

Development Contributions Policy 2009–19

Part 1 Introduction

152 1.0 Introduction

- 1.1 How to find your way around this policy
- 1.2 What is a development contribution?
- 1.3 Application of development contributions
- 1.4 Relationship with financial contributions and works and services in the City Plan
- 1.5 Effective date
- 1.6 Supporting information for this policy

Part 2 Operation of Policy

153 2.0 Glossary of terms

155 3.0 Application of the policy and schedule of development contributions

- 3.1 Assessment and payment
 - 3.1.1 Requirement for development contributions
 - 3.1.2 Timing of assessment and payment
 - 3.1.3 Enforcement powers of the Council if development contribution is not paid
- 3.2 How to calculate your development contribution
 - 3.2.1 Step 1 – Determining the number of HUEs per activity
 - 3.2.2 Step 2 – Determining HUE credits
 - 3.2.3 Step 3 – Calculate net increase in HUEs (demand) from the development
 - 3.2.4 Step 4 – Identify development contribution catchment
 - 3.2.5 Step 5 – Check schedule of development contributions for reserves and network and community infrastructure
 - 3.2.6 Step 6 – Calculate the development contributions for reserves and network and community infrastructure
 - 3.2.7 Step 7 – Calculate total development contribution

Part 2 Operation of Policy (cont'd)

- 3.3 Additional information on assessing the development contribution payable
 - 3.3.1 Cash and/or land for development contributions for reserves
 - 3.3.2 Basis of land valuation
 - 3.3.3 Private developer agreements
 - 3.3.4 When the Council will not require a development contribution
 - 3.3.5 Other charges
 - 3.3.6 Construction demand
- 3.4 Postponement, review, remission, reduction and refund of development contributions
 - 3.4.1 Postponement of development contributions
 - 3.4.2 Review of development contributions
 - 3.4.3 Remission and reduction of development contributions
 - 3.4.4 Refund of development contributions

Part 3 Substantiation of Policy

183 4.0 Basis for the policy

- 4.1 Statutory requirements and options for contributions
 - 4.1.1 Development contributions
 - 4.1.2 Financial contributions
- 4.2 Review of the policy

185 5.0 Planning for growth

- 5.1 Growth model
- 5.2 Application of household unit equivalents (HUEs) as the unit of demand

188 6.0 Rationale for funding the costs of growth through development contributions (consideration of Section 101(3) of the LGA)

- 6.1 Overview
- 6.2 Step 1 – Considering community outcomes
- 6.3 Step 2 – Benefits of performing the activity
- 6.4 Step 3 - Funding the activity
- 6.5 Step 4 – Considering community wellbeing

191 7.0 Capital expenditure in response to growth

- 7.1 Activities and catchments for which development contributions may be required
- 7.2 Capital expenditure already incurred in anticipation of growth
- 7.3 Use of development contributions

195 8.0 How development contributions have been calculated

- 8.1 LGA requirements
- 8.2 Level of service
- 8.3 Cost allocation methodology
- 8.4 Funding model
- 8.5 Significant assumptions

Part 4 Appendices

- 199 Appendix 1 Methodology to establish HUE equivalences

Christchurch City Council

Development Contributions Policy

Part 1 Introduction

1.0 Introduction

The Development Contributions Policy (DCP) 2009-19 is part of, and is to be read in conjunction with, Our Community Plan – Christchurch O-Tautahi 2009-19, being Christchurch City Council's Long-Term Council Community Plan (LTCCP).

This policy applies within the territorial boundaries of Christchurch City Council (Council), including Christchurch City and Banks Peninsula.

The Council has been experiencing growth pressures, particularly on the northern and south-western periphery of Christchurch City, in the inner city and in the small residential and rural-residential settlements on Banks Peninsula. This growth is placing a significant strain on existing reserves, network infrastructure and community infrastructure and raises questions about how to fund such new infrastructure.

The Local Government Act 2002 (LGA) allows councils to require development contributions from developers to assist in funding community facilities if the effect of their developments requires the councils to provide new or upgraded infrastructure. The Council has prepared this policy to detail how it will do this.

The basis, structure and application of the DCP 2009-19 builds on earlier DCPs, including by a Council-appointed joint Council and development industry working party. Significant changes made between the DCP 2007-09 and this policy are:

- adoption of revised catchments for reserves;
- extension of development contributions for community infrastructure to include for libraries and cemeteries; and
- removal of the transitional discount.

Other changes include:

- clarification that development contributions for reserves include development contributions for regional parks, garden and heritage parks, sports parks and neighbourhood parks; and
- clarification that transport-related development contributions for network infrastructure include development contributions for the road network, active travel, parking and public transport.

The level of costs allocated to growth for major projects, and a random sample of smaller projects, has been independently reviewed to ensure that cost allocations for different projects are robust and consistent. Independent audits will continue following the adoption of this policy and will feed into the next LTCCP/DCP.

1.1 How to find your way around this policy

This policy is in four parts:

- Part 1 Introduction (Section 1.0);
- Part 2 Operation of policy (Sections 2.0 – 3.0). This explains what development contributions are payable, how they are calculated, when they are assessed and when they need to be paid;
- Part 3 Substantiation of policy (Sections 4.0 – 8.0). This explains the legislative framework and the process, rationale and methodology for the Council making the decision to use development contributions to fund growth-related capital expenditure; and
- Part 4 Appendices (Appendices 1 – 2). These contain the methodology used to establish the HUE equivalences.

1.2 What is a development contribution?

A development contribution is a contribution from developers of cash and/or land to fund the additional demand for reserves, network infrastructure and community infrastructure created as a result of growth.

Development contributions may be required in relation to developments if the effect of the developments (on their own or in combination with another development) is to require new or additional assets of increased capacity and the Council incurs capital expenditure to provide reserves, network infrastructure and community infrastructure. This includes development contributions to pay, in full or part, for capital expenditure already incurred by the Council in anticipation of the developments.

1.3 Application of development contributions

This policy provides for the Council to impose development contributions to fund growth-related capital expenditure on:

- Reserves:
 - Regional parks;
 - Garden and heritage parks;
 - Sports parks; and
 - Neighbourhood parks.
- Network infrastructure:
 - Water supply;
 - Wastewater collection;
 - Wastewater treatment and disposal;
 - Waterways and land drainage;
 - Road network;
 - Active travel;
 - Parking; and
 - Public transport.
- Community infrastructure:
 - Leisure facilities;
 - Libraries; and
 - Cemeteries.

1.4 Relationship with financial contributions and works and services in the City Plan

This DCP is distinct from, and in addition to, the City Plan provisions that allow the Council to require financial contributions under the Resource Management Act 1991 (RMA). Financial contributions are contributions that can be imposed under the RMA where provided for by the City Plan and as a condition of resource consent. Development contributions and the DCP are created under the LGA, not the RMA. The Council cannot collect development contributions and financial contributions for the same purpose. The Council will continue to impose financial contributions in accordance with the City Plan (refer to section 4.1.2 of this policy).

Development Contributions Policy

Development contributions for network and community infrastructure are for the installation or improvement of assets over and above the works and services required in respect of a subdivision or development, as explained in Section 3.3.5, and are usually, but not exclusively, located beyond the development boundaries.

1.5 Effective date

The inaugural version of the Council's DCP was adopted as part of the LTCCP 2004-14, effective as of 1 July 2004. Subsequent DCPs were adopted as part of the LTCCP 2006-16, effective as of 1 July 2006, and as an amendment to the LTCCP 2006-16, effective as of 1 July 2007. This DCP, adopted as part of the draft LTCCP 2009-19, is effective as of 1 July 2009.

1.6 Supporting information for this policy

The following supporting information for this policy is obtainable online at <http://www.ccc.govt.nz/thecouncil/plans/longtermcouncilcommunityplan/dcp200919.aspx> and at the Council's Civic Offices, 163-173 Tuam Street:

- Council 2009-2019 LTCCP Growth Model;
- Schedule of growth-related capital expenditure;
- Workings supporting the growth allocation of capital expenditure projects;
- Catchment maps (both city-wide and local), for a more detailed view down to individual property boundaries; and
- Methodology for Determining Development Contributions.

Part 2 Operation of Policy

2.0 Glossary of terms

In this policy, unless the context otherwise requires:

Active travel means walking, cycling and other non-motorised forms of transport.

Activity means the provision of community facilities by the Council, as grouped within the following capital programmes:

- Reserves:
 - Regional parks;
 - Garden and heritage parks;
 - Sports parks; and
 - Neighbourhood parks.
- Network infrastructure:
 - Water supply;
 - Wastewater collection;
 - Wastewater treatment and disposal;
 - Waterways and land drainage;
 - Road network;
 - Active travel;
 - Parking; and
 - Public transport.
- Community infrastructure:
 - Leisure facilities;
 - Libraries; and
 - Cemeteries.

BA means Building Act 2004.

Backlog means that portion of a project that relates to historical catch-up to meet the required level of service for the existing community.

Banks Peninsula means applicable within the territorial boundaries of the former Banks Peninsula District Council only, i.e. pre-merger with the Council.

Base units means the demand of an average household unit for each activity.

BPDC means the former Banks Peninsula District Council, i.e. pre-merger with the Council.

Catchment means a geographical area of the City for which separate development contributions exist.

Christchurch City means applicable within the territorial boundaries of the former Council only, i.e. pre-merger with the BPDC.

City Plan means Christchurch City Plan, operative in part from 21 November 2005, and the former Banks Peninsula Proposed District Plan, notified 30 January 1997, including as amended or substituted.

City/City-wide means applicable to Christchurch City and Banks Peninsula.

Community facilities means reserves, network infrastructure or community infrastructure for which development contributions may be imposed.

Community infrastructure means land, or development assets on land, owned or controlled by the Council to provide public amenities, including land that the Council will acquire for that purpose.

Community services development means land or development assets on land owned or controlled by private providers of public amenities (including land leased from the Council) which consume infrastructural capacity, such as sporting, educational, cultural, religious and charitable activities.

