

**Manawatū District Council**

# **Development Contribution Policy**

**Draft Long Term Plan 2018-28**

# Development Contributions Policy

Development Contributions are the fees payable to Council for capital expenditure already undertaken, or is planned to be provided, to provide appropriately for additional community facilities (such as stormwater, roads, reserves and public amenities) required to service new developments. These contributions may be required on resource consents (subdivision and land use) and / or building consents in situations where the development will have additional impact on infrastructure. Council has elected not to recover Development Contributions for service connections.

This Policy applies when you subdivide, build, alter or expand a residential or non-residential building, or may apply when you change the use of an existing building. The extent of the Development Contribution required will depend on the type, size and location of the development.

This Policy comes into effect on 1 July 2018.

## 1.1 Purpose

Development Contributions are intended to enable Council to recover from developers a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term. Development Contributions can be levied if the effect of a development or developments requires the Council to provide new or upgraded infrastructure.

This Development Contribution Policy (Development Contribution Policy) sets out the Development Contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.

The purpose of this policy is to:

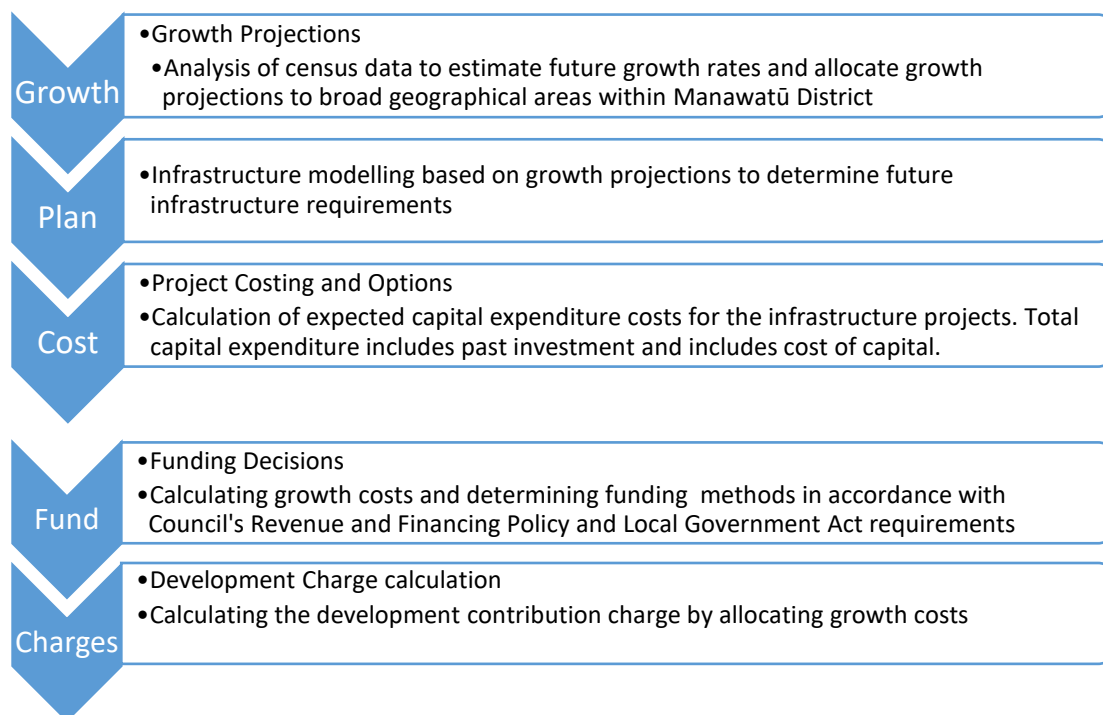
- a) enable Council to provide infrastructure and facilities to cater for growth, in a timely fashion and affordable for ratepayers;
- b) to provide the framework for Council to charge Development Contributions for residential and non-residential development in the District to fund capital expenditure for network infrastructure, reserve land and community infrastructure.
- c) provide predictability and certainty to stakeholders on how infrastructure for growth is to be funded, and establishing a transparent, consistent and equitable basis for recovering Development Contribution from developers;
- d) to recover from developers a fair, equitable and proportionate portion of the total costs of the capital expenditure to service growth over the longer term;

This Development Contribution Policy has been developed to be consistent with the purpose of the Development Contribution provisions as stated in section 197AA of the Local Government Act 2002. In preparing the Development Contribution Policy Council has had regard to and taken into account the Development Contribution principles in section 197AB of the Local Government Act 2002.

These have been used by Council to ensure the Development Contributions charged are fair and reasonable, as well as lawful.

Section 102 of the Local Government Act 2002 requires the Council to have a policy on Development and/or Financial Contributions as part of its funding and financial policies in its Long Term Plan. Sections 106 and 201 of the Local Government Act 2002 set out the required contents of this Development Contribution Policy. This policy must be reviewed at least every three years.

The process for Council to develop Development Contribution charges is set out below. The Development Contribution Policy has a considerable amount of planning and analysis that underpins the charges set by Council.



## 1.2 History

Council's first Development Contribution Policy was adopted in June 2006. Council had previously funded the growth related costs of development via financial contributions under the Resource Management Act 1991, and through rates. The Development Contribution Policy was subsequently revised during each 10-Year Plan cycle in 2009, 2012 and 2015. These policies were amended to reflect different growth forecasts, legislation changes, experience in implementing the Development Contribution Policy and changing Council policies.

This 2018 review has been developed as part of the 2018 Long Term Plan process and is based on the Council's capital expenditure programme as set out in the Long Term Plan and Infrastructure Strategy.

## 1.3 Proportion of Infrastructure Growth Funding Allocated

Development Contributions will be assessed based on the levels of service stated in the Long Term Plan across the District and any future requirement to increase the level of service for existing users will not be funded by Development Contributions. Some works that are primarily driven by improving the level of service to the community have a component related to servicing future growth, or the increased population in 20 years' time.

Council has reviewed the proportion of infrastructure growth costs that will be funded from Development Contributions. Council has determined Development Contributions are the appropriate funding source to fund growth related activities. Where there is a level of service component this proportion of the capital cost is funded from rates. In particular, see the analysis contained in Appendix E.

Wherever possible developments should pay the full capital cost to the Council of servicing new developments. The total cost of forecast capital projects is set out in Table 3. Funding part of these costs through rates would otherwise result in an unfair burden being placed on the existing ratepayer community.

Council clearly identifies capital expenditure to meet demand from new residential and non-residential users and capital expenditure necessary to carry out asset renewals and increase the level of service for existing ratepayers (e.g. significant investments in upgrading water and wastewater treatment facilities). Only the former is funded by Development Contributions.

Growth related infrastructure costs make up less than 50% of Manawātū District Council's total planned capital expenditure.

There are some specific growth investments that Council is undertaking that are partly driven from wider economic development and strategic reasons. These will be clearly shown in the project schedules in Appendix D.

## **1.4 Activities for Funding Capital Expenditure of Growth**

Council activities for which Development Contributions will be used to fund growth related capital expenditure are:

- a) Network infrastructure for stormwater, wastewater, water supply, transportation;
- b) Reserve land acquisition and development for parks and open space (including Esplanade Reserves);
- c) Community infrastructure including playgrounds, public toilets and community centres.

## **1.5 When a Development Contribution is Required**

In accordance with sections 197, 198 and 199 of the Local Government Act 2002, Council may require a Development Contribution when granting a resource consent, building consent or an authorisation for a service connection.

A Development Contribution is required in relation to a development when:

- A particular subdivision, construction of a building, land use or work that generates a demand for reserves, network infrastructure, or community infrastructure.
- The development (either alone or in combination with another development) requires new or additional assets or assets of increased capacity (reserves or infrastructure) which causes the Council to incur capital expenditure.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development. A Development Contribution 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 the Council to provide infrastructure to service expected growth.

The Council may exercise its discretion to defer/postpone Development Contribution requirements, where allowed for in this Policy and considered appropriate. The processes detailing these issues are set out in section 4.1.4.

## **1.6 Limitations to the Application of Development Contributions**

Development which does not either in itself or in combination with other developments generate additional demand for community facilities will not be liable to pay a Development Contribution.

Council will also not require a Development Contribution for network infrastructure, reserves or community infrastructure in the following cases:

- Where 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; or
- Where the Council has already required a Development Contribution for the same purpose or the same building work (so long as there is no change in scale and intensity);
- Where agreed with the Council the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.

## **1.7 Relationship to Resource Management Act**

Development Contributions under the Local Government Act 2002 are in addition to, and separate from, financial contributions under the Resource Management Act 1991. Council intends to use Development Contributions under the Development Contribution Policy

as its main means of funding infrastructure required as a result of growth over and above the works and services that may be required as conditions of subdivision or resource consent.

Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the Resource Management Act 1991. Financial Contributions must not be applied as a condition on a consent where a Development Contribution has been required for the same purpose on the same development.

Financial Contribution provisions are detailed in the Manawatū District Plan: Strategy Section 7.1 Financial Contributions and Rule D Financial Contributions. This includes provisions for requiring:

- Reserve contributions (including Esplanade Reserves);
- Utility sites (for infrastructure, i.e. pumping stations, reservoirs);
- New roads or access ways;
- Upgrading and/or widening existing roads (including formed and unformed legal roads);
- Water, sewer and stormwater capital contributions;
- Water, sewer and stormwater reticulation within the development and also for extending reticulation to service the development.

Council will also still have the authority to require works or services on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan. Development

Contributions are for the acquisition, installation or expansion of assets over and above the works and services that may be required as a condition of consent.

For settlements other than Feilding, Council as service provider may require capital contributions through fees and charges for properties who apply to connect to township water or wastewater services.

## **2 VISION, STRATEGY AND COUNCIL ASSUMPTIONS**

The Council outlines its Vision, Strategy and Council outcomes in Part One of the Long Term Plan.

Council has developed Vision statements for the District, its Villages, rural community and Feilding urban township. The Vision statement both guides Council in its activity and provides a clear and a compelling picture of our future.

Feilding is the main location for urban growth. Council has developed a detailed 30 year plus Feilding Urban Growth Framework Plan that was adopted in 2013. This Framework is the adopted urban growth strategy for the District and has driven a large part of the infrastructure planning and schedule of costings for this Development Contribution Policy.

The Council Vision includes rural villages and future lifestyle areas, and some modest growth is forecast in Rongotea and Himatangi Beach.

Over the last few years water and wastewater infrastructure has been upgraded. Council is planning to connect the wastewater discharge of a number of these townships to the Feilding Waste Water Treatment Plant (WWTP) over the medium term. These treatment and quality of discharge investments have generally benefited all the ratepayers in each of the relevant networks and these costs will be funded from rates.

This Policy provides the means by which the Council may seek Development Contributions from new development where the effect of that development, either alone or in combination, requires the Council to incur capital expenditure to provide services and infrastructure.

### **2.1 SIGNIFICANT ASSUMPTIONS OF THE DEVELOPMENT CONTRIBUTIONS POLICY**

#### **2.1.1 Council Role**

Council is assuming that it will act as the lead agency to ensure core infrastructure is available to service growth developments in the District. This role will be assessed at each review of the Long Term Plan and Development Contribution Policy every three years. There is the potential for major developments, where agreed with Council through a development agreement, for developers to take the lead role.

The Council ensures, on behalf of current and future residents and ratepayers, that land development is carried out in a manner that results in acceptable outcomes in terms of aesthetics, environmental impacts and service standards. See Council's Engineering Standards for Land Development (2017), as may be amended from time to time.

#### **2.1.2 Development Contribution Areas**

For the purposes of Development Contributions, the District is broken into 2 development contribution areas based on activity *service catchments*. (Refer to Map 1 in Appendix A of this policy)

Area	Activities for which Development Contributions will be Charged
Manawatū District	Roading, Parks, Reserves and other Community Infrastructure
Feilding Urban Area	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater and Stormwater

Council set out an assessment of the allocation of benefits in Appendix E. The development contribution areas reflect the nature of each infrastructure service network. The Council has determined that the two identified service catchments are appropriate for the activities due to (at a high level) the impact of growth being independent of where the growth occurs, the benefits of the capital projects apply to specific locations and the district as a whole (by generating additional capacity, as one example) and for reasons of practicality in all of the circumstances. The catchment areas acknowledge that growth and related demand for water, wastewater and stormwater is specific to the Feilding Urban Area. The rationale for each activity and the identified catchment area is set out in greater detail in section 5 of the Development Contribution Policy.

Additional rationale that supports the areas to be covered for each activity is included in Appendix E.

### 2.1.3 Planning Horizons

A 20-year timeframe has been used as a basis for forecasting growth and applying a development contribution. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy<sup>2</sup> infrastructure works within any given year on Development Contributions.

This timeframe aligns to the expected development capacity of Precincts 4 and 5 in Feilding. Council has detailed planning and costings for infrastructure networks for these areas.

Development beyond this timeframe will involve additional growth precincts that have not yet been fully costed to service. These longer term infrastructure requirements to service growth, and the additional households enabled, will be included in future Development Contribution Policies.

### 2.1.4 Projecting Growth

The Council is planning for new development that is occurring throughout the Manawatū District. This places demands on the Council to provide a range of new and upgraded infrastructure.

The successful application of the Development Contribution Policy is dependent on population projections and the Council adopted spatial allocation of growth within the District. These projections are required to inform infrastructure planning and to reduce the investment risks to Council as to the population growth and its location accurately of future growth of the District.

<sup>2</sup> **Lumpy** infrastructure is where in any given year there are large sums assigned due to the discrete nature of the development work

The Development Contribution Policy uses the growth projections as set out in the Forecasting Assumptions section of the Long Term Plan. These forecasts are largely based on the high growth scenario from Statistics NZ. Manawatū is currently experiencing moderate population and household growth as a result of positive immigration and solid economic growth. Forecasts will be updated each year based on actual growth, census results (March 2018 census) and annual estimates from Statistics NZ.

District growth has been split into Feilding greenfield (Precinct 4), infill, balance of the district residential and non-residential development. The forecasts are informed by the Feilding Framework Plan and Urban Growth Strategy, Manawatū District Plan, Council Asset Management Plans and actual historic developments. The impact of non-residential development varies depending on the nature of each business.

This Development Contribution Policy applies an assessment of the demand for services generated by each development to determine the number of HUEs for Water, Wastewater, Roding and Stormwater.

A summary table of the key forecasts is shown below. Council is forecasting steady and moderate household growth of 1.4% a year to 2021, gradually slowing to 1% a year by 2034.

Table 2: Forecast Household Unit Equivalent numbers

	2018	2028	2038
	Households (HUEs)	Households (HUEs)	Households (HUEs)
Feilding Precinct 4	572	1,472	2,360
Feilding Other	6,162	6,442	6,644
Balance of District	5,595	6,095	6,546
Manawatū District	12,329	14,009	15,550

### 2.1.5 Other Assumptions

- Timing of expenditure – the timing of specific projects is likely to vary over time as they are reliant on actual growth rates, demand for greenfield housing, the state of the economy, developer profit margins and many other economic and societal factors that Council has little control over. Council is carefully monitoring the actual level of development and aims to be just ahead of service demands on infrastructure. Faster or slower overall development rates will be reflected in the levels of investment.
- Method of service delivery – Council is planning to fund, design and manage the provision of core infrastructure needed to service forecast growth. This is currently assessed as the most efficient model for delivery. Council will reassess this assumption at least every six years as part of meeting the requirements of section 17A of the Local Government Act 2002.
- Third party funding availability – Council is assuming that there will be no third party funding for growth related infrastructure projects. If alternative funding for these projects does become available, from Development Agreements or government / regional grants, Council will amend the schedule and reduce total funding required through Development Contributions. Funding by NZTA for Roding currently only includes renewals and maintenance, and this is expected to continue.



- Debt servicing – From time to time Council Development Contribution activity reserves may be in deficit. This occurs if the required infrastructure is more expensive than the balance of Development Contribution revenue already collected. Council will loan fund any required work at this point. Future Development Contribution revenue will pay off the loan, including interest. The interest rate charged will be at the average Council rate at that time.

#### **2.1.6 Best Available Knowledge**

This Development Contribution Policy is based on the best available knowledge that Council has at the time of adoption. The Asset Schedule in Appendix z is consistent with the adopted Long Term Plan but will be updated each year and the Development Contribution Policy reviewed every three years. As time passes discrepancies may emerge between historic Council documents and the updated schedule. For Development Contribution purposes the Schedule will prevail.

### **2.2 Capital Expenditure Council Expects to Incur as a Result of Growth**

Council has estimated the extent of growth within the District and the capital expenditure necessary to meet the demands of the growth. Each capital project is identified as level of service (Rates funded) or growth (Development Contribution funded). The total growth costs for each activity covered by this Development Contribution Policy are then divided by the number of additional HUEs in each activity, including the non-residential component. This results in Development Contribution charges by activity for each additional HUE.

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand, is summarised below in Table 3. Note that the estimated expenditure includes an allowance for professional services, including investigations, option assessment, detailed design and construction management.

