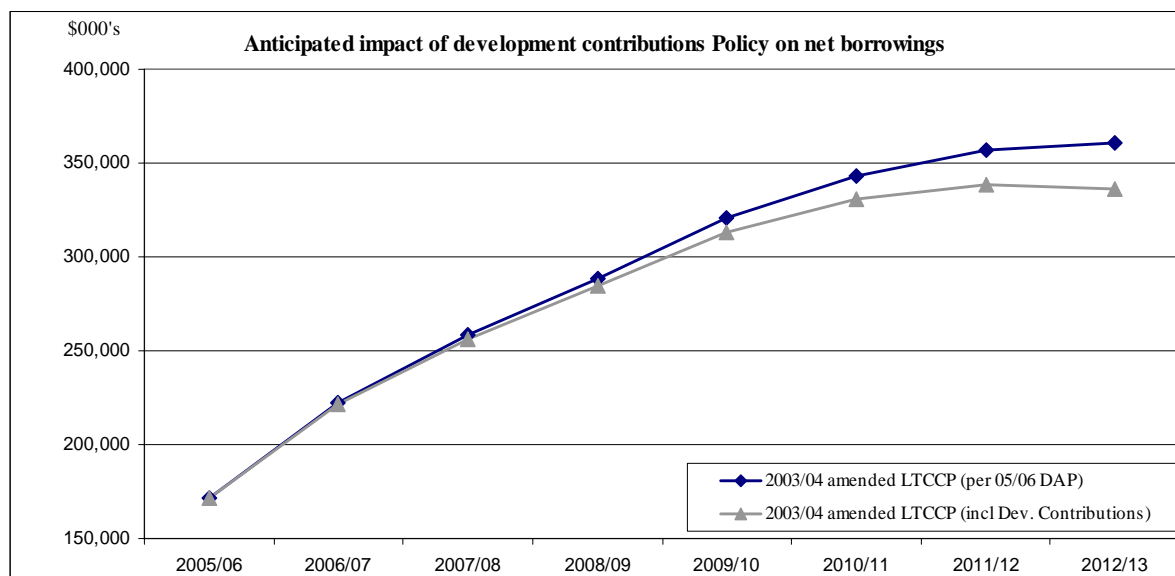
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Development Contributions Policy Revenue Forecast 2005/06 to 2012/13

KAA		Prior Capex Included	2003/04 Total Capex	2004/05 Total Capex	2005/06 Total Capex	2006/07 Total Capex	2007/08 Total Capex	2008/09 Total Capex	2009/10 Total Capex	2010/11 Total Capex	2011/12 Total Capex	2012/13 Total Capex	Total
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Built Environment	Total Capex	1,400	8,261	12,580	11,703	15,763	4,894	928	2,245	2,730	1,650	1,480	63,635
	Total Growth Capex	1,400	1,785	7,496	9,065	6,502	433	25	25	25	25	25	26,808
	Revenue Forecast	-	-	-	134	268	536	938	1,474	2,145	2,681	2,681	10,857
Community, Health and Safety	Total Capex	-	8,594	6,130	4,872	6,170	2,262	2,496	7,966	7,662	6,577	2,410	55,141
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
Culture and Arts	Total Capex	-	4,870	475	375	25	25	25	25	25	25	25	5,895
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
City Economy	Total Capex	-	595	1,883	11,124	1,064	884	940	656	692	553	921	19,312
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
Natural Environment	Total Capex	1,000	3,342	3,325	4,014	4,199	3,879	3,894	3,194	3,091	3,106	2,959	36,004
	Total Growth Capex	1,247	173	194	214	217	199	193	173	169	169	163	3,111
	Revenue Forecast	-	-	-	16	31	62	109	171	249	311	311	1,260
Resources and Waste	Total Capex	16,945	27,058	29,826	27,145	33,438	31,377	32,979	31,797	27,517	23,837	23,837	305,755
	Total Growth Capex	16,945	1,777	1,992	1,569	1,300	965	950	900	906	911	911	29,127
	Revenue Forecast	-	-	-	146	291	583	1,019	1,602	2,330	2,913	2,913	11,796
Recreation and Leisure	Total Capex	-	6,766	10,326	15,435	12,146	13,678	13,287	8,819	9,031	8,131	7,373	104,991
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
Transport	Total Capex	943	17,708	23,539	25,112	26,287	26,511	26,476	27,041	27,410	24,251	22,260	247,540
	Total Growth Capex	-	279	192	83	209	211	213	215	217	219	96	1,931
	Revenue Forecast	-	-	-	10	19	39	68	106	154	193	193	782
Governance and Citizen Information	Total Capex	-	113	100	-	-	80	-	-	80	-	-	373
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
Organisational Capital Projects	Total Capex	-	7,872	6,900	12,019	6,910	9,371	7,019	8,938	6,802	9,678	8,761	84,270
	Total Growth Capex	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue Forecast	-	-	-	-	-	-	-	-	-	-	-	-
Council	Total Capex	20,288	85,178	95,084	111,800	106,002	92,962	88,044	90,682	85,041	77,808	70,026	922,915
	Total Growth Capex	19,592	4,014	9,873	10,931	8,227	1,808	1,381	1,314	1,316	1,324	1,195	60,976
	Revenue Forecast	-	-	-	305	610	1,220	2,134	3,354	4,878	6,098	6,098	24,695