Complete application means an application that is complete, as prescribed in Section 88 of the RMA and/or Section 45 of the BA.

Cost allocation means the allocation of the capital costs of a project to the various drivers for the project, such as renewal, backlog and additional capacity to meet growth.

Council means the Christchurch City Council.

Credits means credits as calculated under Section 3.2.2 of this policy.

DC means development contribution.

DCP means Development Contributions Policy. This policy is effective as of 1 July 2009 until such time as it is reviewed or amended.

Christchurch City Council

Development Contributions Policy

Developed means land on which physical improvements have been made or where development to land has occurred (refer to the definition of ‘development’).

Developer means an individual or firm, or a group of individuals or firms, who is/are an applicant for a consent or service connection for which a development contribution is assessed under this policy.

Development means:

- (a) any subdivision, building, land use or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) excluding the pipes, lines or lots of a network utility operator.

Examples include residential development, being the creation of additional lots and/or household units, and non-residential development, being the creation of additional lots and/or an increase in gross floor area (GFA), water usage, impervious surface area (ISA) and traffic movements (VPD), including through a change in land or building use.

Effective date means the date on which any version of the DCP took or takes effect as set out in Section 1.4.

Family flat means self-contained living accommodation, whether contained within a residential unit or located separately to a residential unit on the same site, which is occupied by family member(s) who are dependent in some way on the household living in that residential unit; and which is encumbered by an appropriate legal instrument which ensures that the use of the family flat is limited to dependent family members of the household living in the residential unit.

Funding model means the funding model developed by the Council to support the DCP.

Funding period means the period over which the funding model applies, which is not less than 10 years. Otherwise it is the lesser of the asset capacity life, asset useful life or 30 years.

GFA means gross floor area, being the sum of the total area of all floors of all buildings. The GFA is measured from the exterior walls or from the centre line of walls separating two buildings and excludes:

- car parking;
- loading docks;
- vehicle access and manoeuvring areas/ramps;
- plant and equipment enclosures on the roof;
- service station canopies;
- pedestrian circulation space in an enclosed retail shopping centre, and any foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Growth model means the processes used to determine the anticipated future residential and non-residential growth for each catchment.

GST means Goods and Services Tax.

HUE means household unit equivalent.

Industrial means the use of land, infrastructure and buildings for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles; the servicing and repair of goods and vehicles whether by machinery or hand; or any other similar activities.

Infrastructure Design Standard means Infrastructure Design Standard, operative 1 July 2009, including as amended or substituted. The IDS replaces the Christchurch Metropolitan Code of Urban Subdivision.

ISA means the impervious surface area to be drained to the reticulated surface water network.

Leisure facilities means facilities used for leisure purposes and includes swimming pools and other sporting facilities.

Level of service means the standard of service provided for each activity.

LGA means Local Government Act 2002.

Lot means the same as ‘Allotment’ in the Christchurch City Plan.

LTCCP means the Christchurch Long Term Council Community Plan 2009-19. The LTCCP covers a period of not less than 10 consecutive financial years from the date of adoption.

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

Non-residential means any development of land or buildings that does not fall under the definition of ‘residential.’

NZTA means New Zealand Transport Agency.

Private developer agreement means any private agreement relating to a development that is assessed for development contributions and signed between a developer and the Council under Section 3.3.3 of this policy.

Renewal means that portion of project expenditure that has already been funded through depreciation of the existing asset.

Reserves means land acquired or purchased for a reserve, including the cost of providing improvements necessary to enable that land to function as a reserve useable for its intended purpose as defined in the Reserves Act 1977.

Residential means the use of land and buildings for living accommodation purposes, including residential units, serviced apartments (except where used for travellers’ accommodation) and unit/strata developments, but excluding travellers’ accommodation (such as hostels, hotels and motels) and prisons.

Residential unit means a self-contained building (or group of buildings, including accessory buildings) used for a residential activity by one or more persons who form a single household. Where there is more than one kitchen on a site (other than a kitchen in a family flat) there will be deemed to be more than one residential unit. A residential unit may include no more than one family flat as part of that residential unit.

Retail means the use of land, a building or parts of a building for the sale or display of goods or the offer of goods for hire.

Development Contributions Policy

Retirement village means a development that contains two or more residential units and shared-use community facilities for the residential accommodation of people who are predominantly retired and/or require residential care. Retirement villages are the only residential activity that have a HUE equivalence.

RMA means Resource Management Act 1991.

Rural means the use of land or buildings for the purposes of agricultural, horticultural or pastoral farming; intensive livestock management; boarding or training of animals; outdoor recreation activity; or forestry; or any other similar activities; and may include a residential unit.

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

Site means the area covered by the development being assessed for development contributions, being made up of one or more lots or part lots.

Small residential unit means a residential unit less than 100m² (inclusive of 17.05m² parking allowance). Examples include an elderly person's housing unit, high-rise apartment and serviced apartment.

Subdivision means the same as a 'subdivision' under the RMA.

UDS means The Greater Christchurch Urban Development Strategy.

Undeveloped means land on which development, as defined in this policy, has not been undertaken and includes lots deemed to be undeveloped under Section 3.2.2 of this policy.

Unit, for the purposes of accommodation, means a separate and habitable area, e.g. a motel unit or hotel room.

Unit of demand means a HUE, being the typical demand for an activity by an average household.

VPD means vehicles per day (two way trips).

3.0 Application of the policy and schedule of development contributions

Section 3.0 contains the Council's schedule of development contribution charges payable by activity in different parts of the City and the event that will give rise to the requirement.

3.1 Assessment and payment

3.1.1 Requirement for development contributions

The Council may require a development contribution, in accordance with Sections 197 and 199 of the LGA where:

- (a) a particular subdivision or development proposal generates a demand for reserves, network infrastructure or community infrastructure;
- (b) the subdivision or 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; and
- (c) the development contributions policy provides for the payment of a contribution in the circumstances.

For such development, the Council may require that a development contribution be paid under Section 198 of the LGA when:

- Resource consent (including a certificate of compliance) is granted under the RMA for a development; or
- Building consent (including a certificate of acceptance) is granted under the BA for building work; or
- Authorisation for a service connection is granted.

Development that does not generate additional demand for community facilities will not be liable to pay a development contribution. An example of such development could include the unit or strata titling of an existing development.

3.1.2 Timing of assessment and payment

Applicable policy

Under the LGA, a development contribution can be required for any resource consent, building consent or authorisation for a service connection granted on or after 1 July 2003 and lodged after 19 December 2001.

The Council's policy is that only applications lodged and granted on or after 1 July 2004 (the date on which the Council's inaugural DCP came into force) will be subject to development contributions.

Developments which have completed the consenting process, i.e. have already been granted all necessary consents and authorisations, will not attract any additional development contributions. This means that any consents and authorisations applied for before 1 July 2004, and all those subsequently applied for, assessed and approved under the DCPs 2004-14, 2006-16 and 2007-09, will not be reassessed for or attract any additional development contributions.

On any application for further consent or authorisation in relation to a development, credit will be given for any development contributions previously paid or the pre-existing status of the development in accordance with Section 3.2.2.

If a complete application for resource consent, building consent, or service connection authorisation is received by the Council before the effective date for this or any previous policy then, even if it is not granted before the effective date, the development contribution will be assessed in accordance with the DCP that applied at the time the complete application was received by the Council.

If a complete application is received by the Council on or after 1 July 2009 then the development contribution will be assessed in accordance with this policy.

Christchurch City Council

Development Contributions Policy

Assessment

The Council will assess whether development contributions are payable before granting:

- A resource consent (subdivision or land use); or
- A building consent; or
- An authorisation for a service connection that is not part of a resource consent or building consent.

As a general rule, development contributions will be assessed at the resource consent (subdivision) and building consent stages. Resource consent (land use) and service connection applications provide an opportunity for the Council to assess any development which is independent of subdivision or building activity. As with any assessment, only the additional demand on community facilities being created by a development will be assessed for development contributions.

The Council will invoice the assessed development contribution for:

- Resource consents (subdivision) – prior to release of the Section 224(c) certificate (including, in the event of a staged subdivision consent, prior to the release of the Section 224(c) certificate for each stage).
- Resource consents (land use) – prior to commencement of the consented development.
- Building consents – prior to issue of the code compliance certificate.
- Service connection – prior to authorisation for connection.

Development contributions will be assessed and advised at the earliest opportunity and reassessed and invoiced at each later stage at which a development contribution may be payable for a development. Where previous development contributions have been assessed and paid, a development contribution is sought only in relation to the additional demand created by each stage as assessed. Generally, the Council considers that the

resource consent (subdivision) stage is the most appropriate time to take a development contribution, for the following reasons:

- It creates the legal framework for the development of the lots and buildings which cause the demand for additional reserves, network infrastructure and community infrastructure;
- Practicality of implementation;
- Economies of scale in implementation cost;
- Fairness; and
- Best available knowledge for projections and allocating budgets.

Large subdivisions may be developed in stages, where one resource consent (land use) may be granted for the entire development prior to any resource consents (subdivision) being granted. In such situations, the Council may collect the initial DC at the time of issuing the land use consent or, at its discretion, may defer this collection until the subsequent subdivision consents are issued.

Similarly, development contributions will be sought at resource consent (land use) or building consent stage, or on application for a service connection, where intensification for residential or non-residential purposes takes place independently of subdivision, although credits under Section 3.2.2 may be available to ensure only additional demand is assessed at each stage.

Payment

Development contributions must be paid on invoice. Without limiting the Council's ability to recover development contributions under Section 208 of the LGA, reassessment of the development contribution payable will occur under the DCP which is current at the time of reassessment if payment for all activities assessed is not received within 12 months of issuing the assessment or reassessment. The Council may enter into a memorandum of agreement or encumbrance if standard payment terms cannot be achieved.

Applications to vary consents or the conditions of consents

Where applications are granted to vary consents or the conditions of consents, resulting in a change to HUEs, GFA, ISA or actual demand calculated for special assessments (to the extent of the variation), these will be considered to be new development for the purpose of requiring development contributions and revised, or new assessments of the development contributions payable will be issued. The receipt of applications for new development will not limit the Council's ability to collect any development contribution already owing in relation to existing development under Section 208 of the LGA.