**Table 3: Summary of 20 year Estimated Council Capital Expenditure and Funding for Growth**

Activity	Growth related expenditure pre July 2018 to be funded (as at Dec 2017)	Total estimated Capital Expenditure Work	Total Level of Service Component	Renewals	Total Estimated Growth Component	Total Estimated to be Funded by Development Contributions
\$ million \$2018/19						
<i>Water</i>	\$0.6	\$44.3	\$11.1	\$21.2	\$11.4	\$12.0
<i>Wastewater</i>	\$2.5	\$52.4	\$19.5	\$18.4	\$7.3	\$10.2
<i>Stormwater</i>	\$5.4	\$33.1	\$15.5	\$1.1	\$15.8	\$21.2
<i>Roading</i>	\$-0.8 (surplus)	\$165.3	\$41.9	\$112.2	\$11.4	\$10.6
<i>Parks, Reserves and other Community Infrastructure</i>	\$-0.6 (surplus)	\$15.2 <sup>3</sup>	\$4.6 <sup>2</sup>	\$2.6 <sup>2</sup>	\$11.1	\$10.5
<i>Total Infrastructure</i>	<b>\$7.1 million</b>	<b>\$310.3</b>	<b>\$92.6</b>	<b>155.5</b>	<b>\$57</b>	<b>\$64.1</b>

In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under sections 101(3) and 106 of the Local Government Act 2002 for each individual activity (network infrastructure or community facility). Key considerations included:

- The nature and operation of the activity;
- An analysis of who will benefit from the planned capital expenditure work; and
- An analysis of who will cause the need for the planned capital expenditure work.

A more detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 and Appendix E of this Policy.

The level of service component of Council's identified infrastructure works, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligations e.g. environmental standards for water quality or technological improvements Asset Management Plans, for each activity, define the relevant level of service for that activity.

Where the infrastructure works to service growth also result in an increase in the level of service to the community, then the value of the improved service is treated separately. This is noted as Total Level of Service Component in Table 3. Renewal of all assets is also identified separately and makes up the largest proportion of capital expenditure. Levels of service and renewals are not funded through Development Contributions.

<sup>3</sup> First 10 years budgets only from Draft 2018 Long Term Plan

## **2.3 Capital Expenditure Council has already Invested in Anticipation of Development**

Development Contributions will also be required to meet the cost of capital expenditure for growth already incurred over the past ten years, but has not yet been funded. This applies only where Council has previously made the decision to carry out the work on the basis that it is to be fully or partly funded by future Development Contributions.

## **2.4 Unit of Demand**

A unit of demand is a Household Equivalent Unit (HUE), the average demand for infrastructure services created by one additional house developed. A Development Contribution for network infrastructure is required where additional units of demand are created. A HUE is equivalent to one residential lot containing one residential unit. All residential and rural (including farms and lifestyle developments but excluding rural commercial) lots are assumed to contain one HUE as this is efficient, equitable and appropriate. While actual demand will vary between households the impact on infrastructure is assessed as minor.

It is assumed that these demand levels will remain the same for the forecast period. Reviews of the Development Contribution Policy will consider the relativities between residential, rural and non-residential developments. Further detail is included in Section 5.1 and Table 4.

## **2.5 Schedules forecast Values**

All capital expenditure schedules in this policy are exclusive of GST.

The schedules are in 2018 dollars. Schedules will be updated annually to ensure relevance and transparency. The Development Contribution charge applied in future years will be adjusted for inflation using the Producers Price Index Outputs for Construction (**PPI**) as at 30 June each year.

# **3 OVERVIEW OF PROPOSED DEVELOPMENT CONTRIBUTIONS POLICY**

Section 201 of the Local Government Act 2002 outlines the required contents of a Development Contribution Policy. The following section is consistent with this requirement of the Act.

## **3.1 Trigger for a Development Contribution Charge**

Under Section 198 of the Local Government Act 2002 Council may apply a development contribution, including GST, for developments generating increased reserves, network or community infrastructure demands upon the granting of:

1. A resource consent
2. A building consent
3. An authorisation for a service connection

As a general rule, Development Contribution will be assessed, and any requirement for payment of contributions advised, at the earliest opportunity. This is generally at the subdivision consent stage.

Council considers that the subdivision consent stage is normally the most appropriate stage to take a development contribution for residential developments for the following reasons:

- Practicality of implementation
- Economies of scale in implementation costs

- Best available knowledge for projections and allocating budgets

In the absence of subdivision, Council will apply Development Contributions at the building consent stage where additional units of demand are created by additions to land or buildings.

Land use resource consents and service connections also provide an opportunity for the Council to assess any development which is independent of subdivision or building activity. For the purposes of the Development Contribution Policy, Council has decided not to rely on a service connection authorisation as a trigger to apply Development Contribution charges. Council considers this option as administratively complex, difficult to enforce and can inadvertently result in costs being imposed on property owners who had not been made aware of the charges before purchasing the property. There may however be other cost recovery mechanisms that could apply in collecting service connection fees (separate from Development Contributions). Council also reserves the right to charge Development Contributions for service connections in a future Development Contribution Policy should the need arise.

An assessment of Development Contributions advises the applicant of the charges payable. An invoice will be issued when the development progresses to particular trigger points – see section 3.1.1 below – or on the request of the developer. Council reserves the right to revise an assessment if there has been an error in calculation or wording in the Development Contribution Policy.

The Development Contribution Policy does not allow, as part of the assessment process, for remissions or reductions to be applied for or granted other than the reconsideration process described elsewhere in this Policy. Developers have the option of applying to the Council for a reconsideration as set out in 4.1 of this Policy. There are also objection processes available to Council in accordance with the provisions of the Local Government Act 2002; see section 4.1.4 of the Policy.

### **3.1.1 Timing of Payment of Development Contributions**

Development Contributions as assessed by Council may be payable prior to resource consents or building consents being issued by Council. Having a Development Contribution levied upon the granting of consent does not assume final payment. Where subdivision or land use is staged the Council will invoice for Development Contribution charges for each stage based on an assessment when the 223 certificate or building consent is applied for.

In the event that an invoice has not already been raised at the request of the developer, Development Contributions must be paid prior (between the consent and the final approval step) to:

- a) The release of the section (224c) certificate, including, in the event of a staged subdivision consent, prior to the release of the section (224c) certificate for each stage; or
- b) The release of the Code Compliance Certificate for a building consent.

Refer also to clause 3.2 for additional detail (Amount, Payment and Collection of Development Contributions).

Invoices for Development Contributions will be subject to the normal Council invoice payment policies.

### **3.1.2 Determining the Contribution Payable based on the Type of Development**

There are three types of development categories in assessing a Development Contribution. These include:

- Residential Feilding
- Non-Residential
- Rural and rural township

When Council levies a development contribution, the expected dominant nature of activities in the underlying zone will generally determine the type of development contribution payable. Where there is a development that does not reflect the underlying zone the actual type of use will be assessed and the appropriate HUE levied.

Activities Requiring a Development Contribution to Meet the Costs of Growth.

Council may require a Development Contribution from any development for the following:

1. Capital expenditure **expected** to be incurred as a result of growth
2. Capital expenditure **already** incurred in anticipation of development.

Council will only recover the costs of capital expenditure required to service growth. Funding Council's capital expenditure for growth with Development Contributions must also be considered alongside Council's other funding tools. Development Contributions will be required from development under this Policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for the following activities:

- Parks, Reserves and other Community Infrastructure (toilets, playgrounds and community centres)
- Roothing
- Wastewater
- Stormwater
- Water Supply

Council will no longer accept land as Development Contributions. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of the Development Contribution Policy. The exception is esplanade reserves, which will still be required to be set aside in accordance with the provisions of the Manawātū District Plan. Future land requirements for reserves purposes are budgeted for in Council's Parks and Reserves Asset Management Plan. Council will use structure plans and where appropriate, designation processes under the Resource Management Act 1991 to identify future reserve requirements.

Appendix D sets out a schedule of assets that form Council's capital expenditure for growth for which Development Contributions will fund. The schedule of assets provides information regarding the planned programmes of capital works that are yet to take place and capital works that have already taken place in anticipation of development.

### 3.2 Amount, Payment and Collection of Development Contributions

Development Contributions levied under the Development Contribution Policy will be valid for 12 months from the date the assessment is issued.

The Development Contribution payable during the life of this Policy shall be reassessed or adjusted annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

*DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.*

*BC = the base development contribution charge payable under the Policy as set out in the schedule of fees.*

*PPIC = the Producers Price Index Outputs – Construction for the current year.*

*PPIB = the Producers Price Index Outputs – Construction for the base year.*

Developments can occur in stages. A further assessment of Development Contributions will occur at the time of each stage to ensure it is occurring in a manner which is consistent with the consent. A final stage assessment will occur at the time s223 is applied for (subdivision) or on application for building consent (where it is a land use consent).

### **3.2.1 Reassessment**

Where there are reassessed or adjusted Development Contributions:

- Changes to the amount of Development Contributions owing will be formally notified when the invoice issues.
- Only the initial assessment is subject to the right of reconsideration or objection, not any reassessed Development Contributions over time. A reassessment will only trigger reconsideration at the Council's discretion.
- Deferred or postponed Development Contributions will be reassessed under the conditions of the Deferral Agreement and any related encumbrance
- If the consent or authorisation lapses or expires, a new consent will be required in which case the Development Contribution payable will be re-assessed,
- Any reassessment will apply the terms of this Policy regardless of the policy in place at the time of the original assessment.

## **3.3 Council Use of Development Contributions**

Council will use Development Contributions only on the activity for which they are collected. Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by Development Contributions in Table 3. Similarly, third party funding received for capital expenditure, which Council will incur in anticipation of development, will also be excluded.

## **3.4 Implementation and Review**

While Council may review this Policy at any time, it is anticipated that this Policy will be updated on a three yearly basis. Any review of the policy may take account of:

- Any changes to significant assumptions underlying the Development Contribution Policy.
- Any changes in the capital development works programme for growth.
- Any changes in the pattern and distribution of development consents in the District.
- Changes to the District Plan and / or urban growth strategies.
- Legislative changes relating to Development Contributions or infrastructure funding.
- Changes to the Horizons Regional Council policies and plans (One Plan).
- Any changes that reflect new or significant modelling of the networks.
- The regular reviews of the Funding and Financial Policies, Infrastructure Policy and the Long Term Plan 2018-2028.

- Any issues associated with the implementation of the Policy.
- Any other matters Council considers relevant.

The schedules are expected to be updated annually and adjusted for price changes as measured by the Producers Price Index Outputs Construction index.

The Policy would only be reviewed at a shorter interval than the preferred three year period where there was a significant change in the projected growth rates and assumptions, or major issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated.

## **4 ADMINISTRATION OF DEVELOPMENT CONTRIBUTIONS**

### **4.1 Additional Considerations: Reconsiderations, Postponements, Refunds and Exceptional Circumstances of Development Contributions**

#### **4.1.1 Reconsiderations**

An applicant for a resource consent or building consent<sup>4</sup>, which has been assessed for Development Contributions, may request that the Council reconsider the Development Contribution which is being required under this Development Contribution Policy.

#### **4.1.2 Reconsideration Criteria**

An applicant may request, under section 199A, that the Council reconsider a requirement for a development contribution if the applicant has grounds to believe that one or more of the following applies:

- a) The development contribution was incorrectly calculated or assessed under the Development Contribution Policy or
- b) The Council incorrectly applied its Development Contribution Policy; or
- c) The information used to assess the applicant's development against the Development Contribution Policy, or the way the Council has recorded or used the information when requiring a development contribution, was incomplete or contained errors.

A person may not apply for a reconsideration of a requirement for a development contribution if the person has already lodged an objection to that requirement under 199C and Schedule 13A of the Local Government Act 2002.

A reconsideration must be applied for within the timeframes stipulated in the Local Government Act 2002 and this Development Contribution Policy (see section 4.1.3 below). Council will not consider reconsiderations retrospectively and/or where the Development Contribution has been paid. Council will advise an applicant if the Council is not processing its request for any of these reasons.

#### **4.1.3 Process for Reconsideration of Development Contribution**

A request for reconsideration must be made within 10 working days after the date on which the applicant/agent receives communication from the Council of the level of development contribution that the Council requires.

<sup>4</sup> Authorisations for service connections do not trigger a Development Contribution under the current Development Contribution Policy.

A request for reconsideration must be made in writing to the Council and any request needs to identify which ground(s) the applicant is relying on under s199A, and why. Council reserves the right to request further information once the application is first reviewed. A reconsideration request form can be found on the Council's website.<sup>5</sup>

The Council will consider the request for reconsideration with respect to the criteria set out in clause 4.1.2 of the Policy. If one or more of the grounds for reconsideration set out in 4.1.2. are met, the Council will reconsider its development contribution assessment, and give written notice of its decision within 15 working days of the date the application and any supporting information is received.

Council may confirm the Development Contribution payable or increase or decrease the Development Contribution, as considered appropriate having regard to the information provided by the Applicant, the Development Contribution Policy and any other information the decision maker considers appropriate. A person who requested the reconsideration may object to the outcome of the reconsideration in accordance with section 199C and schedule 13A of the Local Government Act 2002.

#### **4.1.4 Objections**

A person who has been required to pay a Development Contribution may, under section 199C of the Local Government Act 2002, object to the assessed amount of Development Contribution. Only applications for resource consent or building consent<sup>6</sup> since 8 August 2014 can be the subject of an objection.

The right to make an objection applies irrespective of whether a reconsideration of a requirement for a Development Contribution has been requested.

#### **4.1.5 Objection Criteria**

Under section 199D of the Local Government Act 2002, an objection can only be made on the grounds that the Council has:

- (a) Failed to take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for Council's community facilities; or
- (b) Required a Development Contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- (c) Required a development contribution in breach of section 200 of the Local Government Act 2002 (Limitations applying to requirement for a development contribution); or
- (d) Incorrectly applied the Development Contribution Policy to the objector's development.

The right to make an objection does not extend to challenges to the content of the Development Contribution Policy.

#### **4.1.6 Process for Objecting to a Development Contribution**

A request for an objection must be made to Council within 15 working days after the date on which the applicant/agent receives communication from the Council of the level of development contribution that the Council requires. Similarly, if the objection relates to the outcome of a

<sup>5</sup> [http://www.mdc.govt.nz/Services\\_Information/Resource\\_Consents/Development\\_Contribution/Reconsiderations\\_or\\_objections](http://www.mdc.govt.nz/Services_Information/Resource_Consents/Development_Contribution/Reconsiderations_or_objections)

<sup>6</sup> Authorisations for service connections do not trigger a Development Contribution under the current Development Contribution Policy.



reconsideration request under the Development Contribution Policy, the 15 working day period begins the day following on from receipt of notice of the outcome.

The request to the Council for an objection must:

- (a) be in writing (an application form is available on Council's website<sup>7</sup>; and
- (b) set out the grounds and reasons for the objection; and
- (c) state the relief sought; and
- (d) state whether the objector wishes to be heard on the objection.

Objections will be decided by development contribution commissioners selected by the Council from a register of commissioners appointed by the Minister of Local Government. The Council's role involves administering the objection process. That process is set out in Schedule 13A of the Local Government Act 2002.

A hearing may be required in certain circumstances. If a hearing is required, certain timeframes apply to the exchange of evidence. The hearing process is again otherwise set out in Schedule 13A.

Written copies of the Development Contribution Commissioners' decision must be served on the objector and the Council within 15 working days of the end of the hearing, or the day of the commissioners' consideration of the evidence.

The Council has the ability to recover costs incurred by it from the objector, including the costs of:

- a) selecting, engaging and employing the Development Contributions Commissioners and
- b) secretarial and administrative support of the objection process; and
- c) preparing for, organising, and holding the hearing.

#### **4.1.7 Postponements / Deferrals**

In limited circumstances Council may, at its discretion, agree to postpone the payment of Development Contributions on written request by the developer. All written requests must set out why a postponement is appropriate in the circumstances and identify the timeframe for payment.

All postponement arrangements will be at the discretion of the Council and recorded in a written agreement (Deferral Agreement) between the Council and the developer. The Deferral Agreement will set out the terms of the postponement, including, among others, the charges assessed, the agreed timing for payment and the method for securing the Development Contributions payable (encumbrance instrument) over the term agreed to by Council.

Council will require an enforceable security (encumbrance) instrument registered against the developer's land. It is possible for an encumbrance to secure Development Contributions owing on a stage(s) of a development. In some limited circumstances a bond, memorandum of agreement, or solicitor arrangement may be relied on to secure the payment of the postponed Development Contributions.

The terms of any encumbrance will be at the discretion of the Council and may include, without limitation:

- the postponed sum;
- payment of the Development Contributions by a specified date;
- the payment of interest, at an interest rate determined by the Council,
- reassessment of the Development Contributions; and
- payment of all related costs.

<sup>7</sup> [http://www.mdc.govt.nz/Services\\_Information/Resource\\_Consents/Development\\_Contribution/Reconsiderations\\_or\\_objections](http://www.mdc.govt.nz/Services_Information/Resource_Consents/Development_Contribution/Reconsiderations_or_objections)

Payment will be required sooner if the following events occur:

- the developer has settled on the last of the lots that apply to the postponement; or
- the developer ceases to be the registered owner of the lots deferred.

Payment of bonds may be considered appropriate by Council. Any bond is to be guaranteed by a registered bank. The bond and guarantee shall be prepared by the Council's lawyers to the Council's satisfaction, for which purposes instructions will be given by the Council upon payment of a suitable sum towards legal costs. Use of a bond as security for the Development Contributions payable may be in addition to an encumbrance instrument or Private Development Agreement (PDA), as discussed in section 4.5.

The costs of the encumbrance instrument and Deferral Agreement will be met by the developer.

#### **4.1.8 Postponements / Deferral Agreement Details**

Any request for a postponement of Development Contributions shall be made by notice in writing, from the applicant to Council. Any request must set out reasons for postponement on the basis of which the Council's decision is to be made. The decision of the Council will be made on the papers, without any hearing.

The postponed Development Contribution will be reassessed at the next and any subsequent development phase. The postponed Development Contribution that is applied at a subsequent development phase will be assessed on the Development Contribution charges applicable at the time. Postponement of the development contribution required on a development does not indicate that the development does not create additional units of demand.

