

1 INTRODUCTION

1.1 WHAT ARE DEVELOPMENT CONTRIBUTIONS?

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

1.1.2 Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets of increased capacity and as a consequence Council incurs capital expenditure to provide appropriately for network infrastructure, community infrastructure and reserves. In addition Council require development contributions to pay, in full or in part, for capital expenditure already incurred by Council in anticipation of development.

1.2 APPLICATION OF DEVELOPMENT CONTRIBUTIONS

1.2.1 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.

1.2.2 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.

1.2.3 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.

1.3 RELATIONSHIP WITH FINANCIAL CONTRIBUTIONS IN THE DISTRICT PLAN

1.3.1 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.

1.3.2 Council will use the Policy where a development contribution is payable for a particular purpose within a catchment and for all Citywide contributions.

1.3.3 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%)".

1.3.4 Council will also continue to impose financial contributions on any development to which this Policy does not apply. (See section 7.3 for a summary of the District Plan financial contributions).

1.4 EFFECTIVE DATE

1.4.1 The Council first adopted a Development Contributions Policy on 28 June 2005. Council amended the Policy as part of the 2006/07 LTCCP, which was adopted on 28 June 2006.

1.4.2 Any application for resource consent or building consent or application for service connection received by the Council on or after 1 July 2005 is required to pay the development contribution payable under this policy, or its subsequent amendments. This requirement is subject to the exception in paragraph 4.3.

1.4.3 For more information on the effective date, transitional provisions, and what to do if amendments are made to a proposal for which a resource consent was applied for before 1 July 2005, see section 4.

1.5 HOW TO FIND YOUR WAY AROUND THIS POLICY

1.5.1 The policy is in 2 parts:

Part 1:

- The operational policy – this sets out what development contributions are payable, when they are assessed, and when they need to be paid etc (see sections 2 to 6).

Part 2:

- The substantive policy – this sets out the legislative framework, the process followed by the Council, the methodology followed to make the decision to use development contributions to fund growth related capital expenditure and the relevant capital expenditure figures (see sections 7 to 12).