3.1.3 Enforcement powers of the Council if development contribution is not paid

If payment of the development contribution is not received on invoice the Council will use the powers outlined in Section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid, the Council may:

- in the case of a development contribution required under Section 198(1)(a) of the LGA:
 - withhold a certificate under Section 224 (c) of the RMA;
 - prevent commencement of a resource consent under the RMA.
- in the case of a development contribution required under Section 198(1)(b) of the LGA, withhold a code compliance certificate under Section 95 of the BA;
- in the case of a development contribution required under Section 198(1)(c) of the LGA, withhold a service connection to the development; and
- 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 is required.

Development Contributions Policy

3.2 How to calculate your development contribution

Table 3.2 Process for determining development contribution charge

Step 1 – Number of HUEs per activity	Determine the number of HUEs applicable to the development (refer to Section 3.2.1).
Step 2 – HUE credits per activity	Determine any credits applicable (refer to Section 3.2.2 and Table 3.2.2a).
Step 3 – Net increase in demand per activity	Calculate the increase in HUEs (Step 1 minus Step 2) (refer to Section 3.2.3).
Step 4 – Development contribution catchment per activity	Refer to Section 3.2.4 and check what (geographical) development contribution catchment the development lies within.
Step 5 – Pricing schedule	Refer to the Schedule of development contributions (Table 3.2.5) and identify the development contributions payable per HUE for the catchment for each activity.
Step 6 – Charge per activity	For each activity multiply the net increase in the number of HUEs (Step 3) by the charges payable (Step 5). Sum the results for each activity to achieve the total charge.
Step 7 – Development contribution charge	Add GST of 12.5%.

3.2.1 Step 1 – Determining the number of HUEs per activity

If the Council has assessed a development as one coming within Sections 197 and 199 of the LGA, it then determines the HUEs based on whether the development is residential or non-residential.

For resource consent (subdivision) applications, the Council will assess (based on zoning and site-specific factors) whether the likely development on the lot will be residential.

Where the site being developed will not be within the areas of service in respect of water supply, wastewater collection, treatment and disposal or waterways and land drainage, on completion of the development no HUE assessment will be made for those activities at that time. However, if, at a future time, the above catchment boundaries expand and/or the site or any part of it is to be connected or further developed and is thus able to use such services, it may attract a development contribution for those activities.

Residential development

For resource consent (subdivision) applications where the Council has determined that the likely development will be residential, it is assumed that every lot created will contain one household unit. A development contribution at the rate of 1 HUE per lot for each activity will be assessed. For any application for resource consent, building consent or service connection for residential activity, a development contribution will be assessed at the rate of 1 HUE per household unit for each activity. A lot that accommodates more than one household unit by virtue of containing more than one kitchen (other than a kitchen in a family flat) will be assessed at a rate of 1 HUE per kitchen as appropriate to the circumstances.

Where the development includes two or more additional residential units, a small residential unit adjustment will apply for residential units less than 100m² each (inclusive of 17.05m² parking allowance per unit). The adjustment reduces the HUE calculation

on a sliding scale from 100% to 60% for residential units less than 100m² each. For example, if the average size of the units is 80m² the small residential unit adjustment reduces the HUE assessment to 0.8 HUEs per unit (80%).

Where two or more residential units are attached in a configuration that does not increase ISA over the average HUE demand, then the charge will be the greater of 1 HUE or actual demand on ISA determined by the area to be drained to the reticulated surface water network.

The Council will not assess any development contribution in respect of consent applications to replace or enlarge the GFA of any existing residential unit, except where the existing residential unit/s have received a small residential unit adjustment in a prior development contributions assessment (note that replacement of an existing residential unit receives 1 HUE credit for each activity under Section 3.2.2).

Non-residential development

For resource consent (subdivision) applications where the Council determines that the likely development is non-residential, HUEs will be assessed for each activity at 1 HUE per additional lot.

For non-residential applications for resource consent (land use), building consent or for service connection, HUEs will be assessed for each activity based on whether demand is known or determined by zone and site-specific factors, including GFA on building. All non-residential development will be assessed accordingly for leisure facilities and libraries, for the following reasons:

- it improves equity between residential and non-residential activities;
- it recognises that some of the workforce associated with non-residential activities are not residents of Christchurch; and
- both that workforce and non-residential activities, in addition to the City's residents, can be users of leisure facilities and libraries and can change the pattern of demand.

Christchurch City Council

Development Contributions Policy

All non-residential development will be assessed at zero HUEs for cemeteries.

Non-residential buildings accessory to rural activities, which do not place additional demand on infrastructural services, will be assessed at zero HUEs for each activity.

Non-residential demand is known

Where the Council is satisfied that demand for an activity is known, the HUE for each activity is calculated from the base units in the following Table 3.2.1a. By comparing expected demand against the figure contained in the third column, a HUE for that activity for the development can be obtained.

Table 3.2.1a Base unit measures for assessment of non-residential development

Activity	Base unit measure	Demand per HUE	Comments
Water supply	Litres per day	571	Design demand from Infrastructure Design Standard
Wastewater collection, treatment and disposal	Litres per day	456	Design demand from Infrastructure Design Standard
Waterways and land drainage	Impervious area m ²	427	Assessed average impervious area per household
Transport-related	Vehicles per day	10	Assessed as passenger car unit equivalents

No HUE assessment for development contributions for reserves is undertaken on non-residential development, except on an application for resource consent (subdivision) where the demand is assessed at 1 HUE per additional lot.

Non-residential demand is unknown

Where the Council is not satisfied that demand for an activity is known, the HUE for each activity is calculated from the following Table 3.2.1b.

Christchurch City Council

Development Contributions Policy

Extraordinary circumstances and special assessment

If a development has a significantly different impact than that envisaged in the averaging implicit in the above methodology, a ‘special assessment’ may be undertaken at the Council’s discretion. The developer will be required to provide detailed calculations of their development’s present and future demand on community facilities. Using the base unit/HUE conversions, these will be converted to HUEs in the same manner as defined in Table 3.2.1a and charged accordingly on the net increase in HUEs. This additional information could be requested or provided at the pre-application stage, or as part of a further information request under Section 92 of the RMA or Sections 33 or 48 of the BA.

In order to provide greater certainty as to when a special assessment would be required, it is proposed that a special assessment will only be required in the following circumstances:

- For transport, where the type of development proposed is not adequately covered by the standard classes of land use (refer to Table 3.2.1b). This would include, for example, applications such as education, wet industries, hospitals, medical centres, gymnasia, sports stadia, airports, courier depots and any other land uses for which an equivalent is not provided; and/or
- Where the demand for an activity from the development is expected to be greater than double the value identified as average for that type or location of development (refer to Tables 3.2.1a and 3.2.1b).

At the time of writing this policy, the Council was investigating transport-related trip generation. When this work is completed, it will be applied when undertaking special assessments under this policy. It will also be used to inform the development of the next DCP.

Summary

The following table summarises the HUE assessment process.

Table 3.2.1c Summary of HUE assessments

Activity	Subdivision	Other Development
Residential	1 HUE per activity per additional lot.	1 HUE per activity per additional household unit, including units in strata title type developments, subject to the small residential unit adjustment.
Non-residential		Standard table of HUEs per activity in units of 1 m ² GFA/ISA (Tables 3.2.1a and 3.2.1b).
Mixed		To be assessed as applicable based on the proportions of the type of development that are proposed.
Extraordinary circumstances	At the discretion of, and on demand by, the Council. Developer to provide detailed assessments of their development’s water supply, wastewater, land drainage and transport-related demands utilising the mechanism in Table 3.2.1a. Using the standard base unit/HUE conversions, these estimates may then be converted into HUEs and charged accordingly.	

Development Contributions Policy

3.2.2 Step 2 – Determining HUE credits

Credits address the fact that development contributions are only payable in respect of additional demand on community facilities created by the development. The credit is designed to recognise that a development may replace existing demand for service activity, which in itself places no additional demand on the community facilities. Credits cannot be used to reduce the level of development contribution for any activity below zero.

Credits towards the assessment of a development contribution for any activity will be calculated for the development in accordance with the principles in Table 3.2.2a.

Table 3.2.2a Principles for determining credits

Residential

- On any application for consent or authorisation in respect of a residential unit which replaces an existing unit, or for subdivision of land containing any existing residential unit (including the unit and strata titling of existing development), a credit from the development contribution for reserves, network infrastructure and community infrastructure will be assessed on the basis of 1 HUE per activity per existing residential unit and/or lot, unless a memorandum of agreement or encumbrance exists on the title/s that recognises any credits or arrangements associated with amalgamation or amalgamation reversal respectively.
- Where the average size of any existing residential units, where more than one on a lot, is less than 100m² each, the credit will be reduced by the small residential unit adjustment described in Section 3.2.1.
- For any undeveloped residential lot a credit of 1 HUE per lot per activity will apply.