Postponement decisions will be made on a case by case basis and any previous decision by Council will not create a precedent or expectation of a similar decision.

Payment is only in respect of Development Contributions and does not apply to other Council fees and charges associated with the resource or building consents and section 224 (c) certificates under the Resource Management Act 1991.

#### **4.1.9 Refunds**

Council has listed in the Schedule in Appendix D the projects required to service growth. These projects are considered the most efficient way to achieve the required levels of service for future developments. The timing and detailed costing of individual projects may change, but not the overall expenditure required for growth related infrastructure investment within each activity. The refund of money will occur in accordance with Sections 209 and 210 of the Local Government Act 2002 in the following circumstances:

- if the development (activity) does not proceed,
- the consent lapses or is surrendered,
- the Council does not provide any reserves, network or community infrastructure or the Council has not used land within 10 years.

Any refunds, less any costs already incurred by Council, will be issued to the consent and/or title holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

#### **4.1.10 Enforcement**

If any Development Contribution (including any reassessed Development Contribution) is not paid within the timeframe required under the Development Contribution Policy, a Deferral Agreement,

or a PDA, then, the Council may exercise the powers available to it under section 208 of the Local Government Act 2002.

Until a Development Contribution required in relation to a development has been paid or made under section 198, a territorial authority may:

*(a) in the case of a development contribution required under section 198(1)(a), -*

*i) Withhold a certificate under section 224(c) of the Resource Management Act 1991:*

*ii) Prevent the commencement of a resource consent under the Resource Management Act 1991:*

*(b) in the case of a development contribution required under section 198(1)(b), withhold a code compliance certificate under section 95 of the Building Act 2004:*

*(d) in each case, 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.*

Interest will be charged on any outstanding Development Contribution and is payable from the date the debt became due at a rate equal to the Council's borrowing rate as contained in the current Long Term Plan plus 2% per annum.

The Council may also commence debt recovery action and recover its reasonable costs of doing so on a solicitor/client basis. Where Deferral Agreement is entered into (with the encumbrance instrument) and payment is not made in the stipulated time, recovery of the debt and Council's costs will be in accordance with that agreement, or, if the agreement is silent as to the debt recovery process, under the terms of this Development Contribution Policy.

## **4.2 Transitional Provisions**

Any Development Contributions that have been charged under the previous Development Contribution Policy but no payment has been made can be reassessed under the current Development Contribution Policy.

## **4.3 Non-Residential Brownfield development**

Non-residential brownfield redevelopment<sup>8</sup> generally places negligible increased demand on the capacity of the network infrastructure. This is because it occurs in established areas and the new or altered activities and buildings established on the site generally place a similar demand on the network infrastructure as the previous activity or building. For this reason, non-residential brownfield redevelopment does not create additional units of demand.

Non-residential brownfield redevelopment will generally occur on allotments that have not paid Development Contributions in the past based on additional allotments (2006 Policy).

The alteration of an existing non-residential building or construction of a new non-residential building may still create additional units of demand and be subject to Development Contributions (refer to sections 5 and 6 for further guidance) e.g. the extension of a non-residential building established after 1 July 2006 located on an allotment that has not paid any Development Contributions in the past at the subdivision stage.

<sup>8</sup> Brownfield redevelopment means further development of existing commercial / industrial sites that are developed at or over 40% site coverage, or were at some time in the past at or over 40% site coverage, provided the buildings located on the site were established prior to 1 July 2006, and specifically includes:

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings

The applicant shall provide sufficient information to enable the Council to determine whether or not a development is a non-residential brownfield redevelopment.

#### **4.4 Individual / Special Assessments**

For non-residential developments individual or special assessments are sometimes required to provide an accurate assessment of the number of HUEs. To assist Council making an initial assessment the developer is to provide any information required of it including detailed calculations of present and future demand on facilities. Where an individual assessment is undertaken by Council the following matters will be taken into account when determining the final development contributions amount payable:

- (i) The schedules of contributions per HUE (fees) applicable at the time the application is received.
- (ii) The factors used to portion out the 20-year residential and non-residential growth costs.
- (iii) Previous contributions paid.
- (iv) The current or previous level of demand placed on the network infrastructure, reserves and community facilities.
- (v) The level of demand the proposed development will place on the network infrastructure, reserves and community facilities.
- (vi) Any other matters Council considers relevant.

#### **4.5 Development Agreements**

Under section 207A of the Local Government Act 2002, either the Council or a developer may request that the other party enter into a contractual agreement to provide infrastructure as an alternative to paying all or part of a development contribution (Private Development Agreement **(PDA)**). A PDA will need to better meet the needs of the Council, the developer and the community than requiring payment of a Development Contribution in accordance with the Development Contribution Policy.

Guidance as to process, content and application of a PDA is set out in sections 207A-F of the Local Government Act 2002.

Under section 207B of the Local Government Act 2002, the Council will consider the request for PDA and provide written notice to the developer of its decision on the request, and the reasons for the decision without unnecessary delay. Council will take into account the provisions contained in the Development Contribution Policy, as well as any other matters considered relevant. Similarly, where the Council requests that a developer enter into a PDA, the request must be considered by the developer without unnecessary delay, with their / its response provided in writing.

A PDA may record specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development. This could be:

- where a development involves a large area to be developed over a long time period,
- where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand,
- where a development involves future Feilding residential precinct areas (other than Precinct 4) where Council is not currently planning to provide infrastructure for in the 20 year period covered by the Development Contribution Policy. In those cases, a Development Contribution

Policy, private sector funding of infrastructure and an agreed Structure Plan would be required at first instance.

The content and effect of a PDA must comply with sections 207D and 207E of the Local Government Act 2002.

A PDA must be in writing. It will identify the terms of the agreement, how it departs from the Development Contribution Policy approach, and reasons for entering the agreement. Without limitation, the terms of any agreement will include calculation of Development Contributions, funding arrangements, agreement on timing of payments, and administrative matters.

## **5 COMMUNITY FACILITIES**

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to clause 5.1 and Table 4 – Units of Demand and Measure for Community Facilities for further guidance).

For all activities a differentiation is made between residential, rural and non-residential development due to the demand they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Section 5.2 to 5.6 of this policy. Clauses 5.7 – 5.9 provide specific guidance for measuring units of demand for certain types of activities and different development scenarios e.g. Multi-unit residential development and development in the absence of subdivision.

1 HUE is equal to the demand of an average household for each Council provided service resulting from growth. In the rural area residential growth is allocated charges for Rooding and Parks, Reserves and Community Infrastructure only. The HUE divisor needs to account for both residential growth and non-residential growth. Residential is assumed at 1 HUE per additional allotment.

Non-residential growth (Feilding) and Rural is converted to Household Unit Equivalents using the following assumptions:

- Water = 1 HUE per 1 m<sup>3</sup> per day usage (Feilding only)
- Wastewater = 1 HUE per 0.8 m<sup>3</sup> per day of discharge (80% of Water usage) (Feilding only)
- Stormwater = 1 HUE per 300 m<sup>2</sup> of impervious surface area (ISA), including roof area (Feilding only)
- Rooding = 1 HUE = 8 vehicle movements (District wide)
- Parks, Reserves and Community Infrastructure = 1 HUE per additional allotment (District wide Residential and Rural only).

There will be circumstances where no HUE assessment is necessary. For example, where the development is providing all its own infrastructure, thereby creating no demand on Council assets.

### **5.1 Units of Demand for All Community Facilities Requiring a Development Contribution**

#### **5.1.1 Key Criterion in Assessing Contributions under the Policy**

The key criterion that Council uses to assess whether a development contribution is payable on a proposed development is 'units of demand' and the characteristics of that unit of demand.

Units of demand can be assessed at subdivision and building consent stages.

It is Council's preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. The reasons for this are set out in Section 3.1 of this Policy and Council will apply this preference consistently.

### 5.1.2 Applying Units of Demand

Individual developments may create multiple units of demand for any of the given community facilities. To determine the number of units of demand created by a particular development for a particular community facility the unit of demand factor is multiplied by the number of measures associated with the development as defined in section 5 and shown in Table 4. Examples of applying the units of demand to development can be found in Section 7 of this policy.

**Table 4 – Units of Demand and Measure for Community Facilities**

	Unit of Demand			Measure:	Measure:
	Residential	Rural	Non-Residential	Subdivision Stage	Building Consent Stage
Feilding Water	1	0	1	Per additional allotment.	Per connected equivalent Household Unit.
Feilding Wastewater	1	0	1	Per additional allotment.	Per connected equivalent Household Unit.
Feilding Stormwater	1	0	1	Per additional allotment.	Per 300 m <sup>2</sup> of ISA
District Rooding	1	1	1	Residential and Rural - Per additional allotment. Non-Residential – Per 600 m <sup>2</sup> of Allotment Area	Residential and Rural - Per household equivalent unit. Non-Residential and Rural (other) – Per number of car equivalent movements*. 1 HUE = 8.
District Parks Reserves and other Community Infrastructure	1	1	0	Per additional allotment.	Per Equivalent Household Unit

*For fees applied at the building consent stage for non-residential or rural development a minimum of one HUE applies.*

## **5.2 Water Supply**

**This policy includes only the Feilding water service catchment** as defined on Map 2 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. The effect of forecast development in rural townships has been assessed as not resulting in any requirement to increase reticulation or treatment capacity.

The Feilding service catchment is characterised by interdependent components. For the purposes of Development Contributions, the water reticulation network is optimised to include only those components necessary to the effective operation of the system. Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind.

An amount of 100% growth has been assumed where the works are purely to service future development and include extensions of the existing network to and within future development areas. Where existing reticulation is being duplicated or upgraded, and there are currently deficiencies in the level of service, i.e. marginal capacity with regard to fire-fighting capacity or low-pressures during peak demand, a proportion of the cost has been included as level of service. This has been assessed as a level of service component of between 10% and 35% based on the proportion of existing to new allotments or equivalent household units to be served off the upgraded reticulation.

### **5.2.1 Development Contributions Approach**

A development contribution for the Feilding water service catchment will be based on the value of future identified growth works, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth.

### **5.2.2 Who Gets Charged?**

Under the above outlined method, all new developments in the Feilding water service catchment will be subject to a development contribution.

### **5.2.3 Justification for Approach**

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

### **5.2.4 Unit of Demand**

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand (HUE). All rural development is assumed to create zero HUE. All non-residential development is assumed to create a minimum of one HUE, with additional assessed HUEs based on the number of household equivalents of forecast water demand. Note these are relative units of demand between each type of development.

The following volume of water will be used as part of any assessment under clauses 4.4 or 5.8 for non-residential development:

- Average residential household water use 2016/17 – 1,000 litres per day.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per **connected equivalent household unit** at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development that is connected to the water network or is paying a rates half-charge as at June 2018 will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing (as at June 2018) units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

## 5.3 Wastewater

**This policy includes only the Feilding wastewater service catchment** as defined on Map 1 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. The effect of forecast development in rural townships has been assessed as not resulting in any requirement to increase reticulation or treatment capacity.

The Feilding service catchments is characterised by interdependent components. For the purposes of Development Contributions, the wastewater reticulation network is optimised to include only those components necessary to the effective operation of the system. Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind.

The infrastructure works identified include significant upgrades to the existing trunk sewer network to provide capacity for future growth. The growth component of the infrastructure works has been assessed as the additional cost to provide a larger size pipe than currently exists. Where the sewer needs to be upgraded in advance of the currently assessed renewal date, then the proportion of asset value lost, is apportioned to the growth component. Generally, the growth component for trunk upgrades is assessed at between 0% and 50%. Extension of the wastewater network or new pump stations are assessed as 100% growth component.

The major upgrade of the wastewater treatment plant has been proportioned on the basis of 75% level of service and 25% allowance for future growth, which is in accordance with the additional capacity to be built into the upgrade works.

### 5.3.1 Development Contributions Approach

A development contribution for the identified Feilding wastewater service catchment will be based on the value of future identified growth works, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth.



### 5.3.2 Who Gets Charged?

Under the above outlined method, all new developments in the service catchment will be subject to a development contribution.

### 5.3.3 Justification for Approach

All growth works within the service catchment are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All components of the networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified key network add to the capacity of the existing network directly.

### 5.3.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create one unit of demand. Note these are relative units of demand between each type of development.

The following volume of wastewater will be used as part of any assessment under clauses 4.4 or 4.6 for non-residential development:

- Average residential household wastewater discharge 2016/17 – 800 litres per day.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per **connected equivalent household unit** at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development that is connected to the wastewater network or is paying a half-charge as at June 2018 will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing (as at June 2018) units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

## 5.4 Roding

The roading network service catchment is **the entire District** within the Manawātū District Council boundary. The roading network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.

For the purposes of Development Contributions, the roading network is considered to be an unrestricted system. This means that the roading network can be accessed by anyone at any time in the District.

#### 5.4.1 Development Contributions Approach

A district wide development contribution is applied and is based on the value of future identified capital development works on the key roading network for growth, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) for the key network in anticipation of growth. The anticipated future growth capital development works are identified in the Roding Asset Management Plan. For this Policy the roading projects included in the growth schedules are in the Feilding growth areas (precincts 4 and 5).

The development contribution for the roading network is based only on the component of these works that result from increased demand generated by new residential, and non-residential development in Feilding. Any improvement in existing level of service is deducted from the total capital expenditure to be funded by Development Contributions.

Industrial development in the rural area will be treated the same as the equivalent development in the Feilding area. The development will be assessed on the number of HUEs.

#### 5.4.2 Who Gets Charged?

Under the above outlined method, all new developments in all development contribution areas will be subject to a development contribution for the roading network.

#### 5.4.3 Justification for Approach

All components included in the development contribution for the roading network are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. The current network also has excess capacity that has been planned to and will cater for anticipated future capacity uptake. Any identified capital development works undertaken on the network enhance the capacity of the existing integrated network directly.

#### 5.4.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non-residential demand. All residential development is assumed to create one unit of demand (HUE). All rural and non-residential development is also assumed to create at least one unit of demand. Note these are relative units of demand between each type of development.

The measure for a residential and rural (dwellings) unit of demand is:

- Per additional allotment at subdivision; or
- Per **connected equivalent household unit** at building consent.

The basis for the following units of demand is an average residential HUE. The measure for a non-residential unit of demand is:

- Per 600 m<sup>2</sup> of allotment area at subdivision; or
- The number of vehicle movements at building consent where:
  - One Residential HUE = 8 car equivalent movements
  - Truck = 6 car equivalent movements
  - Truck and Trailer = 10 car equivalent movements

The measure for a rural (other) unit of demand is:

- The number of vehicle movements at building consent where:
  - One Residential HUE = 8 car equivalent movements

- Truck = 6 car equivalent movements
- Truck and Trailer = 10 car equivalent movements

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

## 5.5 Stormwater

**This policy includes only the Feilding stormwater service catchment** as defined on Map 1 in Appendix A of this policy. Detailed concept maps of precincts 4 and 5 are defined in Appendix C. No future growth works have been identified for the other urban areas.

The Feilding stormwater network is defined using an integrated catchment approach as all stormwater runoff within the urban catchment area has to be catered for, regardless of where the stormwater originates from. Runoff from areas with no stormwater issues flows into areas that do require capital works, so all areas are covered by the catchment area. The network has interdependent network components and there is an integrated system of services and facilities designed to protect property from flooding. New requirements set by the One Plan has resulted in Council having to plan for large retention ponds to intercept runoff collected from the entire Feilding catchment.

For the purposes of this policy there is one defined service catchment for Feilding. Other catchments where there are no capital works programmed to cater for growth are not subject to Development Contributions for stormwater. Likewise areas, where only rural subdivision (4 ha average) is possible, have been excluded from the stormwater service catchment on Map 1. Such subdivision does not generally incur the need for provision of stormwater infrastructure.

Stormwater infrastructure development within the Feilding catchment will be based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. The Asset Management Plan reflects the requirements of Horizons One Plan, and the existing consent conditions for stormwater discharges into the Taonui Basin. For the purpose of determining the amount of Development Contributions, specific demand analysis has been undertaken on the existing and forecast future service catchment, and infrastructure requirements have been identified as a result.

### 5.5.1 Development Contributions Approach

A stormwater development contribution for the Feilding catchment is based on the value of future growth components, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy) to be located within the entire catchment in order to meet the defined level of service under the fully developed catchment scenario. Anticipated future components are identified in Council's Stormwater Asset Management Plan capital development budgets.

### 5.5.2 Who Gets Charged?

Under the above outlined method, all new developments in the defined Feilding service catchment will be subject to a development contribution. New developments in other catchments will not be required to pay any Development Contributions for stormwater.

### 5.5.3 Justification for Approach

Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Additional development in areas with existing developed stormwater assets still creates additional runoff and this has to be catered for as it flows through the network. Additional development in partially developed or new areas can have a significant effect on the demand for additional stormwater infrastructure.

### 5.5.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand (HUE) to development. This allows for differences between residential, rural and non-residential demand. The allotment area of development and hence information related to **site coverage** and impermeable surface area (ISA) has been used to calculate a unit of demand. Note these are relative units of demand between each type of development.

All residential and nodal development is assumed to create one HUE. All rural development is assumed to create zero HUE. All non-residential development is assessed on the amount of ISA (**site coverage**) compared with residential development, with a minimum of one HUE.

HUE are based on the typical residential unit. Houses have been increasing in size for many years, and lot sizes have been declining. With driveways and paths the ISA of an average residential lot is now assessed at 300 m<sup>2</sup>. This is the ISA used to determine the number of HUE's for each non-residential development.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per 300 m<sup>2</sup> ISA at building consent.

The measures for units of demand are summarised in Table 4 at the beginning of this section.