3. Impact on net borrowing

The introduction of a development contributions policy is forecast to result in a reduction in net borrowings equivalent to the cumulative value of development contributions actually received over the duration of the LTCCP.

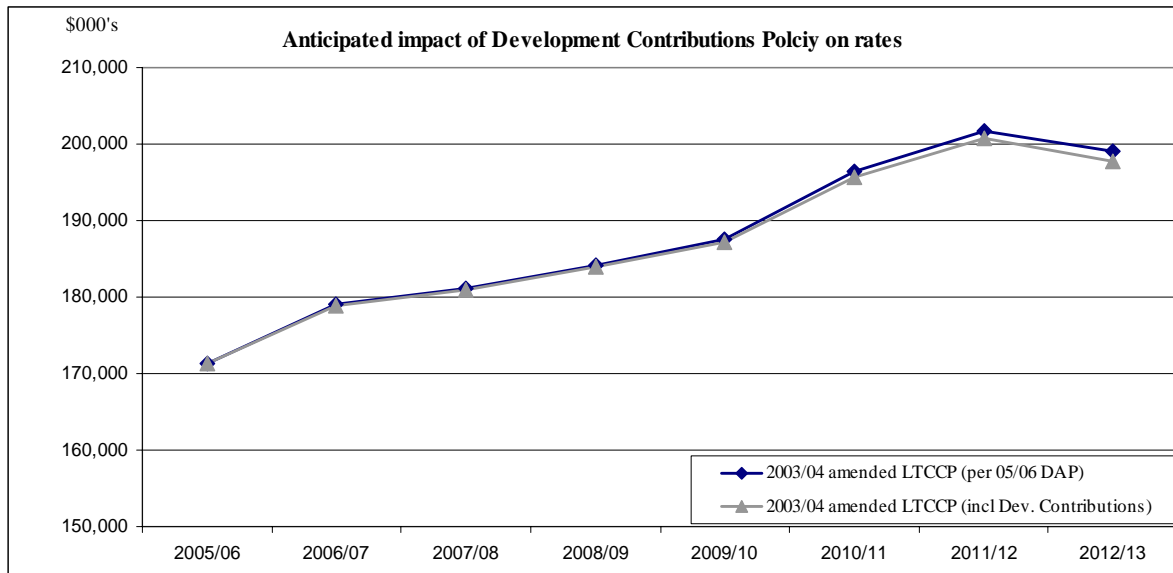


Impact on net borrowings	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2003/04 amended LTCCP (per 05/06 DAP)	171,701	222,229	258,418	288,719	320,512	343,396	356,769	361,005
Development contribution impact	(305)	(915)	(2,135)	(4,269)	(7,623)	(12,501)	(18,599)	(24,697)
2003/04 amended LTCCP (incl Dev. Contributions)	171,396	221,314	256,283	284,450	312,889	330,895	338,170	336,308

APPENDIX THREE

4. Impact on rates

As development contributions will fund capital expenditure that would otherwise be funded through borrowings, the impact on rates is limited to the reduction in interest that the Council will have to pay as a result of lower net borrowing levels.