Non-residential

- On any application for resource consent, building consent or authorisation for service connection in respect of non-residential development which will replace any existing non-residential development, or for subdivision of a site containing existing non-residential development, credits will be assessed for each activity by applying the equivalences in Table 3.2.1b to the GFA/ISA of the existing development.
- On any application for resource consent, building consent or authorisation for service connection in respect of a non-residential development on any undeveloped lot which was created after 1 July 2004, the development will receive a credit for the greater of 1 HUE per lot or the HUEs which were assessed at time of subdivision (under the DCP 2006-07);
- On any application for resource consent (subdivision) on any undeveloped non-residential lot which was created prior to 1 July 2004, the development will receive a credit of 1 HUE per lot per activity.
- On application for building consent for development on any undeveloped non-residential lot which:
 - was created prior to 1 July 2004; and
 - has been vacant and unused since before 1 July 2004 (i.e. not including sites where demolition or other destruction has occurred after 30 June 2004);
 the development may receive a credit per activity of the greater of:
 - 1 HUE; or
 - HUEs calculated as:
 - the average 2004 GFA or ISA ratio for the zone of the development (Table 3.2.2b); multiplied by
 - lot size; multiplied by the non-residential land use equivalences for that zone (Table 5.2).
 For example, an average 2004 GFA ratio of, say, 31% in the Business 4 Zone x a 2,000m² lot x the 0.0051 Transport equivalence would result in a credit of 3.2 HUEs for transport.
- For any other application in respect of an undeveloped non-residential lot, a credit to the value of 1 HUE per activity will apply. No credit will be given for a utility site, stopped road or similar site

Christchurch City Council

Development Contributions Policy**Table 3.2.2a Principles for determining credits (cont'd)****Both residential and non-residential**

- For any existing residential unit/s or non-residential development demolished or destroyed by fire or some other cause after 30 June 2004, 1 HUE credit for each residential unit or the calculated (using Table 3.2.1b) GFA/ISA credit for the non-residential development demolished or destroyed will apply to the calculation of development contributions payable for any such residential unit/s or development where the application to rebuild is received within a period of 10 years from the date of demolition or destruction. Where demolition or destruction precedes or has preceded the application for redevelopment or change in land use by more than 10 years but occurred after 30 June 2004, the lot will revert to an undeveloped lot and receive a credit of 1 HUE per lot. Any additional residential units or non-residential development above that demolished or destroyed will be assessed for development contributions pursuant to this policy.
- The Council will assess credits available to existing developments on building consent application for demolition from 1 July 2007. Where demolition or destruction has occurred prior to this date, or if, for any reason, an assessment of current use credits has not been calculated prior to the demolition or destruction, the onus is on the developer to establish the land use and extent of residential or non-residential development which has been demolished or destroyed. In the absence of such information a credit of 1 HUE per lot per activity will be applied.
- An undeveloped lot will be a vacant lot which has not had any development, as defined in this policy, for a period of at least ten years prior to the application for resource or building consent or service connection.
- No transfer of credits between titles can occur, except where the titles relate to the same development site (e.g. new titles created on subdivision).
- Where it is proposed to amalgamate existing titles and the proposal will result in a lesser number of titles, credits will be held for the difference. These credits will be made available for any future development of the amalgamated titles, provided any such future development is carried out within ten years of the date of issue of the amalgamated titles. Where an amalgamation occurs, a memorandum of agreement will be registered on the title/s associated with the amalgamation. Where an amalgamation is reversed, a memorandum of encumbrance will be registered on the title/s associated with the amalgamation reversal.
- Except at the Council's discretion, an historical credit will not be given for a lot that is redeveloped, either in its original configuration or, following a boundary change, as part of another lot, where the original activity on that lot was non-residential and it did not pay, or was unlikely to have paid, a contribution towards reserves and network and community infrastructure when it was originally developed.
- Lots that have been or are being used by a network utility operator for utility purposes will not be given any credit.

Table 3.2.2b Average 2004 GFA/ISA ratio by zone

Zone	GFA	ISA
Business 1	37%	87%
Business 2	44%	87%
Business 3	43%	97%
Business 4	31%	75%
Business 5	24%	83%
Business 6	7%	56%
Business Retail Park	39%	79%
Central City & Central City Edge	1.14%	97%
Other non-residential	30%	66%

3.2.3 Step 3 – Calculate net increase in HUEs (demand) from the development

The number of HUEs which result from subtracting Step 2 (credits) from Step 1 (HUEs) represent the increased demand from a development.

Development Contributions Policy

3.2.4 Step 4 – Identify development contribution catchment

Explanation of the Council's catchment definition methodology

Catchments have been determined for each activity based on their key characteristics. These characteristics include the physical geography and topography, the need to protect environmental and human health, the nature and level of service delivery and the nature and complexity of solutions.

Individual capital works projects are allocated to either city-wide or local catchments, depending on the nature of the project and the community it is required to serve.

Developments lying within a catchment will be charged a development contribution for that area.

For catchments, estimates of number of lots, household units or other developments from which a development contribution can be expected are based on an analysis of:

- The existing zoning in the catchment and the implied likely development based on existing City Plan rules;
- The likely development of localities within the catchment where the City Plan has indicated deferred zoning or identified areas for future growth, or the Council has signalled a proposed variation to the City Plan; and
- Other potential development within the area where the City is experiencing pressure for re-zoning to more intensive land uses.

The Council has considered a number of different catchment options, ranging from a single city-wide catchment to catchments based on individual infrastructural schemes (in particular, see the following supporting document: the report to the Council on Resolution 21 (Banks Peninsula Charging). After deliberation on the merits of the different options, the Council has adopted a single city-wide catchment for all reserves (except neighbourhood parks), water supply, wastewater and transport-related works.

The waterways and land drainage catchments are based on physical surface water catchment areas (drainage basins), however catchment boundaries are mapped to the closest meshblock boundary. Meshblocks are geographic boundaries defined by Statistics New Zealand and are used by the Council as the building block of the Council 2009-2019 LTCCP Growth Model from which the Council develops its capital expenditure programme and development contributions charges. Integrated Catchment Management Plans (ICMPs) specific to Area Plans, such as the South West Area Plan, may cross development contribution catchment boundaries.

High growth in the south-west and north-east is requiring substantial investment in new reserves and network and community infrastructure. This is particularly noticeable in areas such as the Heathcote waterways and land drainage catchment, where the development contributions charge has increased significantly from the DCP 2007-09. Catchments may be reviewed and amended at any time, through a special consultative procedure, following any changes in the pattern and distribution of development in the City, including as a result of regular liaison with developers.

The attached fifteen A4-sized maps are an overview of the growth catchments for development contributions for each activity. They are also available separately in hard copy upon request to the Council by phoning 03-941-8999 or emailing ccc-plan@ccc.govt.nz, or online for a more detailed view at: <http://www.ccc.govt.nz/thecouncil/plans/longtermcouncilcommunityplan/dcp200919.aspx>

- Map 1 Reserves catchment: regional parks (city-wide)
- Map 2 Reserves catchment: garden and heritage parks (city-wide)
- Map 3 Reserves catchment: sports parks (city-wide)
- Map 4 Reserves catchments: neighbourhood parks (local)
- Map 5 Network infrastructure catchment: water supply (city-wide)
- Map 6 Network infrastructure catchment: wastewater collection (city-wide)
- Map 7 Network infrastructure catchment: wastewater treatment and disposal (city-wide)
- Map 8 Network infrastructure catchments: waterways and land drainage (local)
- Map 9 Network infrastructure catchment: road network (city-wide)
- Map 10 Network infrastructure catchment: active travel (city-wide)
- Map 11 Network infrastructure catchment: parking (city-wide)
- Map 12 Network infrastructure catchment: public transport (city-wide)
- Map 13 Community infrastructure catchment: leisure facilities (city-wide)
- Map 14 Community infrastructure catchment: libraries (city-wide)
- Map 15 Community infrastructure catchment: cemeteries (city-wide)

Christchurch City Council

Development Contributions Policy

Map 1 Reserves catchment: regional parks (city-wide)

This map is an overview of the growth catchment for development contributions for regional parks. For a detailed view visit:

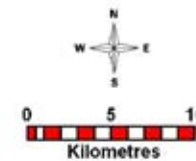
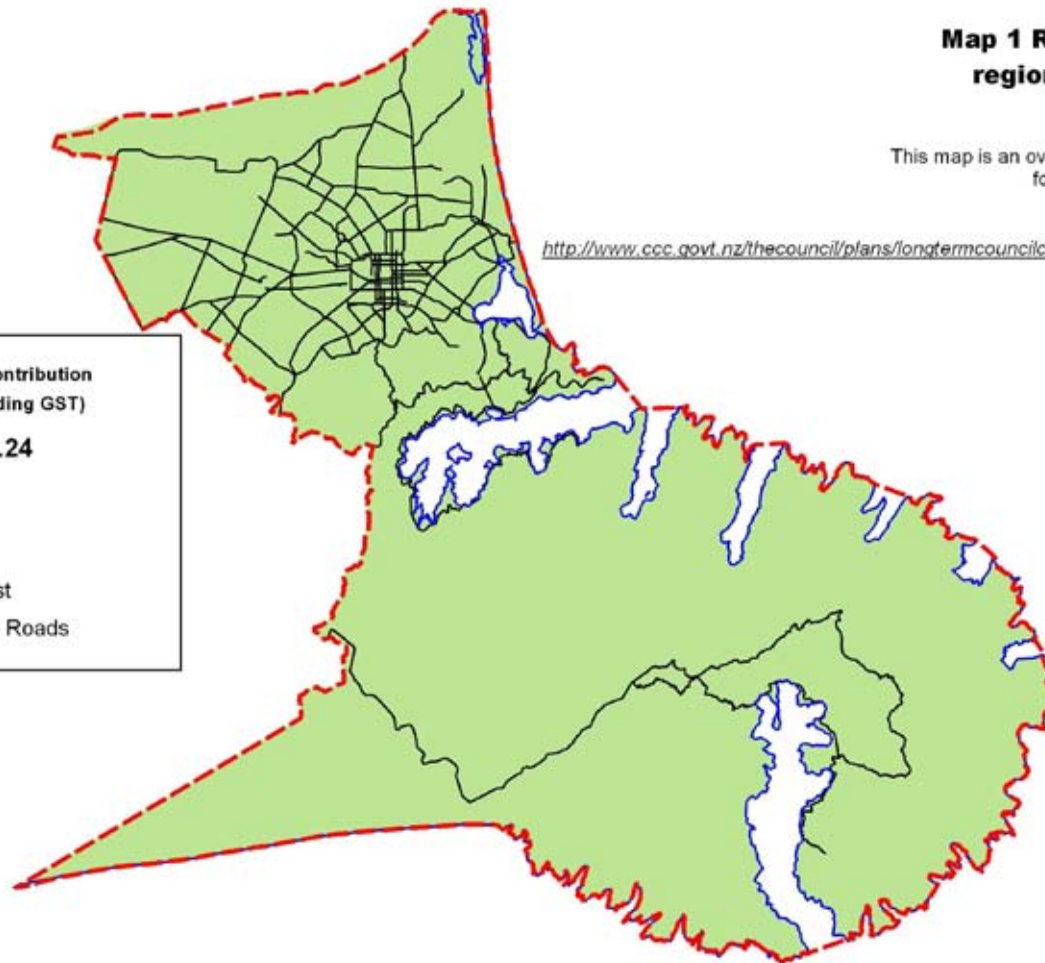
<http://www.ccc.govt.nz/thecouncil/plans/longtermcouncilcommunityplan/dcp200919.aspx>