Each existing lot within the development will be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.3 (Non-Residential Brownfield Redevelopment) and clause 4.4 (Individual / Special Assessments).

Further guidance on measuring units of demand is provided in section 5.1.

## 5.6 Parks, Reserves and other Community Infrastructure

The Manawatū District Parks, Reserves and Community Infrastructure assets are composed of two distinct parts. They are: land zoned as reserve and identified for recreational purposes ("reserves"), and infrastructure associated with that zoned land or other land owned or controlled by the Council for public amenities ("community infrastructure").

Community infrastructure is composed of capital developments and facilities associated with the identified reserves and other land or controlled by the Council. This includes, but is not limited to

playgrounds, carparks, local halls and recreational complexes, and public toilets – both on and off reserves.

The reserves and community infrastructure provide active and passive recreational facilities to the District community.

For new community infrastructure, park and reserve facilities established specifically for new growth areas, 100% of these infrastructure works are to be funded by growth. For new facilities that include improvements to existing levels of service, various proportions of the cost have been attributed to future growth over the next 20 years depending on the details of each project.

#### **5.6.1 Development Contributions Approach**

The Development Contributions are district wide and are based on the value of identified future provision, and any works already completed since June 2006 (the adoption of the first Development Contributions Policy), of district wide parks, reserves and community infrastructure associated with growth. Increased numbers of households and residents create additional demand for sportsfields, passive reserves, walkways and associated assets such as toilets and playgrounds. Council purchases key new land for reserves significantly before the developments are completed in order to minimise the cost of land purchase and reduce unnecessary servicing costs.

#### **5.6.2 Who Gets Charged?**

All residential and rural residential developments in all development contribution areas will pay a district wide development contribution for parks reserves and other community infrastructure. Development Contributions cannot be charged on non-residential development, or the non-residential component of mixed use developments

##### **Justification for Approach**

The assumed demand for parks reserves and other community infrastructure is created and driven as a result of additional people, or residential households, being located within the Manawātū District territorial boundary. Increased demand for parks reserves and other community infrastructure can come from anywhere within the defined district boundary from residential and rural development.

Non-residential development generally has no impact on the demand for reserves and community infrastructure networks and therefore Development Contributions for parks reserves and other community infrastructure do not apply.

Parks, reserves and community infrastructure will be provided and developed on the basis of being a district wide network of parks and reserves, rather than discrete reserves throughout the district. A district wide development contribution is therefore appropriate.

#### **5.6.3 Legislative Considerations**

A development contribution for reserves may not exceed the greater of 7.5% of the value of additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

A development contribution for community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand by the number of units of demand assessed for a development or type of development, as provided for in clause 1 and 2 of Schedule 13 of the Local Government Act 2002.

#### 5.6.4 Unit of Demand

The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential and rural. All residential and rural development is assumed to create one unit of demand. All non-residential development is assumed to create zero units of demand. Note these are relative units of demand between each type of development.

The measure for a residential, and rural unit of demand is:

- Per additional **allotment** at subdivision; or
- Per **connected equivalent unit household** (HUE) at building consent.

The measures for units of demand are summarised in Table 3 at the end of this section.

Each existing lot within the development shall be treated as being one existing unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Refer also to clause 4.4 (Individual /Special Assessments).

Further detail on measuring units of demand is provided in section 5.1.

### 5.7 Measuring Units of Demand – Specific Guidance, Principles and Notes (Residential)

#### Multi-unit or Communal Residential Development:

For the purposes of establishing the number of equivalent household units that apply for multi-unit or communal residential developments, the maximum possible number of occupants on any given night is to be divided by 2.5, which is the average number of occupants per dwelling in the Manawātū District (2013 Census).

#### Family Flats

Building consents for single accessory buildings in the residential and rural areas, used for sleepouts or 'granny flats', throughout the District (Areas A and B) that are less than 65 m<sup>2</sup> floor area will not be subject to Development Contributions. Council considers that these buildings are part of the existing adjacent household. Developments or building consents for multiple small dwelling units will be liable for Development Contributions as set out in the Multi-unit or Communal Residential Development, visitors accommodation or retirement villages policies.

#### Visitors' Accommodation:

For the purposes of establishing the number of equivalent household units that apply for visitors' accommodation, the number of individual units that meet the definition of an equivalent household unit is to be multiplied by 0.48 (48%), which is the average occupancy rate for motels in the combined Manawātū District (Statistics New Zealand Accommodation Survey June 2017). For units that do not meet the definition of a household equivalent unit, the multi-unit or communal residential development measure can be used in combination with the average occupancy rate multiplier (0.48).

#### Retirement Villages:

For the purposes of establishing the number of equivalent household units that apply for retirement villages, the total number of units within a development that meet the definition of a dwelling shall be multiplied by 0.44. Any part of a retirement village that does not meet the definition of a dwelling shall be assessed as a multi-unit or communal residential development.

In determining the final number of equivalent household units that apply to a particular development, a combination of the general measure of an equivalent household unit, the multi-unit or communal residential development measure of equivalent household units and the travellers' accommodation measure of equivalent household units may be used to recognise the specific composition of a particular development. For example, a retirement village that includes a combination of independent dwellings and communal living arrangements or a travellers' accommodation that includes a combination of fully serviced units, hostel accommodation and a managers unit.

Refer to the residential development contributions assessment flowchart for further guidance.

## **5.8 Measuring Units of Demand – Specific Guidance, Principles and Notes (Rural)**

It is assumed that each additional rural **allotment** may accommodate an additional dwelling. Each additional rural **allotment** therefore creates one unit of demand for roading, parks, reserves and other community infrastructure.

While most new rural development is likely to be dwellings, occasionally a more general rural activity may establish in the rural area e.g. a rural industry. These types of activities are identified in Table 4 above as Rural (Other) and attract one unit of demand per HUE (8 car equivalent movements per day) at the building consent stage for roading only.

For the purposes of assessing units of demand for rural developments, Rural (Other) does not include **accessory buildings**.

Refer to the rural development contributions assessment flowchart for further guidance.

## **5.9 Measuring Units of Demand – Specific Guidance, Principles and Notes (Non-Residential)**

### **General**

New non-residential subdivisions are assessed and measured based on **allotment** area (per 600 m<sup>2</sup>) for roading, per additional allotment for water and wastewater (where applicable) and per equivalent area of ISA (per 300 m<sup>2</sup>) for stormwater. Subsequent non-residential building development on sites that have paid Development Contributions based on per additional allotment are assumed to have paid in full and therefore do not create additional units of demand.

Refer to the non-residential development contributions assessment flowchart for further guidance.

### **Subdivision**

Where the underlying allotment has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and there is (or was) a building located on the site, the remaining lot is to be excluded from the final allotment area calculation.

Where the underlying allotment has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and a building has never been located on the site, the entire site is subject to additional units of demand.

Non-residential boundary adjustments and amalgamations will be assessed on a case-by-case basis. Refer to clause 10.1 Boundary Adjustments / Amalgamations for further guidance. Refer to the non-residential development contributions assessment flowchart for further guidance.

## **Building Consent**

Where the underlying allotment of a particular development has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and there is or was a building located on the site, the following principles shall apply when measuring units of demand:

- Buildings established or approved between 1 July 2006 and 30 June 2018 (under previous Policies) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand. This is particularly the case for commercial and industrial developments.
- A new or additional building on an allotment with remaining development potential is assumed to create additional units of demand.
- As provided by clause 4.6 of this Policy, non-residential brownfield redevelopment does not create additional units of demand.

Where the underlying allotment has not paid any Development Contributions in the past based on per additional allotment (2006 Policy) and a building has never been located on the allotment, it is assumed that development on the site will create additional units of demand.

Where Development Contributions are applied at the building consent stage they will be assessed and measured based on:

- per ISA (per 300 m<sup>2</sup>) or the overall increase in ISA (per 300 m<sup>2</sup>) for stormwater; and
- per car equivalent movements (1 HUE = 8, where 1 movement is a trip to or from the lot) or the overall increase in car equivalent movements (1 HUE = 8) for Roadway; and
- per connected household unit equivalent (HUE) for water (1 m<sup>3</sup> per day of demand) and wastewater (0.8 m<sup>3</sup> of discharge per day) (except if a special circumstance applies, refer to clause 4.4).

For fees applied at the building consent stage for non-residential development a minimum threshold of one HUE applies to ensure small insignificant buildings and alterations and additions to existing buildings are not levied Development Contributions. This will also ensure the application of the Policy does not become administratively onerous. Refer to the non-residential development contributions assessment flowchart for further guidance.

## **Non-Residential Brownfield Redevelopment**

Refer to clauses 4.2 for further guidance on non-residential brownfield redevelopment.

Refer to the non-residential development contributions assessment flowchart for further guidance.

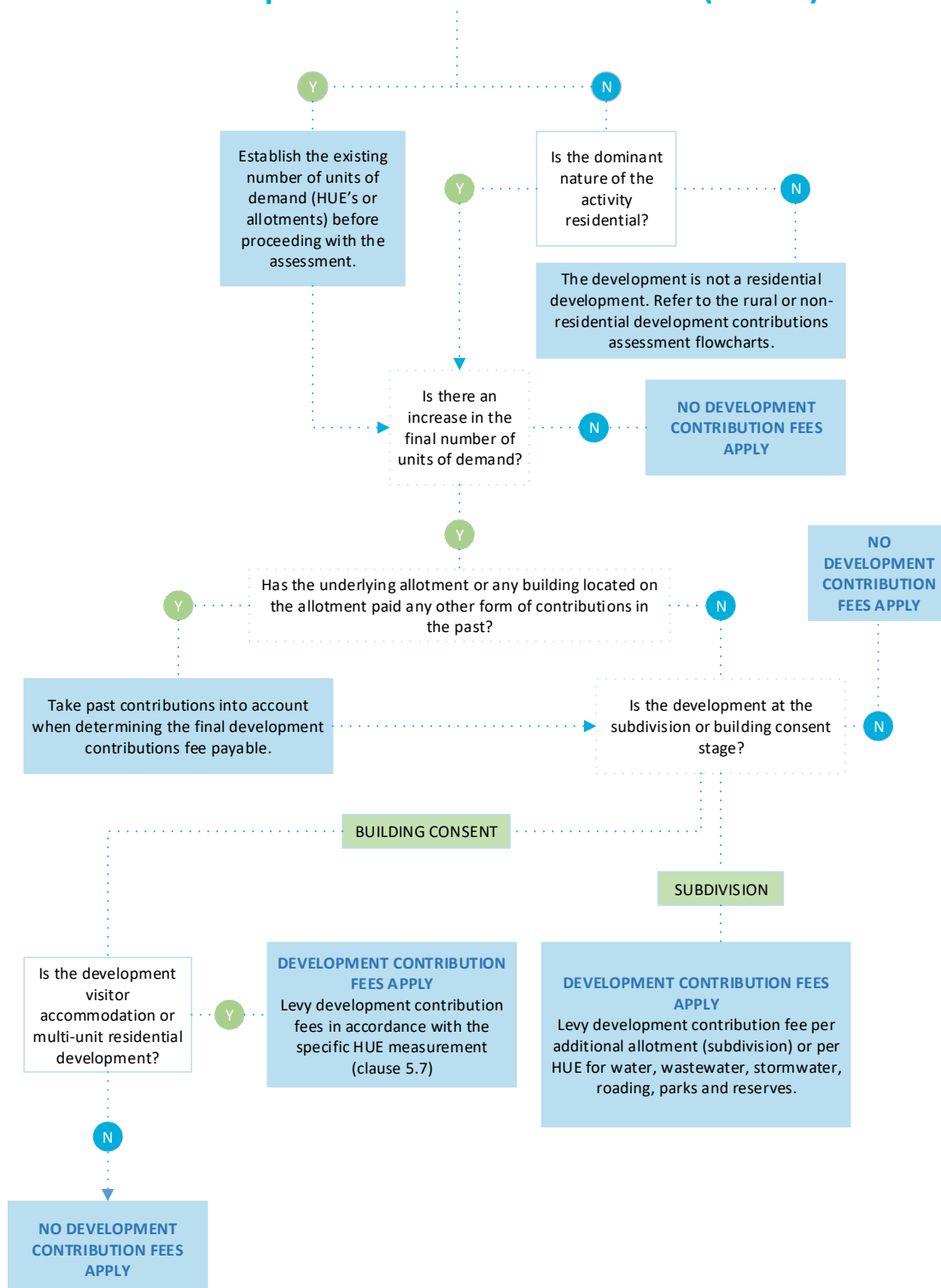


## 6 DEVELOPMENT CONTRIBUTIONS ASSESSMENT FLOWCHARTS

The following flowcharts have been included in the Policy to assist with determining whether or not Development Contributions fees apply. The flowcharts are for guidance purposes only.

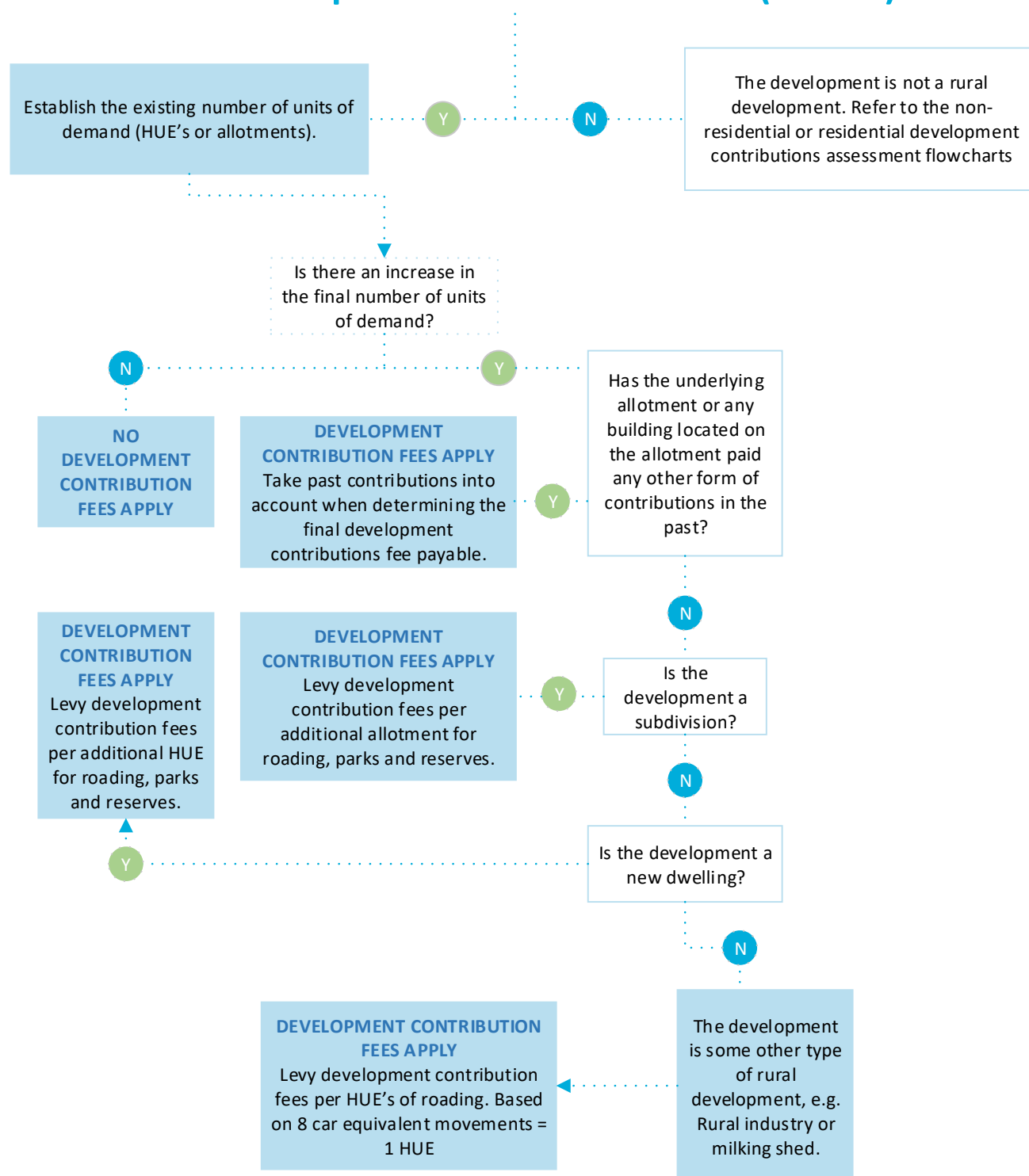
### 6.1 Residential Development Contributions Assessment Flowchart