Impact on rates	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2003/04 amended LTCCP (per 05/06 DAP)	171,246	178,984	181,039	184,171	187,545	196,335	201,748	199,098
Development contribution impact	(10)	(40)	(99)	(208)	(386)	(654)	(1,011)	(1,407)
2003/04 amended LTCCP (incl Dev. Contributions)	171,236	178,944	180,940	183,962	187,159	195,681	200,737	197,691

CONSULTATION AND COMMUNICATION PLAN

1. Overview

Wellington's population is expected to grow significantly over the next 15 years. That growth will require new developments, which will in turn require us to add to the city's roading, water, sewage and stormwater networks, and to develop new parks and reserves.

As required under the Local Government Act 2002, we aim to answer these questions by consulting on a (Draft) Development Contributions Policy. This draft policy outlines how we intend to fund the capital spending needed to meet future growth in the city. As such it is important that all residents and those directly affected by the draft policy have the opportunity to comment on it.

Consultation on this draft policy is being carried out through the Special Consultative Procedure. It will run between 20 April – 20 May 2005.

The statutory documents that will form part of the consultation are:

- The Statement of Proposal - which in this instance is the draft policy (and associated amendments to the LTCCP/ Revenue and Financing Policy)
- The Summary of Information - which must be an accurate summary of the above
- The public notice - which notifies the commencement of the consultation period and specifies where the documents will be available

In addition, the detailed methodology supporting the policy must be available on request.

There will be an article providing a brief overview of the draft policy and LTCCP amendments in the APW and in the 'Key issues' part of the Draft Annual Plan

2. Background

The Local Government Act 2002 (LGA) enables councils to recover the costs of additional demand on services from those who create the need for them.

Until now, Wellington City Council has only recovered limited costs from certain developments by way of the current financial contributions provisions in its District Plan.

Under the proposed new policy, those who undertake subdivision or development will be required to pay contributions to fund the additional demand on services including roading, water supply, wastewater, reserves and stormwater management.

3. Outline of consultation

3.1 Raising awareness of the consultation process

It is important that the public and developers are aware of the proposed Development Contributions Policy and are provided with information that will allow them to contribute in a meaningful way.

Council has already written to key stakeholders (property developers and the Property Council) so they were aware of the policy paper considered by Committee on 3 March 2005. The 7 April 2005 paper, which seeks adoption of the draft policy for consultation, will be similarly distributed.

3.2 Timing

The formal consultation period is scheduled to run for one month in keeping with the requirements of the Local Government Act 2002. It is set to run from Wednesday 20 April until Friday 20 May 2005. This will be followed by public hearings, which will be held in late May/early June 2005.

3.3 Audience

The key audience for the draft policy is:

1. The general public

This group will be reached by:

- Raising awareness in the APW and the Draft Annual Plan
- Sending the Summary of Information to the Draft Annual Plan key stakeholders
- Information on the Council website

2. Property Developers

A group of key developers will be sent the Summary of Information and full Statement of Proposal directly.

3. The Property Council

The Property Council will also be provided with the above information directly.

4. Other professional property/development organisations

These groups have been asked to distribute information to their members via their regular newsletters and publications.

APPENDIX FOUR

3.4 Documents

It is important that the public and interested parties have access to information that allows them to make informed submissions. The key to this is to ensure that core information is available and accessible. There are two parts to this:

- (a) That the layout and content of the documents (statement of proposal and summary) are easy to follow
- (b) That participants have the opportunity to clarify points before making submissions.

3.5 Public Workshop

Consideration will be given as to the need for a public workshop and, if so, how it would be run.