Development contribution per HUE (including GST)

\$1,532.24

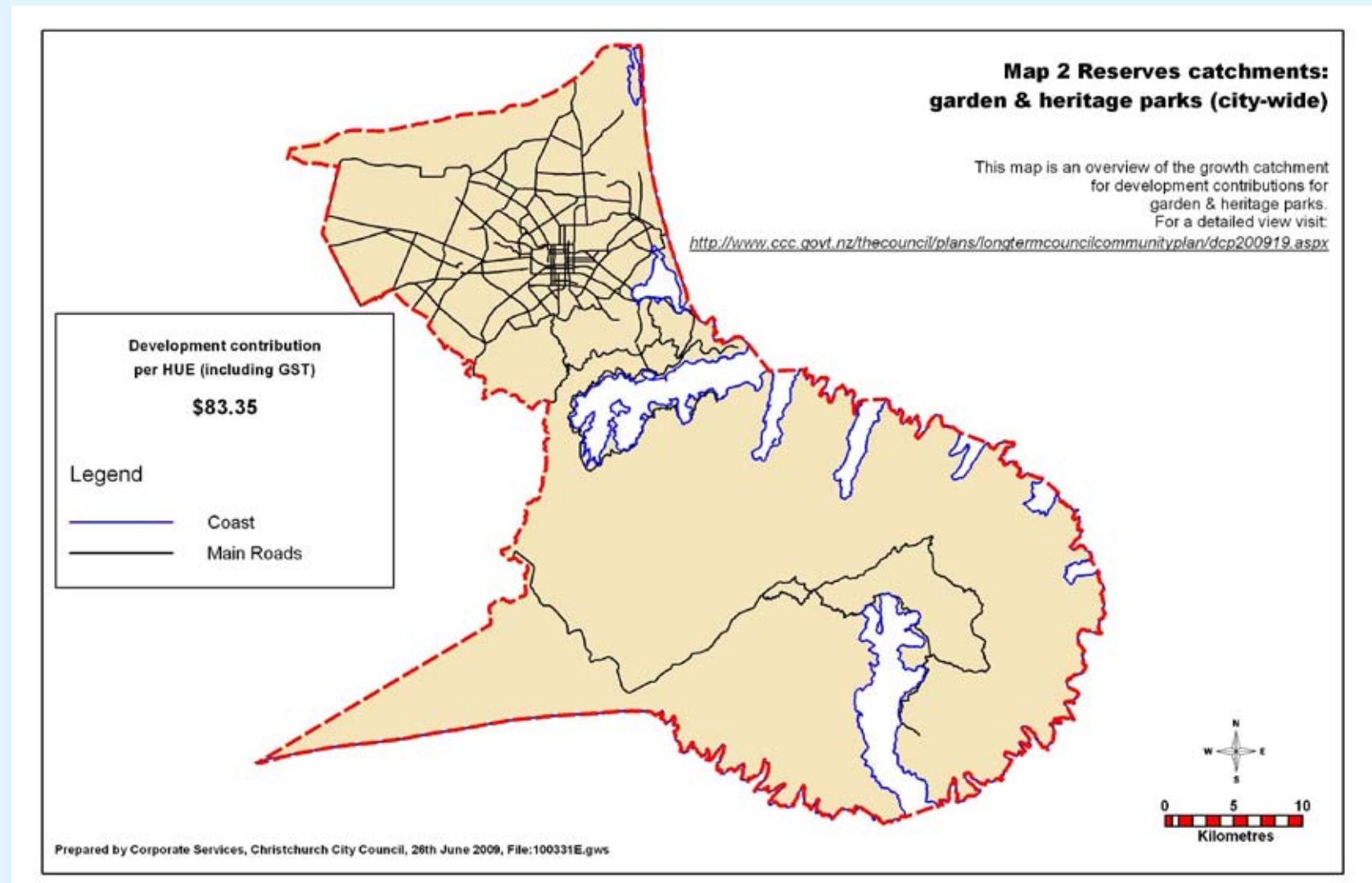
Legend

- Coast
- Main Roads



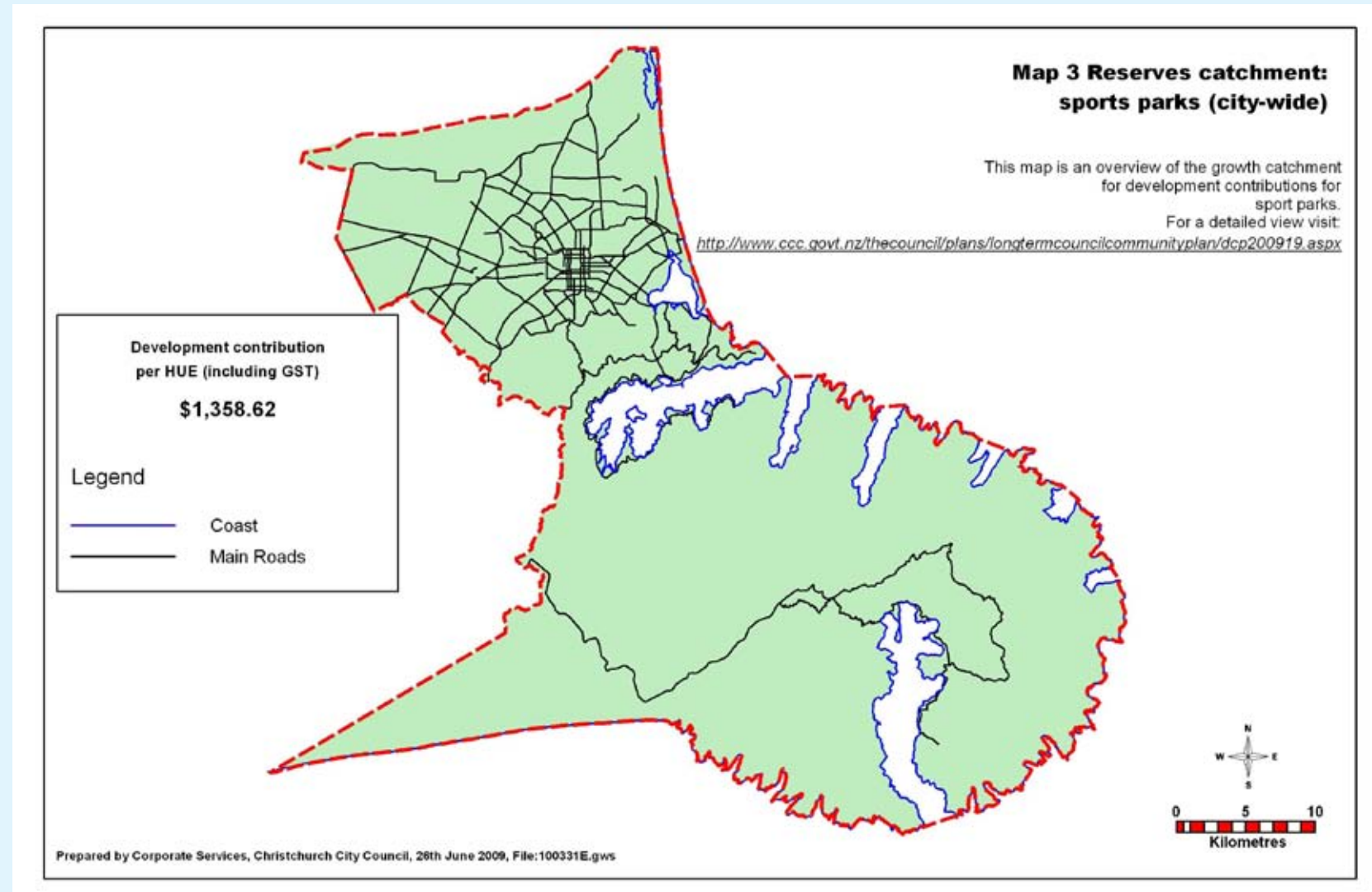
Christchurch City Council

Development Contributions Policy



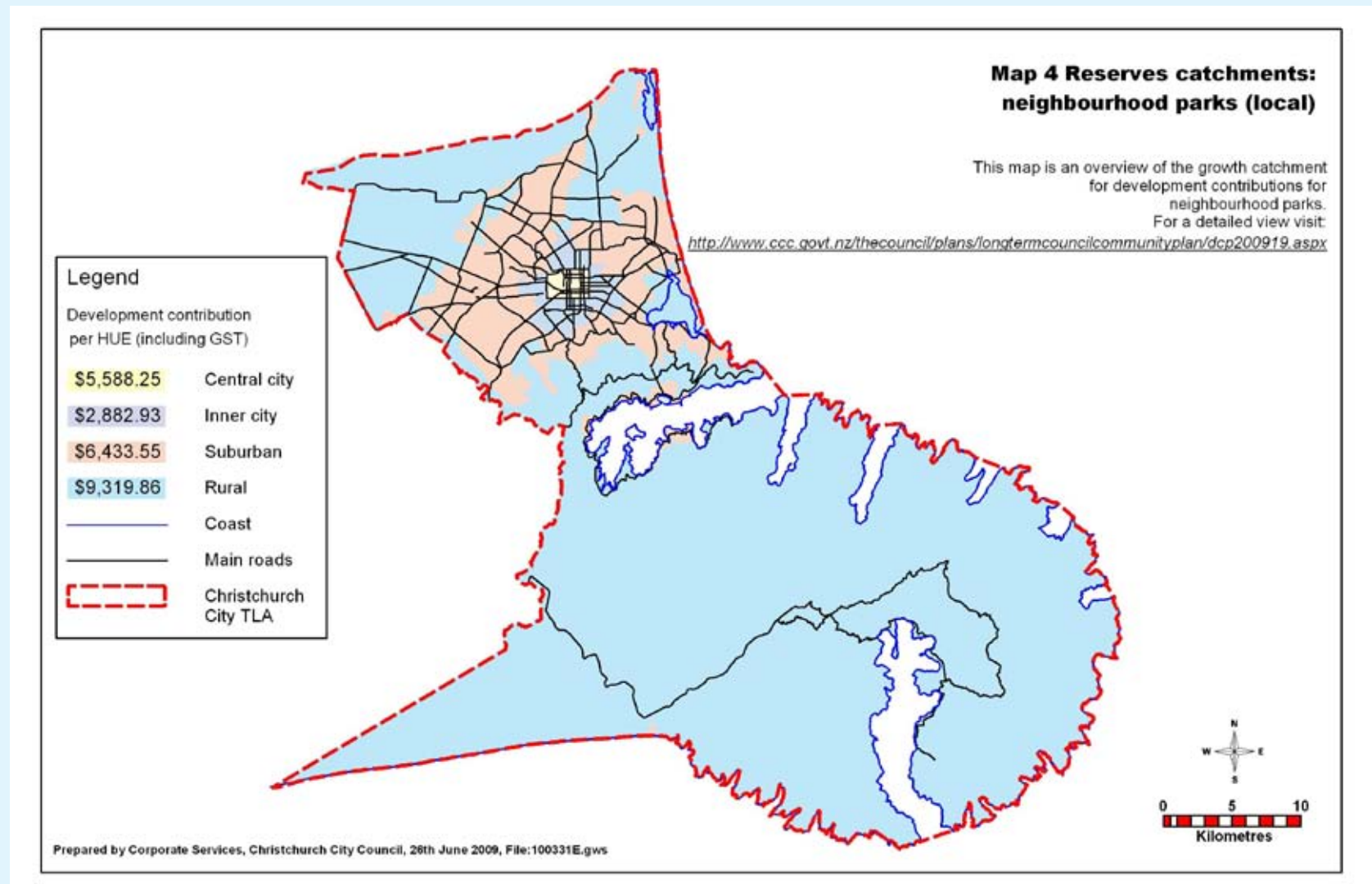