#### Is the development in the residential zone (Area B)?

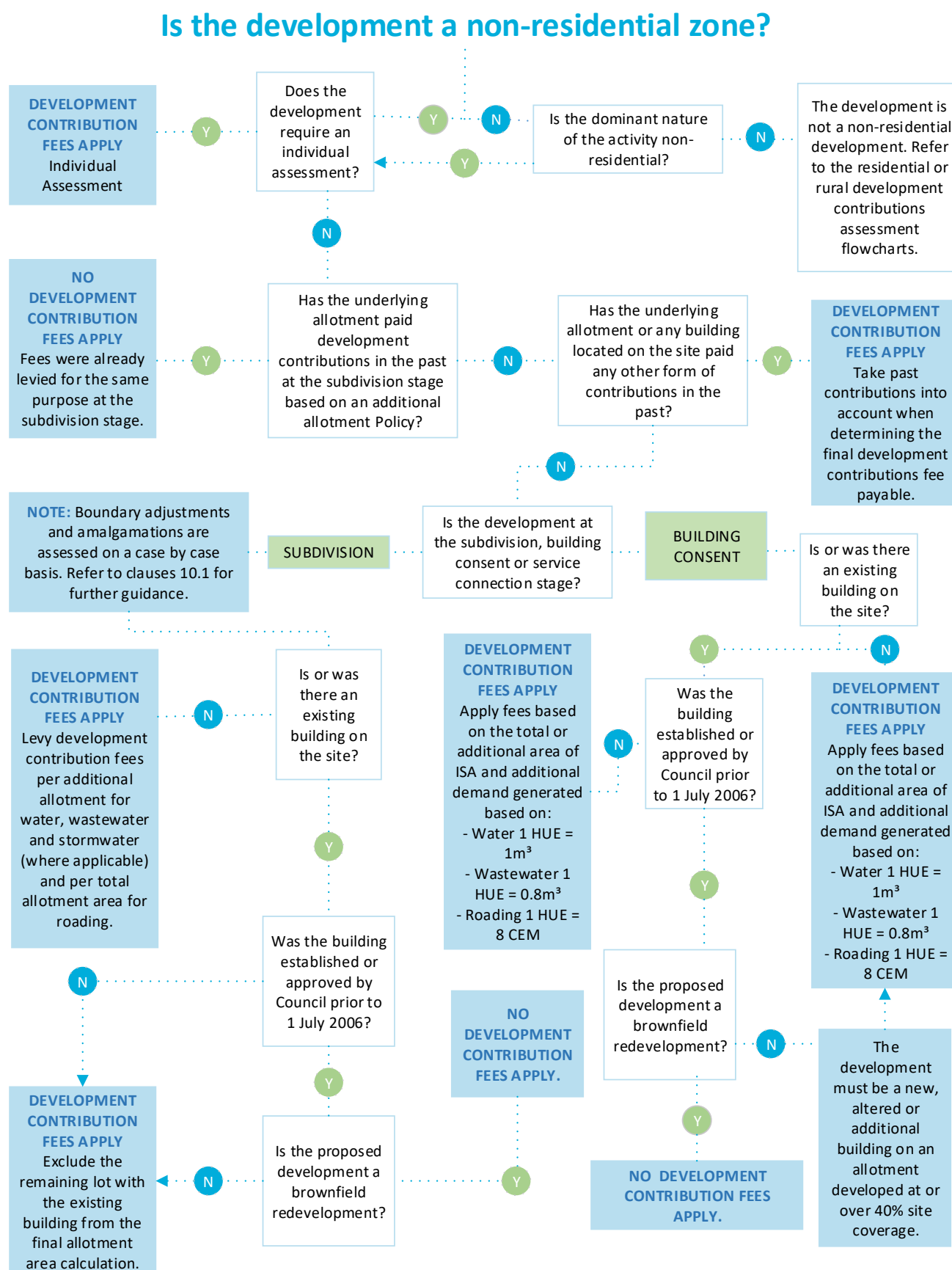


## 6.2 Rural Development Contributions Assessment Flowchart

### Is the development in the rural zone? (Area A)?



### 6.3 Non-Residential Development Contributions Assessment Flowchart



## **7 SCHEDULE OF CONTRIBUTIONS PER UNIT OF DEMAND**

Table 5 comprises the schedule of Development Contributions. The 'development contribution area' part of the schedule refers to Areas A and B which are geographically defined in Appendix A: Map 1. The 'development contributions' part of the schedule comprises the various community facilities and the contributions are per equivalent unit of demand for each respective community facility.

Section 8 describes how to work out your total development contribution for particular developments.

All fees in the schedule are GST exclusive, however GST will be applied to the total development contribution payable for the development.

This schedule should be read in conjunction with Table 4 - Units of Demand and Measure for Community Facilities.

Table 5 Development Contributions Schedule 2018 (\$ per Unit of Demand) –Development contributions are stated exclusive of Goods and Services Tax (GST), GST will be added at the time of collection.

Development Contribution Area	Roading		Water		Wastewater		Stormwater		Parks and Reserves	
	Subdivision	Building Consent	Subdivision	Building Consent	Subdivision	Building Consent	Subdivision	Building Consent	Subdivision	Building Consent
Measure	Per additional 600 m <sup>2</sup> Allotment	Per HUE (8 car equivalent movements)	Per additional Allotment	Per HUE (1 m <sup>3</sup> per day)	Per additional Allotment	Per HUE (0.8 m <sup>3</sup> per day)	Per additional Allotment	Per 300 m <sup>2</sup> ISA	Per additional Allotment	Per HUE
District excluding Feilding (Area A)	\$2,847	\$2,847	\$0	\$0	\$0	\$0	\$0	\$0	\$3,243	\$3,243
Feilding (Area B)	\$2,847	\$2,847	\$4,494	\$4,494	\$3,689	\$3,689	\$7,926	\$7,926	\$3,243	\$3,243

## **8 HOW TO WORK OUT DEVELOPMENT CONTRIBUTION PAYABLE**

### **Step 1**

Go to Appendix A, Map 1 and check what development contribution area your development lies within.

### **Step 2**

Establish what type of development it is i.e. residential, rural or non-residential.

Determine the stage of development i.e. subdivision or building consent.

### **Step 3**

Check clauses 5.7 - 5.9, Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart contained in section 6 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 4) in Section 5.1.2 establish how many units of demand your development will create for each of the community facilities.

### **Step 4**

Go to the relevant Development Contributions Schedule (Table 5 in Section 7) and identify the fees payable per unit of demand for your development contribution area.

### **Step 5**

Apply the Units of Demand to your development i.e. multiply the charges by the number of units of demand applicable.

Calculate your total development contribution by summing the individual community facilities charges established in steps 1-5 and add GST of 15%.

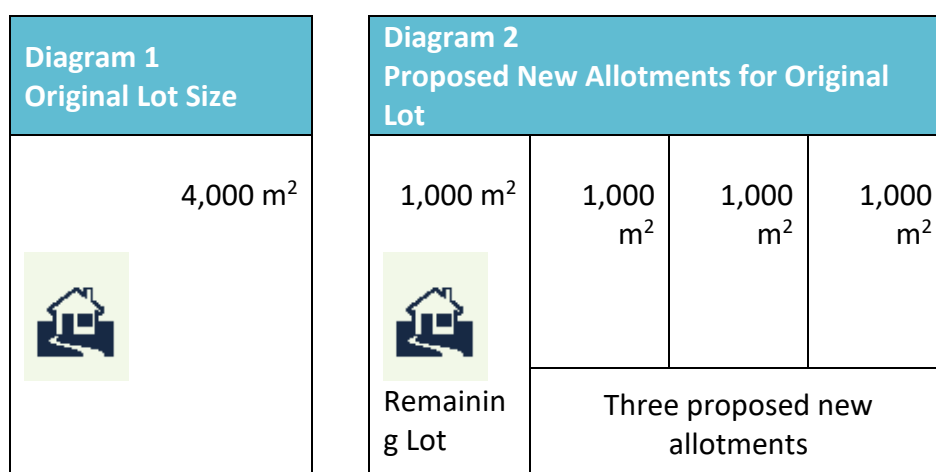
### **Examples**

In Section 9.1-9.7 worked examples of steps 1 through to 5 are provided to help you work out your development contribution payable. Note each of the examples exclude assessment for escalation that would apply after the first year of this policy, i.e. after 30 June 2019.

## 9 EXAMPLES

### 9.1 Development Contributions Calculation – Example 1 (Residential):

Consider the example of a proposed residential subdivision as shown in diagrams 1 and 2 below. The proposed subdivision is from an original lot size of 4000 m<sup>2</sup> that is located within **Area B (Feilding)**. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 1000 m<sup>2</sup>. The Development Contribution will be worked out in relation to the new units of demand created (three new additional lots) that will contain a total area of 3000 m<sup>2</sup>. An example to work out the appropriate contribution is set out below.



**Step 1** What Development Contribution Area is the development in? Area B

**Step 2** Establish what type of development and stage of development? Residential activity at subdivision stage.

**Step 3** What is the demand for each Community Facility being created for the proposed development?

Water	3 additional units (4 final units less 1 existing unit)
Wastewater	3 additional units (4 final units less 1 existing unit)
Roading	3 additional units (4 final units less 1 existing unit)
Stormwater	3 additional units (4 final units less 1 existing unit)
Parks, Reserves and other Community Infrastructure	3 additional units (4 final units less 1 existing unit)

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development.

**Step 4: Determine Fees payable per unit of demand using Table 5**

Water	\$4,494
Wastewater	\$3,689
Roading	\$2,847
Stormwater	\$7,296
Parks, Reserves and other Community Infrastructure	\$3,243

**Step 5: Calculate Fees payable**

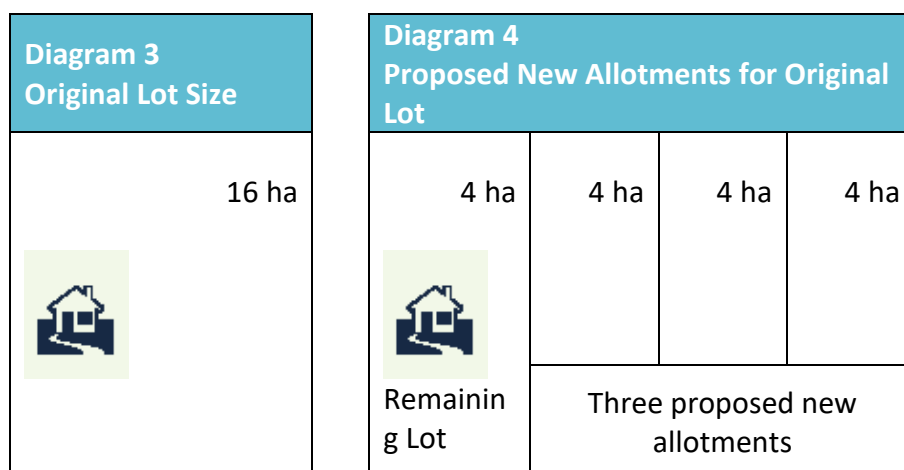
Water	3	x	\$4,494	=	\$13,482
Wastewater	3	x	\$3,689	=	\$11,067
Roading	3	x	\$2,847	=	\$8,541
Stormwater	3	x	\$7,296	=	\$23,778
Parks, Reserves and other Community Infrastructure	3	x	\$3,243	=	\$9,729
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$66,597 (excl. GST)

- Notes:**
1. The 'Remaining Lot' of 1000 m<sup>2</sup> as shown in Diagram 2 is assumed to be already connected to the Feilding water and wastewater networks and is therefore considered an existing unit of demand.
  2. In the stormwater calculation for Diagram 2 the 'Remaining Lot' is given credit for an existing unit of demand. The 3 proposed new allotments are liable for Development Contributions.



## 9.2 Development Contributions Calculation – Example 2 (Rural):

Consider the example of a proposed rural subdivision as shown in diagram 3 and 4. The proposed subdivision is from an original lot size of 16 ha. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 4 ha. The Development Contributions applied will be worked out in relation to the new units of demand being created (three additional allotments) that will contain a total area of 12 ha. An example to work out the appropriate contribution is set out below.



**Step 1** What Development Contribution Area is the development in? Area A.

**Step 2** Establish what type of development and stage of development? Rural activity at subdivision stage.

**Step 3** What is the demand for each Community Facility being created for the proposed development?

Water	Not applicable
Wastewater	Not applicable
Roading	3 additional units (4 final units less 1 existing unit)
Stormwater	Not applicable
Parks, Reserves and other Community Infrastructure	3 additional units (4 final units less 1 existing unit)

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development.)

**Step 4:** Determine Fees payable per unit of demand

Roading	\$2,847
Parks and Reserves	\$3,243

**Step 5: Calculate Fees payable**

Roading	3	x	\$2,847	=	\$8,541
Parks, Reserves and other Community Infrastructure	3	x	\$3,243	=	\$9,729
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$18,270 (excl. GST)

**9.3 Development Contributions Calculation – Example 3 (Non-Residential):**

Consider the example of a proposed non-residential subdivision. The proposed subdivision is from an original lot size of 10,000 m<sup>2</sup> that has not paid any Development Contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established prior to 1 July 2006. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed subdivision will result in the creation of three additional allotments each consisting of an area of 2000 m<sup>2</sup>, leaving a 4000 m<sup>2</sup> remaining lot that will provide for the existing building. The Development Contributions applied will be worked out in relation to the three new allotments that will contain a total area of 6000 m<sup>2</sup>. The remaining lot of 4000 m<sup>2</sup> with the existing building established prior to 1 July 2006 is excluded from the allotment area calculation.

**Step 1** *What Development Contribution Area is the development in?* Area B.

**Step 2** *Establish what type of development and stage of development?* Non-residential activity at subdivision stage.

**Step 3** *What is the demand for each Community Facility being created for the proposed development?*

Water	3 additional HUEs (4 final HUEs less 1 existing HUE)
Wastewater	3 additional HUEs (4 final HUEs less 1 existing HUE)
Roading	6000 m <sup>2</sup> additional (10,000 m <sup>2</sup> less 4,000 m <sup>2</sup> ) or 10 HUEs (600 m <sup>2</sup> of allotment area)
Stormwater	3 additional units (4 final HUEs less 1 existing HUE)
Parks, Reserves and other Community Infrastructure	Not applicable

**Step 4:** *Determine Fees payable per unit of demand*

Water	\$4,494
Wastewater	\$3,689
Roading	\$2,847
Stormwater	\$7,926

**Step 5: Calculate Fees payable**

Water	3	x	\$4,494	=	\$13,482
Wastewater	3	x	\$3,689	=	\$11,067
Roading	10	x	\$2,847	=	\$28,470
Stormwater	3	x	\$7,926	=	\$23,778
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$76,797 (excl. GST)

**9.4 Development Contributions Calculation – Example 4 (Non-Residential):**

Consider the example of a proposed extension to an existing non-residential building. The existing 2000 m<sup>2</sup> building is located on an allotment which has not paid any Development Contributions in the past at the subdivision stage. The existing building was established after 1 July 2006. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed extension will add 1000 m<sup>2</sup> of single story to the building. There is 200 m<sup>2</sup> of additional sealed car parking. Water use is assessed at <1 m<sup>3</sup> a day, and 24 car equivalent movements a day. The Development Contributions applied will be worked out in relation to the 1000 m<sup>2</sup> extension and the additional demand for water, wastewater, stormwater and roading only.

**Step 1** *What Development Contribution Area is the development in?* Area B.

**Step 2** *Establish what type of development and stage of development?* Non-residential activity at building consent stage.

**Step 3** *What is the demand for each Community Facility being created for the proposed development?*

Water	Increased demand for 1 HUE = 1 m <sup>3</sup> per day
Wastewater	Increased demand for 1 HUE = 0.8 m <sup>3</sup> per day
Roading	24 additional car equivalent movements (CEM) where 1 HUE = 8 CEMs
Stormwater	Additional runoff from ISA at 4 HUE (1000 m <sup>2</sup> of building ISA area plus additional 200 m <sup>2</sup> of carparking ISA)
Parks, Reserves and other Community Infrastructure	Not applicable

**Step 4:** *Determine Fees payable per unit of demand*

Water	\$4,494
Wastewater	\$3,689
Roading	\$2,847
Stormwater	\$7,926

**Step 5: Calculate Fees payable**

Water	1	x	\$4,494	=	\$4,494
Wastewater	1	x	\$3,689	=	\$3,689
Roading	3	x	\$2,847	=	\$8,541
Stormwater	4	x	\$7,926	=	\$31,704
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$48,428 (excl. GST)

**9.5 Development Contributions Calculation – Example 5 (Non-Residential):**

Consider the example of a proposed new 5,000 m<sup>2</sup> non-residential building. The new building is to be located on a vacant allotment which is 20,000 m<sup>2</sup> in size and which has not paid any Development Contributions in the past. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The new building will two story and have a roof area of 3,000 m<sup>2</sup> and associated ISA (driveways and parking) of 2,000 m<sup>2</sup>. Water use is assessed at 3 m<sup>3</sup> a day. Car equivalent movements are assessed at 76 (6 truck and trailer movements plus 16 car movements). The Development Contributions applied will be worked out in relation to the additional ISA of 7,000 m<sup>2</sup>, and the additional demand for water, wastewater, stormwater and roading.

**Step 1** *What Development Contribution Area is the development in?* Area B.

**Step 2** *Establish what type of development and stage of development?* Non-residential activity at building consent stage.

**Step 3** *What is the demand for each Community Facility being created for the proposed development?*

Water	3 HUEs (1 HUE = 1 m <sup>3</sup> per day)
Wastewater	2 HUEs (1 HUE = 0.8 m <sup>3</sup> per day)
Roading	76 car equivalent movements (CEM) = 9 HUEs (at 8 CEMs per HUE) 1 truck movement = 6 CEM 1 truck and trailer = 10 CEM
Stormwater	5,000 m <sup>2</sup> of additional ISA = 16 HUEs
Parks, Reserves and other Community Infrastructure	Not applicable

**Step 4: Determine Fees payable per unit of demand**

Water	\$4,494
Wastewater	\$3,689
Roading	\$2,847
Stormwater	\$7,926

**Step 5: Calculate Fees payable**

Water	3	X	\$4,494	=	\$13,482
Wastewater	2	x	\$3,689	=	\$7,378
Roading	9	x	\$2,847	=	\$25,623
Stormwater	16	x	\$7,926		\$126,816
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					\$173,299 (excl. GST)

**Notes:** 1. The existing lot in this example is not already connected or paying a half charge to the Feilding water and wastewater networks, and therefore the development results in additional units of demand.

