

10 Capital expenditure in response to growth

10.1 Activities and catchments for which development contributions may be required

10.1.1 Local Government Act 2002 allows the 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 growth.

10.1.2 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

10.1.3 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

10.1.4 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

10.1.5 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.

Roading

10.1.6 Development contributions will be required for the ongoing citywide upgrades of roads, public transport facilities, cycle ways, pedestrian walkways and associated infrastructure to facilitate growth.

Reserves

- 10.1.7 Development contributions will be required in three catchments – a citywide catchment, an inner city catchment and for greenfield development (in accordance with section B6.1.2 to B6.1.5 of this Policy).

Community Infrastructure

- 10.1.8 Development contributions will be required for the growth components of community infrastructure including swimming pools, synthetic turf sports fields, and cemeteries. As each category of community infrastructure identified for inclusion in this Policy acts as part of a citywide network, the growth component of community infrastructure has been charged as citywide fees. As the growth component of new community infrastructure responds to the needs of residents, non residential developments will not be levied for community infrastructure.

10.2 Growth-related capital expenditure

- 10.2.1 The table in Appendix A (Table 1) sets out for each activity:

- the capital expenditure identified in the 2009/19 LTCCP 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.

- 10.2.2 Where Council anticipates funding from a third party (such as the New Zealand Transport Authority) 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.

10.3 Capital costs already incurred in anticipation of growth

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

- 10.3.2 For the purpose of this Policy, taking a development contribution for capital expenditure already incurred in anticipation of development is considered appropriate for the wastewater network infrastructure in the catchment areas of the Moa Point and Western treatment plants (Clearwater), the 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 1 above.

- 10.3.3 The capital expenditure already incurred prior to 1 July 2005 to meet increased growth demand for network infrastructure and reserves is summarised in Appendix A (Table 2).

10.4 Use of development contributions

- 10.4.1 The 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).
- 10.4.2 Where a development contribution is received for capital expenditure that has already been incurred by the Council, the 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.
- 10.4.3 Where the 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, the 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).