Christchurch City Council

Development Contributions Policy



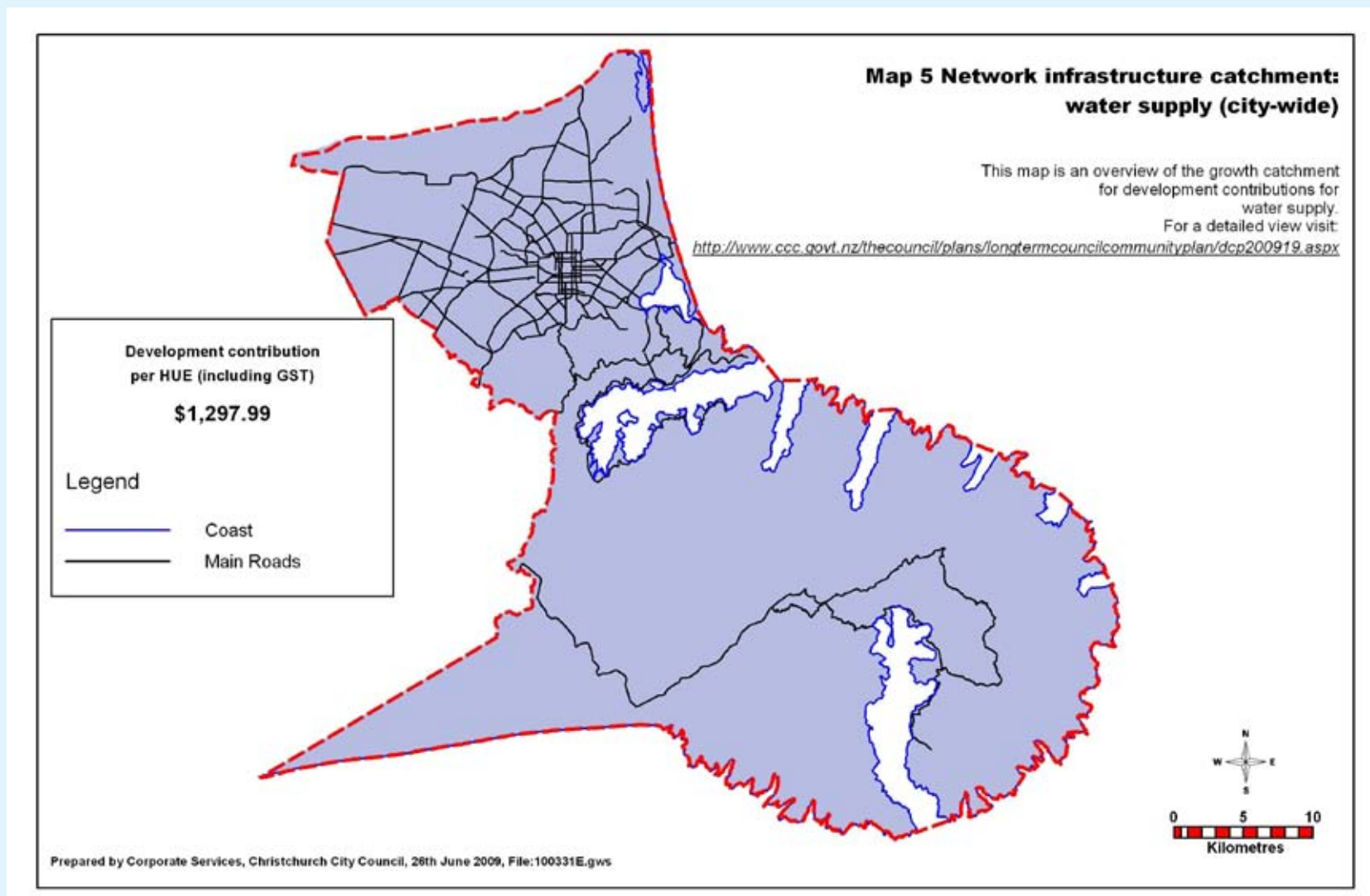
Christchurch City Council

Development Contributions Policy



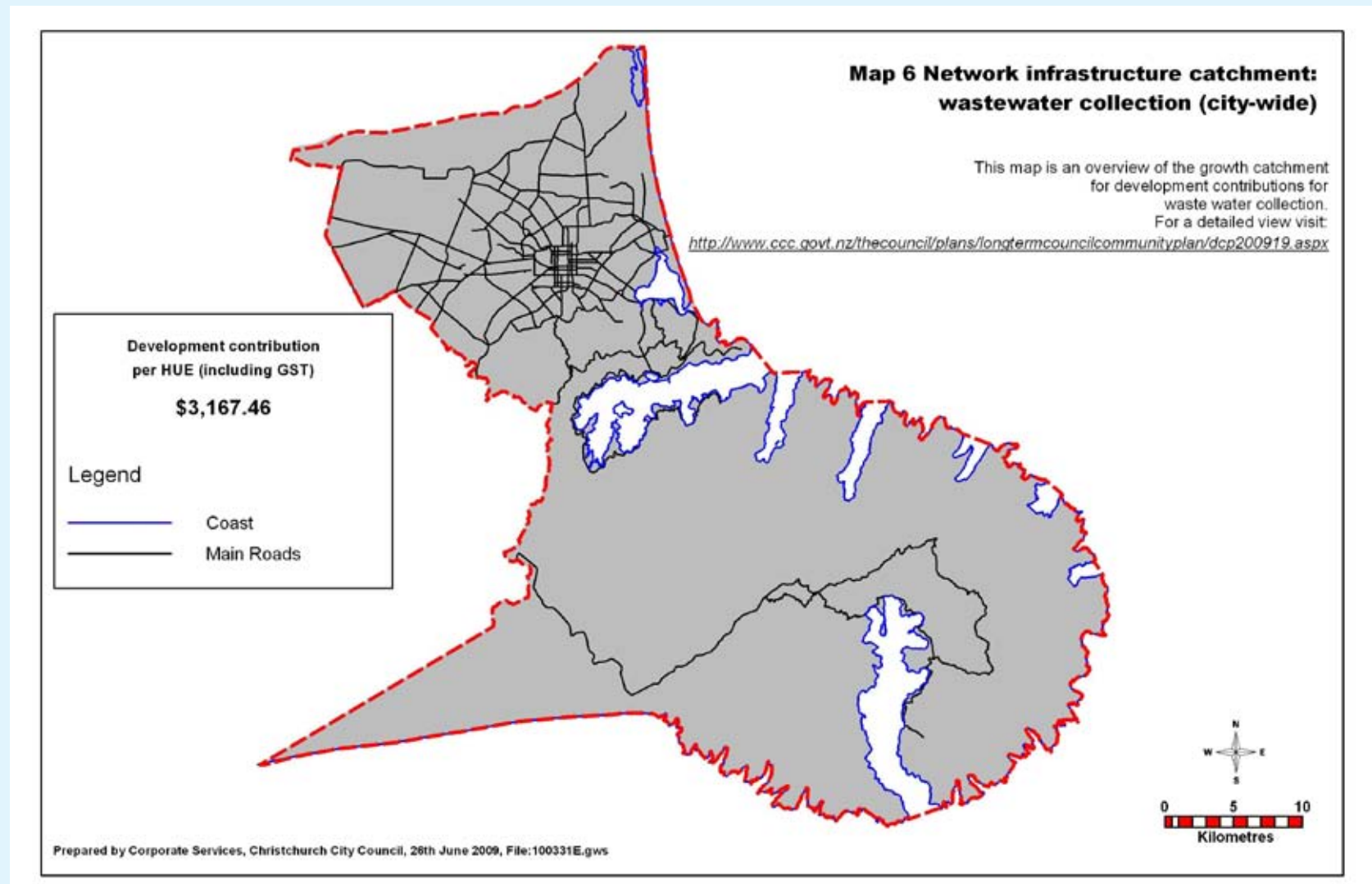
Christchurch City Council

Development Contributions Policy