**9.6 Development Contributions Calculation – Example 6 (Non-Residential):**

Consider the example of a proposed redevelopment involving the demolition of four existing non-residential buildings established prior to 1 July 2006 and the construction of one new non-residential building. The proposed redevelopment is located in an established area and meets the definition of non-residential brownfield redevelopment. Non-residential brownfield redevelopment generally places negligible increased demand on the capacity of the network infrastructure and therefore does not create additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE	\$0
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**9.7 Development Contributions Calculation – Example 7 (Non-Residential):**

Consider the example of a proposed new 300 m<sup>2</sup> non-residential building. The new building is to be located on a recently subdivided 1500 m<sup>2</sup> allotment that paid Development Contributions based on allotment area at the time of subdivision under the 2015 Development Contributions Policy. The proposed new 300 m<sup>2</sup> building is assessed to use no more than 1 HUE of Water, Wastewater, Stormwater and Rading. The new building does not create any additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE	\$0
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## **10 GUIDANCE NOTES**

### **10.1 Boundary Adjustments/Amalgamations**

The Policy does not exempt boundary adjustments or amalgamations from being assessed for Development Contributions. Boundary adjustments and amalgamations create new lots, but not necessarily additional lots or additional allotment area, through subdivision. Where the new lot and the characteristics of that new lot are determined to create additional units of demand then a development contribution will be payable. Each circumstance will be assessed on a case-by-case basis.

One example is where a boundary adjustment or an amalgamation includes land where all or part of that land has not had contributions previously paid on it. Council will, in this instance, assess the contributions payable related to the specific development application.

In the situation where a proposed development overlaps the two Development Contribution areas, the Development Contribution for the entire development will be calculated based on the contribution applicable to the area that contains the majority of the development.

The measure of a non-residential unit of demand for water and wastewater is per additional allotment at subdivision or per HUE at building consent, and for roading is per 600 m<sup>2</sup> of allotment area at subdivision or per car equivalent movements (1 HUE = 8 CEM) at building consent. In determining whether a non-residential boundary adjustment or amalgamation creates additional units of demand, the following matters will be taken into account:

- Previous contributions paid;
- Whether or not the existing allotment(s) meet the definition of non-residential brownfield redevelopment;
- Whether or not the proposed allotment(s) meet the definition of non-residential brownfield redevelopment;
- The current or previous level of demand placed on the network infrastructure, reserves and community facilities;
- The level of demand the proposed boundary adjustment or amalgamation may place on the network infrastructure, reserves and community facilities;
- Whether or not it is more appropriate to levy Development Contributions at the building consent stage; and
- Any other matters Council considers relevant.

### **10.2 Development Contribution applications for land within a Boundary Reorganisation Scheme under the Local Government Act 2002.**

Development Contributions for subdivision or development of land within an area subject to a Boundary Reorganisation Scheme under the Local Government Act 2002 will be assessed and payable under the Development Contribution Policy only after the Scheme comes into effect. The expected dominant nature of activities in the underlying zone will generally determine the areas and type of development payable.

### **10.3 Past Contributions and Determining an Existing Unit of Demand**

Past contributions will be taken into account in assessing new units of demand. It is incumbent on the applicant to provide the necessary information, where possible, to show contributions have been paid on a particular development. Where past contributions can be validated, what these cover in terms of units of demand under the new Policy, and how they apply to new developments, will depend on the original intent of the contribution or agreement at that time. As the new Policy is different in methodology and application to the previous policy there will need to be an assessment made by Council officers on a case-by-case basis.

Where it is proven a past contribution has not been paid on a proposed development, and that development creates a unit of demand as defined in the Policy, then a development contribution will be assessed accordingly.

One example is where no past contribution has been paid on a vacant lot and where an applicant now proposes to build a house or further subdivide the lot. An existing vacant lot does not necessarily mean that there is an existing unit of demand. A determination, by staff on the application, will assess if past contributions were paid and what they covered, and if they were not paid what units of demand the particular proposed development now creates, if any.

### **10.4 Development contributions on overlapping consents and future subdivision applications**

In the case where two or more overlapping consent applications are being processed simultaneously in the same development area, full contributions (under whatever contribution regime existed at that time) will be levied on both applications until full payment has been received for one or the other as explained above. Once payment has been received for one of the two consents concerned, all contributions applicable to future subdivision applications will be revised to include those contributions already paid.

## 11 GLOSSARY OF TERMS

In this policy, unless the context otherwise requires:

**Accessory Building** has the same meaning as accessory building in the Manawātū District Plan:

"means a building, the use of which is (or will be) incidental to that of any dwelling on the site. Accessory buildings include garages and carports, tool and garden sheds, pump sheds, aviaries, glasshouses, and water tanks".

**Accommodation Units** means units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.

**Activity** means a good or service provided by the Council (as defined by section 5 Local Government Act 2002) and for which Development Contributions may be collected.

**Allotment** has the meaning given to it in section 218(2) of the Resource Management Act 1991 and for the purposes of the Development Contribution Policy only, excludes allotments to be vested with Council as roads.

**Allotment Area** is the total land area of an allotment.

**Annual Plan** means an annual plan adopted under section 95 of the Local Government Act 2002.

**Applicant** is the person/persons that apply for resource consent or building consent.

**Asset Management Plans** means detailed long term Council planning documents that outline how the Council will provide, manage and renew infrastructure assets.

**Balance Lot** means a remaining allotment not yet intended for development that will be developed at a later date.

**Brownfield Redevelopment** means further development of sites that are developed at or over 40% site coverage, or were at some time in the past, provided the buildings located on the site were established prior to 1 July 2006, and specifically includes:

- (a) further subdivision of the site;
- (b) alterations and additions to existing buildings; and
- (c) the demolition of existing buildings and construction of new buildings

**Catchment** means the area served by a particular infrastructure.

**Capital Expenditure** means the cost council expect to incur to provide infrastructure assets for the running of network infrastructure, reserves and community infrastructure.

**Community Facilities** means reserves, network infrastructure, or community infrastructure for which Development Contributions may be required in accordance with section 199 of the Local Government Act 2002.

**Community Infrastructure** means the following assets when owned, operated, or controlled by a territorial authority:



- community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
- play equipment that is located on a neighbourhood reserve; and
- toilets for use by the public.

**Community Outcomes**, in relation to a district or region

- (a) means the outcomes for that district or region that are identified as priorities for the time being through a process under section 91; and
- (b) includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.

**Connected Household Unit Equivalent (HUE)** means an equivalent residential household unit with direct access to a service connection.

**Consent Holder** is the person/persons that are the applicants to which resource consent, building consent or service connection was granted.

**Development** means

- (a) any subdivision building (as defined in section 8 of the Building Act 2004), land use, or work 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 Agreement** means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district.

**Development Contribution** means a contribution -

- (a) provided for in a development contribution policy of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) comprising:
  - (i) money; or
  - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
  - (iii) both.

*Note: Council's policy is not to require land as a development contribution – See section 3.1.2.*

**Development Contributions Commissioner** means a person appointed under section 199F of the Local Government Act 2002.

**Development Contribution Objection** means an objection lodged under clause 1 of Schedule 13A of the Local Government Act 2002 against a requirement to make a development contribution.

**Development Contribution Policy** means the policy on Development Contributions adopted under section 102(1) of the Local Government Act 2002.

**District** means the Manawatū District.

**Enforceable security instrument** means that the term of postponement will be recorded in a memorandum of agreement and will be conditional upon an enforceable security instrument being registered against the developer's land. This requirement does not limit Council from, at its discretion, considering other options available to it in securing the postponement of Development Contributions payable for a particular development, or stage of a development.

**Household Unit Equivalent (HUE)** has the same meaning as Dwelling in the Manawatū District Plan.

“means any building, whether permanent or temporary, that is occupied or intended to be occupied, in whole or in part, as a single residence. It includes any motor vehicle that is occupied on a permanent or long-term (6 months or longer) basis.”.

**Impervious Surface Area (ISA)** means the area of an allotment that will be covered by a development in hard surfaces such as concrete, tiles, pavers or similar surfaces that cause stormwater runoff.

**Family Flat** has the same meaning as in the Manawatū District Plan.

**Feilding Urban Growth Framework Plan** means the urban growth strategy for Feilding adopted in May 2013.

**Financial Contribution** has the same meaning as financial contributions in section 108(9)(a)-(c) of the Resource Management Act 1991.

**Goods and Services Tax (GST)** means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.

**Greenfield Areas** are defined as those areas where building capacity exists on the perimeter of the existing residential areas. Where a land is zoned residential and has capacity to provide for future development it is considered a Greenfield site.

**Gross Floor Area** has the same meaning as in the Manawatū District Plan.

**LGA** means the Local Government Act 2002 or any legislation substituted for the same.

**Local Authority** means a regional council or territorial authority.

**Manawatū District Plan** means the District Plan prepared under the Resource Management Act 1991.

**Methodology** has the same meaning as methodology in section 197 of the Local Government Act 2002.

**Multi-unit** or **Communal Residential Development** means any form of residential development that does not meet the definition of a household equivalent unit.

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

**Nodal Area** has the same meaning as in the Manawatū District Plan.

**Non-Residential Development** means any activity in a non-residentially zoned area, excluding the rural zone and flood channel zones e.g. business, industrial etc.

**Objector** means a person who lodges a development contribution objection.

**Remaining Lot** means an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.

**Residential Development** means any activity in a residentially zoned area or an area identified for future urban expansion.

**Resource Consent** has the meaning given to it in section 2 (1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

**Retirement Village** means a comprehensive development which may include housing, recreational, welfare, and medical facilities which is intended principally or solely for retired persons or people with disabilities.

**RMA** means the Resource Management Act 1991.

**Rural Development** means any activity in the district outside of the Feilding urban area.

**Schedule of Development Contributions** means the schedule to the Council's Development Contribution Policy required by section 201 of the Local Government Act 2002 and setting out the information required by section 202, namely;

- the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure
- the events giving rise to the requirement for development contribution
- specified by area and by activity.

**Service Catchment** means a catchment defined by reference to the characteristics of the service and the common characteristics of the geographical area (for example Feilding stormwater catchment).

**Service Connection** means a physical connection to a service provided by, or on behalf of, a territorial authority.

**Site** means the area covered by the development being assessed for Development Contributions, being made up of one or more lots or part lots

**Site Coverage** has the same meaning as in the Manawātū District Plan.

"means that portion of the net site area, expressed as a percentage, which may be covered by buildings, including eaves, balconies and verandahs in excess of 0.6m wide. The following are not included in the calculation of site coverage:

- (a) Eaves, balconies and verandahs less than 0.6m wide.
- (b) Pergolas and other similar open structures.
- (c) Conservatories encroaching into any living court required by this Plan.
- (d) Outdoor swimming pools.
- (e) Special modifications to houses to suit the needs of those with disabilities, e.g. ramps".

**Subdivision** has the same meaning as Section 218 of the Resource Management Act 1991.

**Third Party Funds** means funding or subsidy, either in full or in part, from a third party.

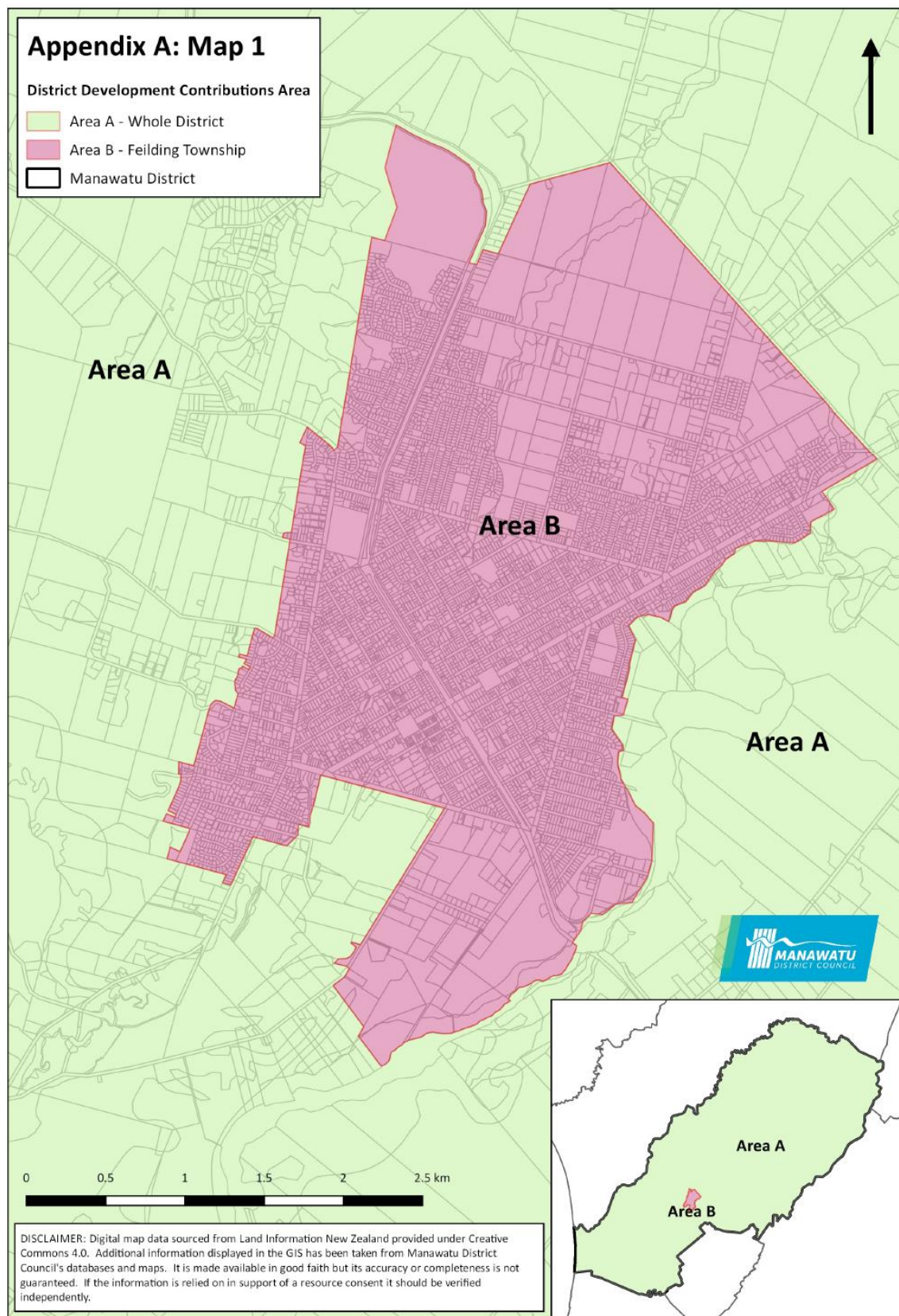
**Visitor Accommodation** has the same meaning as the Manawātū District Plan.

“places used for accommodating tourists and residents away from their normal place of residence and includes any ancillary service or amenity provided on the site such as a restaurant, café or other eating place, swimming pool or playground. It includes, without limitation, any of the following:

- Hotels
- Motels
- Motor camps, camping grounds and caravan parks
- Self-catering accommodation
- Tourist lodges, backpackers”.

**Unit of Demand** means a Household Unit Equivalent (HUE) - the typical demand for an activity by an average household.

## Appendix A – Map 1: Development Contributions Service Catchments



## **Appendix B - Refund of Development Contributions**

### **209 Refund of money and return of land if development does not proceed**

- [1] A territorial authority must refund or return to the consent holder or to his or her personal representative a development contribution paid or land set aside under this subpart if:
- (a) the resource consent:
    - (i) lapses under section 125 of the Resource Management Act 1991; or
    - (ii) is surrendered under section 138 of that Act; or
  - (b) the building consent lapses under section 41 of the Building Act 1991; or
  - (c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or
  - (d) the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.
- [2] A territorial authority may retain any portion of a development contribution or land referred to in subsection (1) of a value equivalent to the costs incurred by the territorial authority in relation to the development or building and its discontinuance.