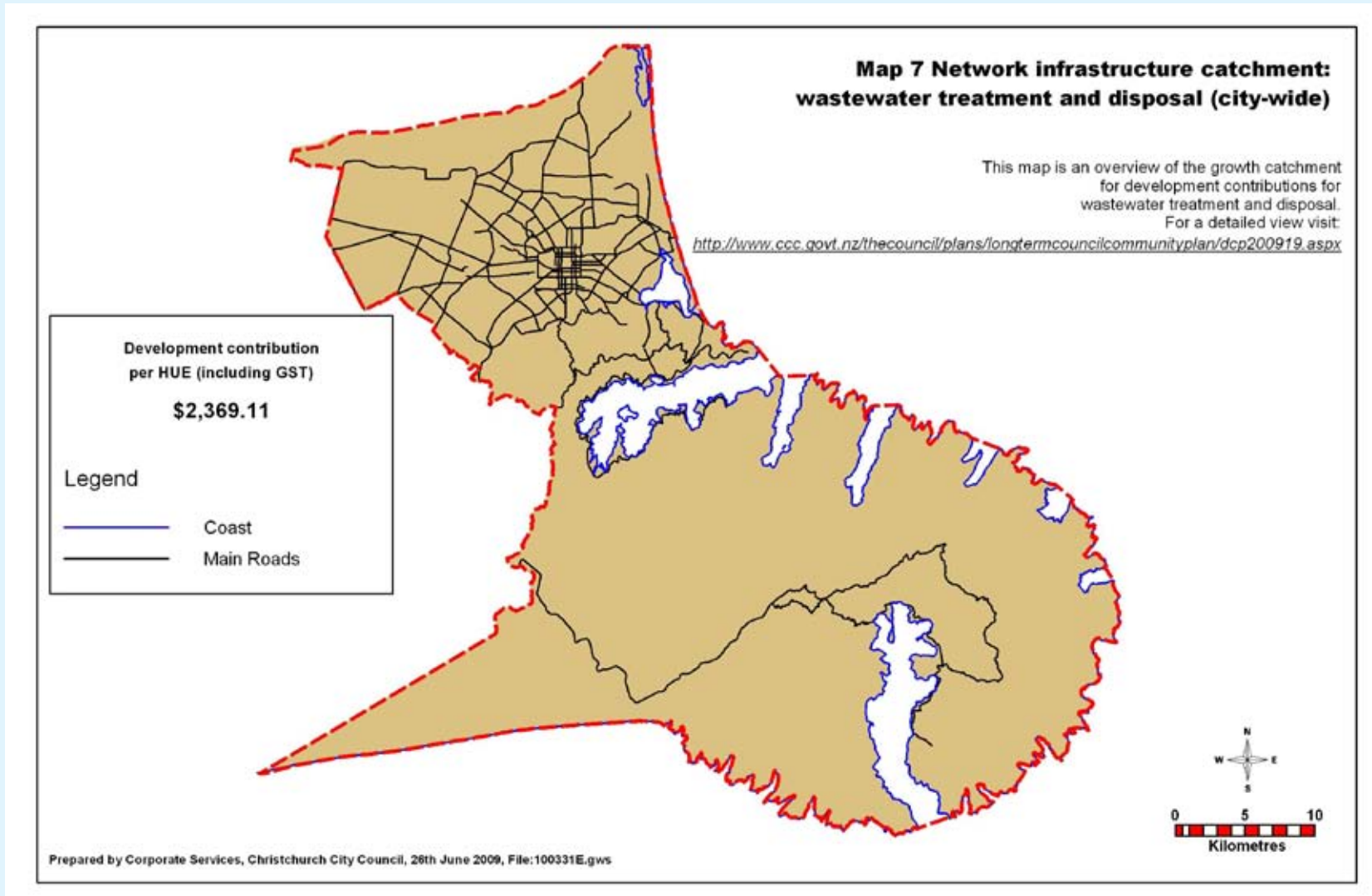
Christchurch City Council

Development Contributions Policy



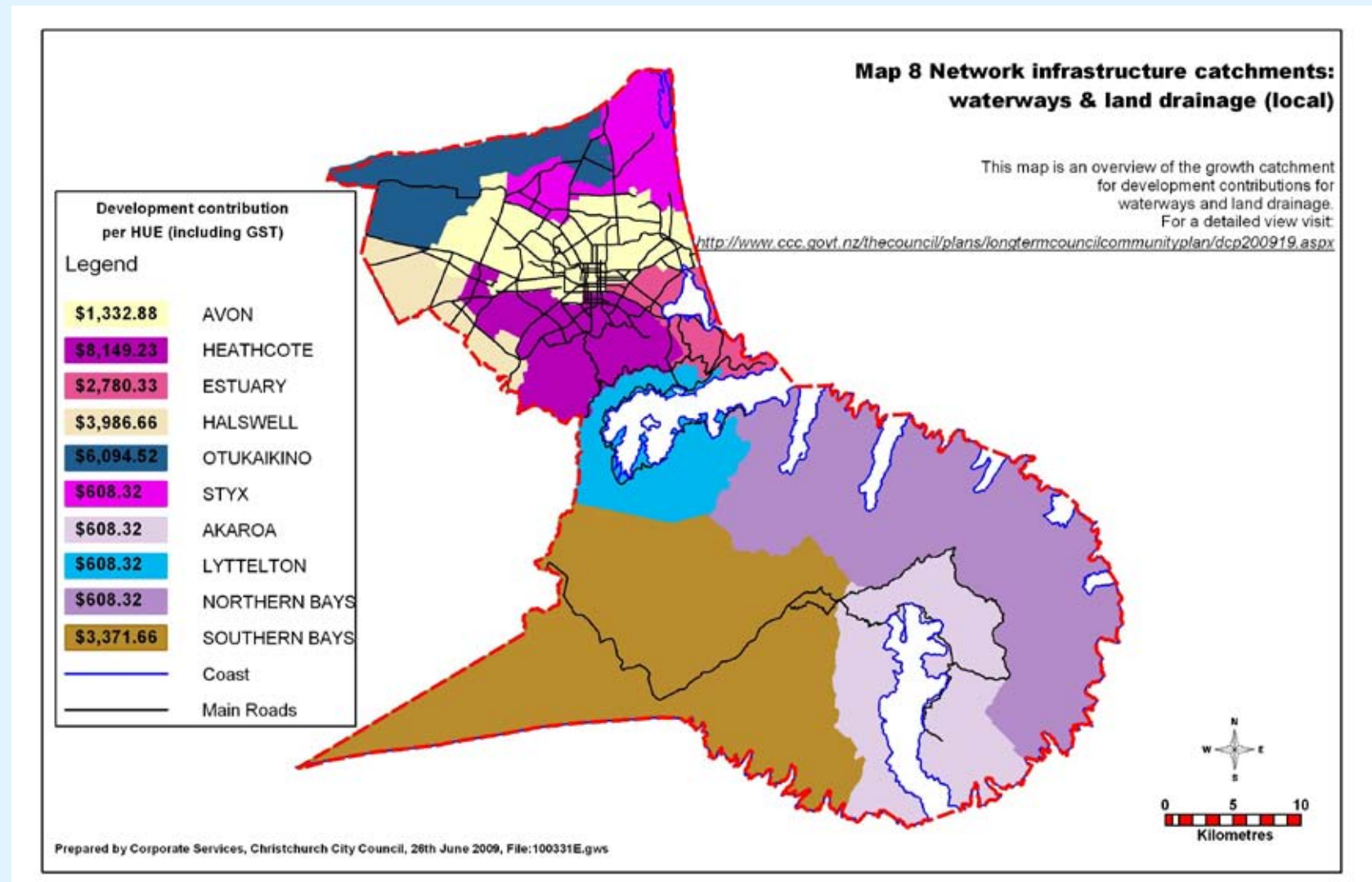
Christchurch City Council

Development Contributions Policy



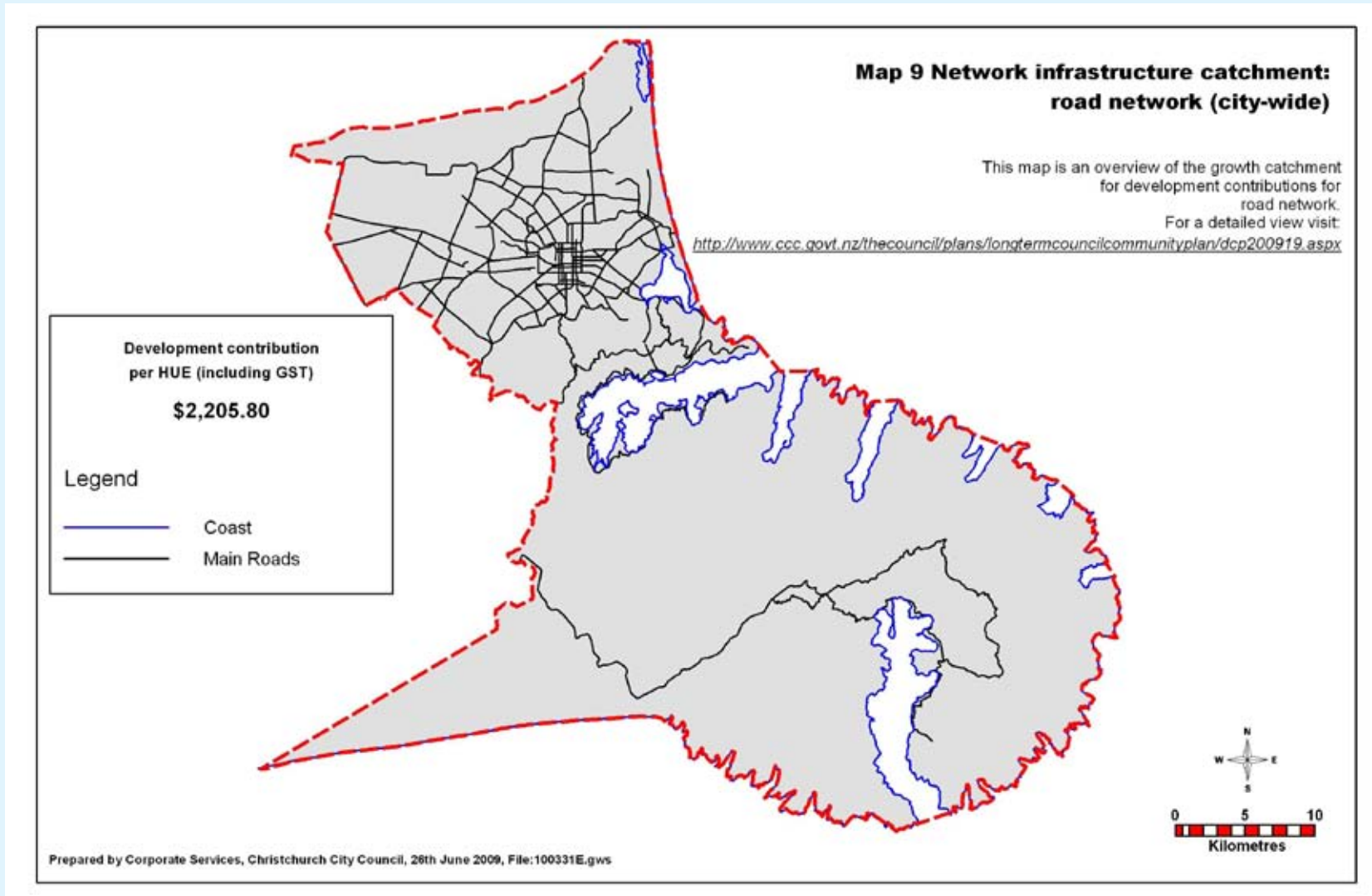