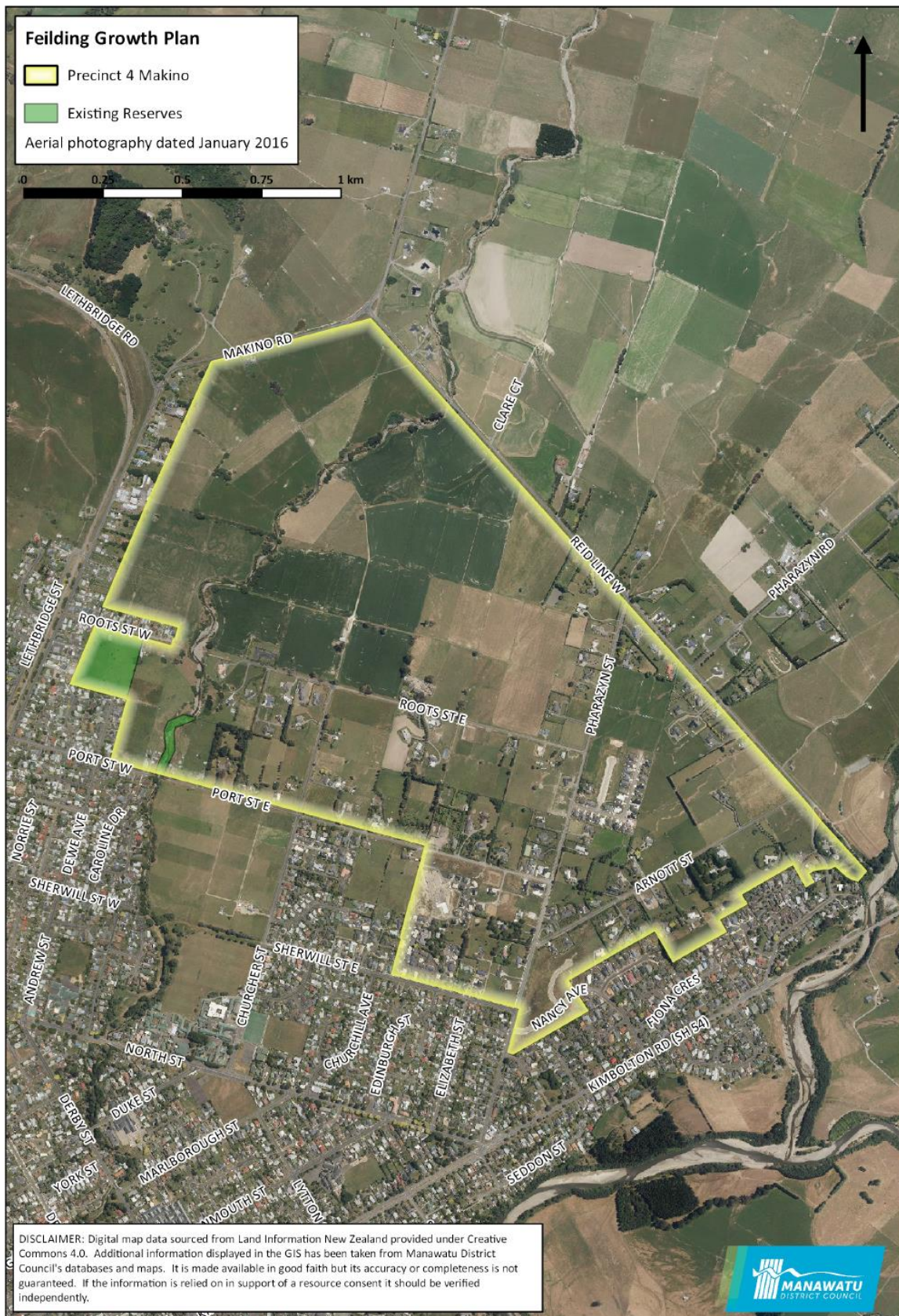
### **210 Refund of money or return of land if not applied to specified reserve purposes**

- [1] If a development contribution has been required for a specified reserve purpose, a territorial authority must:
- (a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or
  - (b) return land acquired for the specified reserve purpose, if the authority does not use the land for that purpose within 10 years after the authority acquires the land or other period agreed by the territorial authority and the person who paid the development contribution.
- [2] A territorial authority may retain part of the money or land referred to in subsection (1) of a value equivalent to the costs of the authority in refunding the money or returning the land.



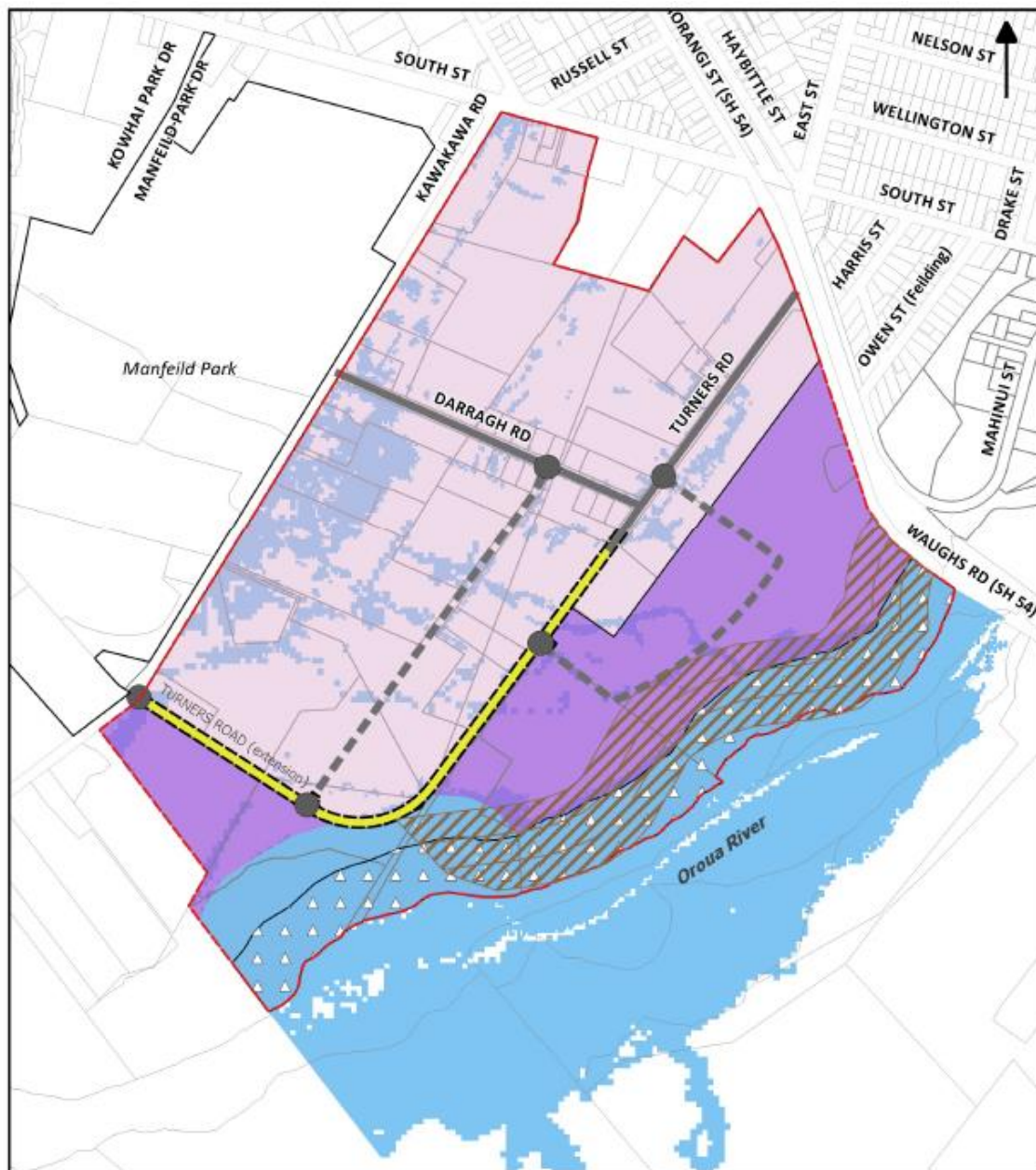
## Appendix C – Infrastructure Service Plans – Growth Precincts

### Precinct 4





## Precinct 5



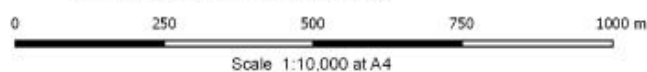
### Reference

- Existing Industrial Zone
- Rural land proposed to be zoned industrial
- Structure Plan Area
- Lateral Spread Overlay
- Open Space
- 0.5% AEP (1 in 200 Year) modelled floodable land (Horizons Regional Council) (Information not part of plan change)

### Precinct Roads

- Existing Roads
- Local Road "indicative"
- Proposed Intersections
- Turner Road Designation

## Plan Change 52 Kawakawa Industrial Park Growth Area





## Appendix D – Schedule of Assets for which development contributions will be used

- Forecast project costs are in 2018/19 dollars.
- Historical investments are as at December 2017.
- Project costs include allowances for project management and engineering professional services, and include project contingencies.

### Water

<b>Water Schedule</b>		
Project		Estimated Growth Cost
Historical investments for growth		
Current DC Balance Water		\$615,771
Capital Projects to Service Feilding Forecast Growth	Planned Year	Growth Project Cost
Water Supply Growth, Pt Roots St Stg 2	2018/19	\$300,000
Water Supply - New Works	2018/19	\$50,000
Feilding water Supply Strategy growth related upgrade	2018/19	\$1,278,000
Water Supply Growth Pt Churcher Stg 2	2019/20	\$341,939
Feilding water Supply Strategy growth related upgrade	2019/20	\$219,818
Water Supply - New Works	2019/20	\$48,848
Water Supply Growth, Pt Roots St Stg 2	2020/21	\$324,845
Feilding water Supply Strategy growth related upgrade	2020/21	\$238,296
Water Supply - New Works	2020/21	\$47,659
Water Supply Growth, Prop Roads 1,2,3	2021/22	\$424,353
Feilding water Supply Strategy growth related upgrade	2021/22	\$139,835
Water Supply - New Works	2021/22	\$46,612
Water Supply Growth, Roots Stg 3	2022/23	\$361,673
Water Supply - New Works	2022/23	\$45,528
Water Supply Growth, Arnott Stg 1	2023/24	\$362,746
Water Supply - New Works	2023/24	\$44,454
Water Supply Growth, Arnott Stg 2	2024/25	\$363,845
Water Supply - New Works	2024/25	\$43,356
Water Supply Growth, Churcher Ext Stg1	2025/26	\$364,925
Water Supply - New Works	2025/26	\$42,276
Water Supply Growth, Prop Road Roots to Prop 2	2026/27	\$366,019
Water Supply - New Works	2026/27	\$41,181
Water Supply Growth, Stg 3 Prop Road	2027/28	\$367,122
Water Supply - New Works	2027/28	\$40,079
Water Supply Growth, Reid Line West, Stg 1	2028/29	\$470,026
Water Supply - New Works	2028/29	\$38,974
Water Supply Growth, Prop Road 2, Stg 1	2029/30	\$433,692
Water Supply - New Works	2029/30	\$75,313
Water Supply Growth, Prop Road 2, Stg 2	2030/31	\$436,241
Water Supply - New Works	2030/31	\$72,766
Water Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$438,696
Water Supply - New Works	2031/32	\$70,304
Water Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$441,073
Water Supply - New Works	2032/33	\$67,927
Water Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$443,370
Water Supply - New Works	2033/34	\$65,630
Water Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$445,589
Water Supply - New Works	2034/35	\$63,411
Water Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$447,734
Water Supply - New Works	2035/36	\$61,266
Water Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$449,805
Water Supply - New Works	2036/37	\$59,195
Water Supply Growth, Reid Line West, Stg 2	2037/38	\$451,807
Water Supply - New Works	2037/38	\$57,193
Water metering and backflow	2029/30 to 2037/38	\$407,200
Based on 20 year projection Total Growth Capex required		\$ 11,400,620
Amount to be funded by DCs		\$ 12,016,391
Order of projects may change due to actual development pressure areas		
Order may change depending on impending consents		

## Wastewater

<b>Wastewater Schedule</b>		
Project		Estimated Growth Cost
Historical investments for growth		
Current DC Balance Wastewater		\$2,535,838
<b>Capital Projects to Service Feilding Forecast Growth</b>		
	Planned Year	Growth Project Cost
Wastewater Growth, pt churcher st stg 1	2018/19	\$408,100
Wastewater Supply - New Works	2018/19	\$50,000
Wastewater Growth, Pt Churcher Stg 2	2019/20	\$205,652
Wastewater Supply - New Works	2019/20	\$48,848
Wastewater Growth, Pt Roots St Stg 2	2020/21	\$206,841
Wastewater Supply - New Works	2020/21	\$47,659
Wastewater Supply Growth, Prop Roads 1,2,3	2021/22	\$207,888
Wastewater Supply - New Works	2021/22	\$46,612
Wastewater Supply Growth, Roots Stg 3	2022/23	\$208,972
Wastewater Supply - New Works	2022/23	\$45,528
Wastewater Supply Growth, Arnott Stg 1	2023/24	\$210,046
Wastewater Supply - New Works	2023/24	\$44,454
Wastewater Supply Growth, Arnott Stg 2	2024/25	\$211,144
Wastewater Supply - New Works	2024/25	\$43,356
Wastewater Supply Growth, Churcher Ext Stg1	2025/26	\$212,225
Wastewater Supply - New Works	2025/26	\$42,276
Wastewater Supply Growth, Reid Line West, Stg 1	2028/29	\$470,026
Wastewater Supply - New Works	2028/29	\$38,974
Wastewater Supply Growth, Prop Road 2, Stg 1	2029/30	\$433,692
Wastewater Supply - New Works	2029/30	\$75,313
Wastewater Supply Growth, Prop Road 2, Stg 2	2030/31	\$436,241
Wastewater Supply - New Works	2030/31	\$72,766
Wastewater Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$438,696
Wastewater Supply - New Works	2031/32	\$70,304
Wastewater Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$441,073
Wastewater Supply - New Works	2032/33	\$67,927
Wastewater Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$443,370
Wastewater Supply - New Works	2033/34	\$65,630
Wastewater Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$445,589
Wastewater Supply - New Works	2034/35	\$63,411
Wastewater Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$447,734
Wastewater Supply - New Works	2035/36	\$61,266
Wastewater Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$449,805
Wastewater Supply - New Works	2036/37	\$59,195
Wastewater Supply Growth, Reid Line West, Stg 2	2037/38	\$451,807
Wastewater Supply - New Works	2037/38	\$57,193
Based on 20 year projection Total Growth Capex required		\$ 7,329,613
Amount to be funded by DCs		\$ 9,865,451
Order of projects may change due to actual development pressure areas		
Order may change depending on impending consents		

## Stormwater

Stormwater Schedule		
Project		Estimated Growth Cost
Historical investments for growth		
Current DC Balance Stormwater		\$5,414,808
Capital Projects to Service Feilding Forecast Growth	Planned Year	Growth Project Cost
Stormwater Growth, Port St Stg 2	2018/19	\$618,900
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2018/19	\$50,000
Stormwater Poplar grove detention ponds S/W	2018/19	\$100,000
Stormwater Makino Road rail underpass S/W	2018/19	\$50,000
Stormwater Development - New Works	2018/19	\$100,000
Stormwater Satori Way Stormwater works S/W	2018/19	\$150,000
Stormwater Growth, Pt Churcher Stg 2	2019/20	\$531,568
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2019/20	\$488,484
Stormwater Development - New Works	2019/20	\$48,848
Stormwater Growth, Pt Roots St Stg 2	2020/21	\$830,604
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2020/21	\$190,637
Stormwater Development - New Works	2020/21	\$47,659
Stormwater Supply Growth, Prop Roads 1,2,3	2021/22	\$695,447
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2021/22	\$326,282
Stormwater Development - New Works	2021/22	\$46,612
Stormwater Supply Growth, Roots Stg 3	2022/23	\$536,226
Stormwater, Whole of Feilding Kawa kawa S/W Detention ponds	2022/23	\$487,147
Stormwater Development - New Works	2022/23	\$45,528
Stormwater Supply Growth, Arnott Stg 1	2023/24	\$33,118
Stormwater Development - New Works	2023/24	\$17,782
Stormwater Supply Growth, Arnott Stg 2	2024/25	\$33,558
Stormwater Development - New Works	2024/25	\$17,342
Stormwater Supply Growth, Churcher Ext Stg1	2025/26	\$33,990
Stormwater Development - New Works	2025/26	\$16,910
Stormwater Growth, Prop Road Roots to Prop 2	2026/27	\$34,428
Stormwater Development - New Works	2026/27	\$16,472
Stormwater Growth, Stg 3 Prop Road	2027/28	\$34,869
Stormwater Development - New Works	2027/28	\$16,031
Stormwater Supply Growth, Reid Line West, Stg 1	2028/29	\$979,027
Stormwater Development - New Works	2028/29	\$38,974
Stormwater Supply Growth, Prop Road 2, Stg 1	2029/30	\$867,383
Stormwater Development - New Works	2029/30	\$150,625
Stormwater Supply Growth, Prop Road 2, Stg 2	2030/31	\$872,483
Stormwater Development - New Works	2030/31	\$145,533
Stormwater Supply Growth Stg 4 Makino West, Prop Road 1	2031/32	\$877,391
Stormwater Development - New Works	2031/32	\$140,609
Stormwater Supply Growth Stg 4 Makino West, Prop Road 2	2032/33	\$882,146
Stormwater Development - New Works	2032/33	\$135,854
Stormwater Supply Growth Stg 4 Makino West, Prop Road 3	2033/34	\$886,740
Stormwater Development - New Works	2033/34	\$131,260
Stormwater Supply Growth Stg 4 Makino West, Prop Road 4	2034/35	\$891,179
Stormwater Development - New Works	2034/35	\$126,821
Stormwater Supply Growth Stg 4 Makino West, Prop Road 5	2035/36	\$895,467
Stormwater Development - New Works	2035/36	\$122,533
Stormwater Supply Growth Stg 4 Makino West, Prop Road 6	2036/37	\$899,611
Stormwater Development - New Works	2036/37	\$118,389
Stormwater Supply Growth, Reid Line West, Stg 2	2037/38	\$903,614
Stormwater Development - New Works	2037/38	\$114,386
Based on 20 year projection Total Growth Capex required		\$ 15,778,465
Amount to be funded by DCs		\$ 21,193,273
Order of projects may change due to actual development pressure areas		
Order may change depending on impending consents		

## Roading

Roading Schedule Project				Estimated				
Historical investments for growth								
Current DC Balance (Surplus)							\$806,086	
Location - As Per Structure Plan	Length (m)	Carriage way Width	Cost/m2	Overall Estimate	Growth Component	Rehab Component	Year	
Port Street East Stage 2 (Proposed Road 3 to Churcher Street)	300	10	1400	\$420,000	\$357,000	\$111,300	2018/2019	
Roots Street East Stage 1 (Pharazyn St to Proposed Road 3)	400	10	1400	\$560,000	\$476,000	\$84,000	2019/2020	
Roots Street East Stage 2 (Proposed Road 3 to Churcher Street)	425	10	1400	\$595,000	\$505,750	\$89,250	2020/2021	
Churcher Street Extension (Port St East to Roots St East)	420	11	1500	\$630,000	\$535,500	\$94,500	2021/2022	
Churcher Street Extension (Roots St East to Proposed Road 2)	400	11	1500	\$600,000	\$510,000	\$90,000	2022/2023	
Churcher Street Extension (Proposed Road 2 to Reids Line West)	520	11	1500	\$780,000	\$663,000	\$117,000	2023/2024	
Arnot Street Stage 1 (Pharazyn Street half)	500	9	1300	\$650,000	\$650,000	\$97,500	2024/2025	
Arnot Street Stage 2 ( Reids Line West half)	486	9	1300	\$631,800	\$631,800	\$94,770	2025/2026	
Port Street East Stage 3 (Churcher Street to Makino Stream)	420	8	1250	\$525,000	\$446,250	\$78,750	2026/2027	
Roots Street East Stage 3 (Churcher Street to Makino Stream)	300	8	1250	\$375,000	\$318,750	\$56,250	2027/2028	
Proposed Road 3 Stage 1 (Port Street East to Proposed Road 1)	300	9	1300	\$390,000	\$390,000	\$0	2028/2029	
Proposed Road 3 Stage 2 (Proposed Road 1 to Roots Street)	220	9	1300	\$286,000	\$286,000	\$0	2028/2029	
Proposed Road 3 Stage 3 (Roots Street East to Proposed Road 2)	400	9	1300	\$520,000	\$520,000	\$0	2029/2030	
Proposed Road 3 Stage 4 (Proposed Road 2 to Reid Line West)	300	9	1300	\$390,000	\$390,000	\$0	2030/2031	
Proposed Road 1 Stage 1 (Pharazyn Street to Proposed Road 3)	400	9	1300	\$520,000	\$520,000	\$0	2031/2032	
Proposed Road 1 Stage 2 (Proposed Road 3 to Churcher Street)	430	9	1300	\$559,000	\$559,000	\$0	2032/2033	
Proposed Road 2 Stage 1 (Pharazyn Street to Proposed Road 3)	400	10	1400	\$560,000	\$560,000	\$0	2033/2034	
Proposed Road 2 Stage 2 (Proposed Road 3 to Churcher Street)	425	10	1400	\$595,000	\$595,000	\$0	2034/2035	
Proposed Road 2 Stage 3 (Churcher Street Extension to Makino Street)	260	8	1250	\$325,000	\$325,000	\$0	2035/2036	
Roading Turners Rd				\$1,272,500	\$1,272,500			
Based on 20 year projection				\$ 11,184,300	\$10,511,550	\$913,320		
Amount to be funded by DCs					\$ 9,705,464			
Order of projects may change due to actual development pressure areas								
Order may change depending on impending consents								
Proposed Road 3 may be accelerated forward to create services corridor for development								
#Overall Estimate includes Roading, footpaths, kerb and channel, stormwater sumps & leads, streetlighting, power & fibre installation								

## Parks and Open Spaces

Parks and Open Spaces		
Project	Estimated Growth Cost	Year of Project
Historical investments for growth		
Current DC Balance (Surplus)	\$644,826	
Pharazyn New Park - Land Purchase (4 ha)	\$933,800	2018/2019
Timona to Herlihy (Fences and path)	\$191,546	2018/2019
Johnston Park - Prepare and seal road from Awa to Nelson Street.	\$35,018	2018/2019
Kowhai Park new bird aviaries	\$226,380	2019/2020
Kowhai Park - Playground Development	\$248,504	2019/2020
Kowhai Park - New Gardens - Playground	\$15,435	2019/2020
Makino Precinct Skate Park and development	\$403,689	2019/2020
Makino Precinct - Carpark/planting/seats	\$236,670	2019/2020
Rimu Park - connected to the Makino Stream Reserve/walkway linkage project	\$812,910	2019/2020
Planting and Development of Waughs Road Amenity Strip	\$25,725	2019/2020
Walkways/Reserve Linkages - James Palmer to Rimu - Port St to Root Street section - Land Acquisition	\$200,655	2019/2020
Kowhai Park - Specimen and shade Tree planting	\$4,716	2020/2021
Rimu Park - relocation of the existing Playground	\$78,600	2020/2021
Kowhai Park - Carpark Redevelopment	\$104,664	2021/2022
Kowhai Park - Upgradad and replaced storage and amenity shed	\$99,324	2021/2022
Mt Lees Reserve - Playground upgrade of existing Mt Lees Reserve playground	\$90,780	2021/2022
Pharazyn - Purchase of Pharazyn Walkway: Purchase of Makino Stream Walkway Land	\$907,800	2021/2022
Pharazyn New Park - Playground	\$275,900	2022/2023
Pharazyn New Park - Sports fields including subsurface drainage	\$91,967	2022/2023
Pharazyn New Park - Shelter	\$36,786	2022/2023
Pharazyn New Park - Walkways	\$91,967	2022/2023
Pharazyn New Park - Planting	\$73,574	2022/2023
Pharazyn New Park - Fencing	\$110,360	2022/2023
James Palmer to Rimu (Fences and path)	\$187,853	2022/2023
Feilding Golf Course - Esplanade Walkway Development - Phase 1 - Land Purchase/Easement Access	\$81,675	2022/2023
Himurangi Beach Sandown Subdivision Walkway - Land Acquisition	\$144,300	2023/2024
Kowhai Park - New Gardens - Open Lawn	\$16,650	2023/2024
Rimu Park - Walkways	\$105,097	2023/2024
Rimu Park - Subsurface drainage of sports fields	\$105,097	2023/2024
Victoria Park - Playground - Development of new playground	\$105,450	2023/2024
Waugh's Road Amenity Strip Purchase	\$499,500	2023/2024
Johnston Park - Upgrading provision of toilets at park to provide accessible toilets.	\$127,650	2023/2024
Himurangi Beach Sandown Subdivision Walkway Development	\$23,793	2024/2025
Kowhai Park - Stream access/natural water play	\$77,044	2024/2025
Planting and Development of Waughs Road Amenity Strip	\$96,305	2024/2025
Walkways/Reserve Linkages - James Palmer to Rimu - Sherwill Street Footbridge	\$209,605	2024/2025
Walkways/Reserve Linkages - James Palmer to Rimu - Port St to Root Street section - Development	\$308,176	2024/2025
Western Walkway (Fences and path)	\$441,413	2024/2025
Kowhai Park - Rose Garden Seating	\$20,808	2025/2026
Kowhai Park - Rata Street Fence upgrade	\$27,744	2025/2026
Awahuri Forest- Kitchener Park - Cycleway Link	\$184,960	2025/2026
Kowhai Park - Boardwalk and wetland/riparian planting	\$56,640	2026/2027
Feilding Golf Course - Esplanade Walkway Development - Phase 2 - Walkway Development	\$159,300	2026/2027
Ranfurly New Park - Land Purchase (2 ha)	\$638,062	2028/2029
Districtwide - Walkway Linkage – Esplanade Reserve Acquisition Fund	\$75,000	2029/2030
Pharazyn – Development of Bailey Subdivision walkway	\$525,000	2029/2030
Districtwide - Walkway Linkage – Esplanade Reserve Acquisition Fund	\$75,000	2032/2033
Western Walkway (Fences and path)	\$389,597	2033/2034
Precinct 5 – Kawakawa Rd Industrial - Oroua River Walkway Land Acquisition	\$750,000	2033/2034
Precinct 1 - Awahuri Road – Connection to Rata Street Walkway	\$195,000	2033/2034
Districtwide - Walkway Linkage – Esplanade Reserve Acquisition Fund	\$75,000	2035/2036
Precinct Four/Pharazyn - New Public Toilet	\$306,800	2036/2037
Precinct 5 – Kawakawa Rd Industrial - Oroua River Walkway – Development	\$450,000	2037/2038
Forecast Growth related investment 20 years	\$11,755,289	
Amount to be funded by DCs	\$11,110,463	

## Appendix E - Analysis of Benefits – Section 101(3) Local Government Act 2002 Requirements

The Council has determined the appropriate funding sources to meet the expected total capital cost of growth capital expenditure identified in the schedules of this Development Contribution Policy. Council has elected to fund through Development Contributions the total cost of growth related capital expenditure. Section 101(3) of the Local Government Act 2002 requires that the following be considered:

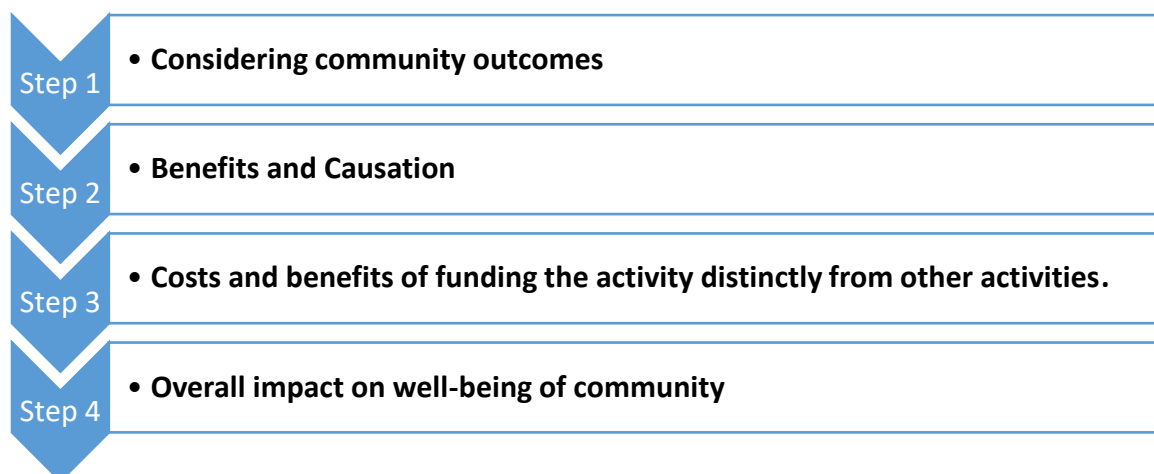
*The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:*

*(a) in relation to each activity to be funded:*

- (i) the community outcomes to which the activity primarily contributes;*
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;*
- (iii) the period in or over which benefits are expected to occur;*
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

*(b) The overall impact of any allocation of liability for revenue needs on the community.*

The Council has followed the four steps outlined below in making the above assessment. These steps are discussed in detail below.





### Step 1 - Considering community outcomes (section 101(3)(a)(i))

Community outcomes are as identified in the Introduction section to the current Long Term Plan. For the purposes of the Development Contribution Policy, activities have been grouped into:

- Parks and Reserves;
- Water supply,
- Wastewater,
- Stormwater, and
- Roding.

Development Contributions have been established to support these activities and help deliver the community outcomes to which each group of activities contributes as shown below:

**Table 1 – Manawatū District Council infrastructure activities contributions to Community Outcomes**

	Water	Wastewater	Stormwater	Roding	Parks and Reserves
Manawatū District will improve the natural environment, stewarding the District in a practice aligned to the concept of kaitiakitanga which translates as holistic guardianship.	✓	✓	✓		✓
The Manawatū District will attract and retain residents.	✓	✓	✓	✓	✓
Manawatū District develops a broad economic base from its solid foundation in the primary sector	✓	✓		✓	
Manawatū and its people are connected via quality infrastructure and technology				✓	
Manawatū's built environment is safe, reliable and attractive				✓	✓

## **Step 2 – Benefits and Causation**

Under sections 101(3)(a)(ii) through (iv), Council also has to consider who benefits from the community facilities, over what time period, and who created the need.

When having regard to how Council activities contribute to identified community outcomes, the Council develops a programme of infrastructural capital works and reserves purchases. For each of the individual capital projects included in the programme, the Council assesses who created the need for that project, who will benefit from the asset that it creates and how long that benefit will last.

The Council has:

- estimated the extent of growth within the overall District and Feilding, translated this estimated growth into an expected number of Household Unit Equivalents (HUE); and
- identified the capital expenditure necessary to meet the needs of the growth community (summarised in Table 3).

Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the Long Term Plan, those new developments create the need for new community facilities which requires the Council to incur capital expenditure.

The Council also recognises that there may be capital expenditure necessary to increase the level of service for all, due to:

- ratepayers who want increased levels of service;
- obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions; and
- visitors to the District using the facilities.

The allocation of the benefits and the costs has had regard to these factors.

For each of the individual projects that require capital expenditure to cater for growth, the Council makes an assessment about whether the asset being created will benefit the existing community or the new developments, or both of those groups. In making this assessment, the Council will consider a number of factors, including:

- the capacity of existing facilities to meet stated levels of service;
- the extent to which the relevant capital project will provide:
  - i. an increased level of service; or
  - ii. a new service.

For each individual project that requires capital expenditure, the Council determines the length of time over which the asset created by that expenditure will provide a benefit to the community.

## **Step 3 – Costs and benefits of funding the activity distinctly from other activities**

On an activity by activity basis, the Council considers the costs and benefits of funding each activity distinctly from other activities as required by s101(3)(a)(v). This analysis is contained in the Revenue and Finance Policy. The benefits of additional community



infrastructure capacity generally accrue to the improved or new properties generating demand for that capacity.

The Council considers that the use of Development Contributions to fund the cost of growth in community facilities, in proportion to the benefit received by forecast developments, provides the benefits of greater transparency, greater accountability and intergenerational equity.

The current community facilities for Stormwater, Water and Wastewater servicing the Feilding urban area are not sufficient to cater for growth. In contrast the rural townships have considerable capacity in these facilities after many years of static or declining population and household numbers, and Council has a strategic goal of supporting and growing these townships.

#### **Step 4 – Overall impact on well-being of community**

Finally, the Council considers how funding each activity will impact on the wellbeing of the community.

Development Contributions are considered to be fair because they allocate growth costs to the section of the community that creates the need for Council to incur that expenditure, i.e. developers, new residents and new business activities.

Council must balance the overall impact of rates and fees and charges. Development Contributions need to be set at a level which still enables development and they must be levied in a fair, reasonable and equitable manner. Setting Development Contributions at a level that does not fund growth would impose an unfair burden on the economic wellbeing of the existing ratepayer community.

Additional analysis for each of the following types of community facilities is set out in chapter 5:

- Water: section 5.2
- Wastewater: section 5.3
- Roading: section 5.4
- Stormwater: section 5.5
- Parks and Reserves: section 5.6

The following analysis sets out the rationale for Council identifying two catchment areas for Development Contribution charges for Water, Stormwater and Wastewater, and one catchment for Roading and Parks and Reserves and other Community Infrastructure.

#### ***Roading***

Roading is considered one network for the district.

All properties have access to the network and levels of service are standardised across the network as set by the Council and the One Network Road Classification system of the New Zealand Transport Authority. The vehicle movements generated from a development can access all parts of the network without further charges by Council. Traffic modelling and counts show an interconnected network as residents and businesses access work, home, recreation and friends.

Development creates additional traffic flows onto the network. While individual households and businesses will generate different levels of traffic movement it is not feasible to identify the individual impacts. For households a uniform impact of one HUE is assumed, equal to eight vehicle movements a day. For commercial and industrial developments an assessment based on this number of vehicle movements will be carried out at the building consent stage.

This is consistent with the way Council rates for Roothing. Further analysis is contained in the Revenue and Finance Policy.

### ***Parks and Reserves and other Community Infrastructure***

Parks and reserves assets are open to all residents and visitors to access free of charge. New developments increase the number of residents and generate increased demand for passive and active recreational facilities, as well as assets such as toilets and community halls.

Regardless of the location of the development, additional residents utilise a range of facilities. Council has reserve land, halls and other assets located across the District. While the majority of growth related projects are focused on Feilding, many of these will be utilised by residents from throughout the district. Walkways, major playgrounds and premier parks are located in the areas of greatest population density.

### ***Water***

The water networks service urban and industrial areas and are funded by properties connected to each network. Across the district only Feilding requires additional capacity to cater for expected growth. As such Development Contribution charges only apply to the Feilding network area, and developments that will be serviced by the Feilding network.

The Feilding network is operated as a single network system, and all properties connected are charged the same for operating costs. The network is designed to achieve the same level of service for water quality and delivery. There is a single source of water and one treatment plant. For these reasons there is a single Development Contribution charge for the costs that growth creates for the Feilding water network area.

### ***Wastewater***

The wastewater networks service urban and industrial areas and are funded by properties connected to each network. Across the district only Feilding required additional capacity to cater for expected growth. As such Development Contribution charges only apply to the Feilding network area, and developments that will be serviced by the Feilding network.

The Feilding network is operated as a single network system, and all properties connected are charged the same for operating costs. The network is designed to achieve the same level of service for water quality and delivery. There is a single treatment plant and discharge. For these reasons there is a single Development Contribution charge for the costs that growth creates for the Feilding water network area

### ***Stormwater***

The networks service urban and industrial areas and are funded by properties connected to each network. Existing stormwater flows within catchments are also generated from flows from rural areas upstream of urban areas. Stormwater within urban areas is generated as

runoff of rainfall from impervious hard surfaces and saturated ground. Across the district only Feilding required additional capacity to cater for expected growth. The need for additional stormwater network services is generated by development and the downstream impacts have to be catered for.

There have been significant changes to the requirements to control and capture stormwater since the previous Development Contribution Policy was adopted. Rules set by Horizons now require stormwater neutrality from new developments during peak stream / river flows. The result is that Council and developers cannot plan to discharge parts of stormwater runoff during peak flow events. Council has invested, and is planning to continue to invest, significant sums in additional / larger piped networks in the north and central parts of Feilding, and retention ponds in the south of Feilding to meet the new requirements.

This has led to Council changing stormwater Development Contribution areas from seven areas in Feilding to one. Regardless of where the development is located in Feilding it will add to the need for larger pipes and retention ponds to reduce runoff into the waterways during peak flows.