Christchurch City Council

Development Contributions Policy



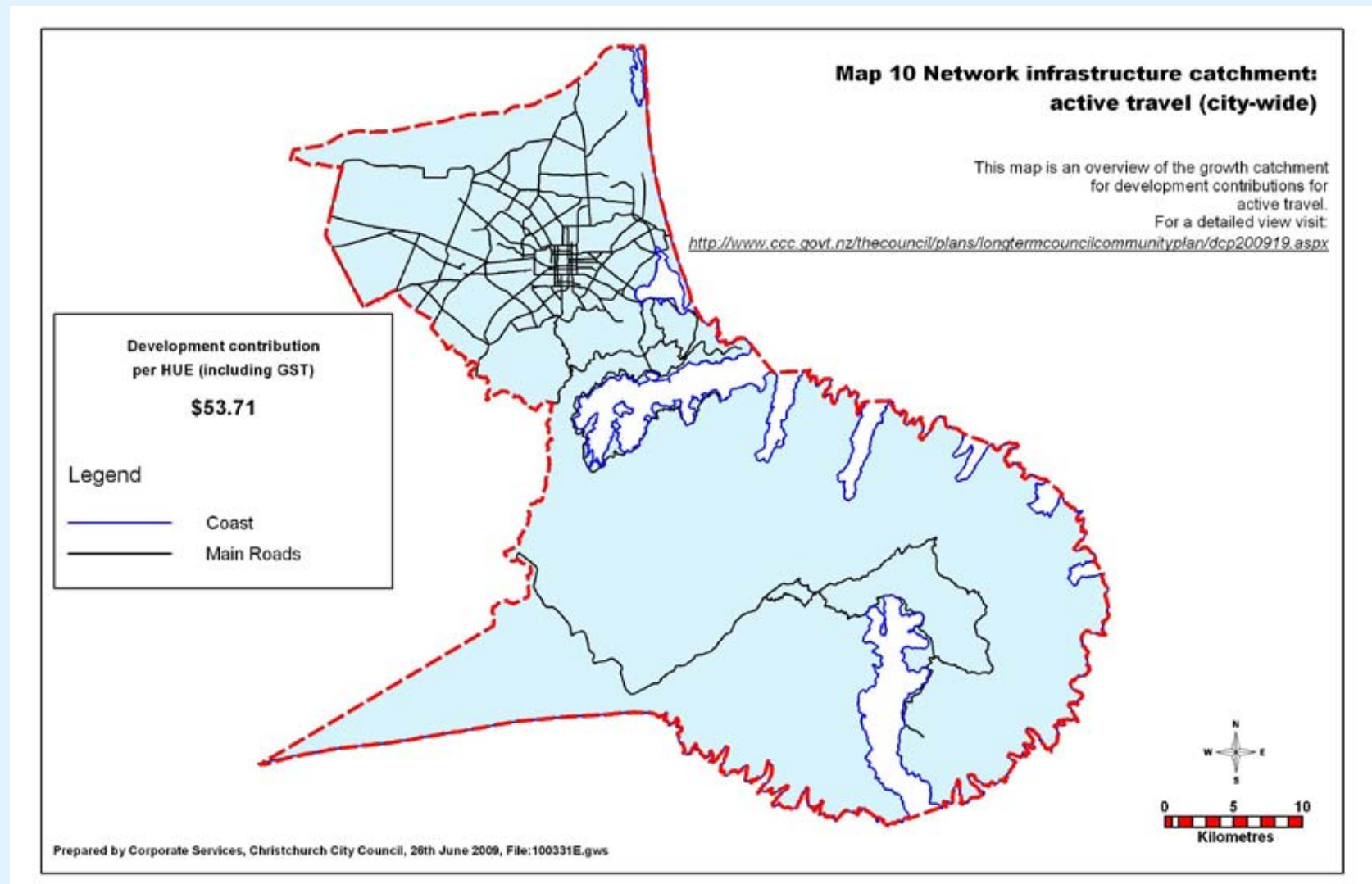
Christchurch City Council

Development Contributions Policy



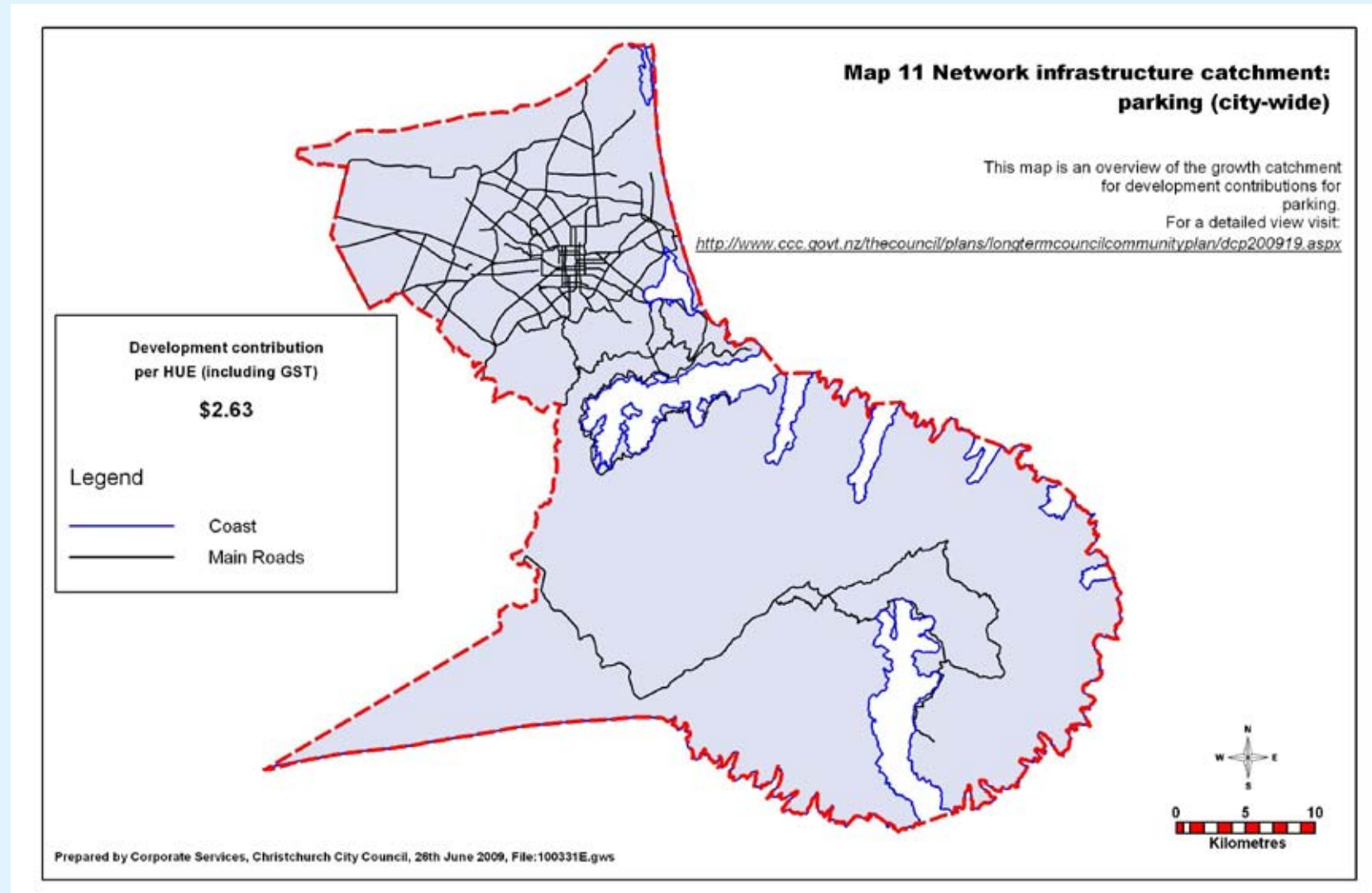
Christchurch City Council

Development Contributions Policy



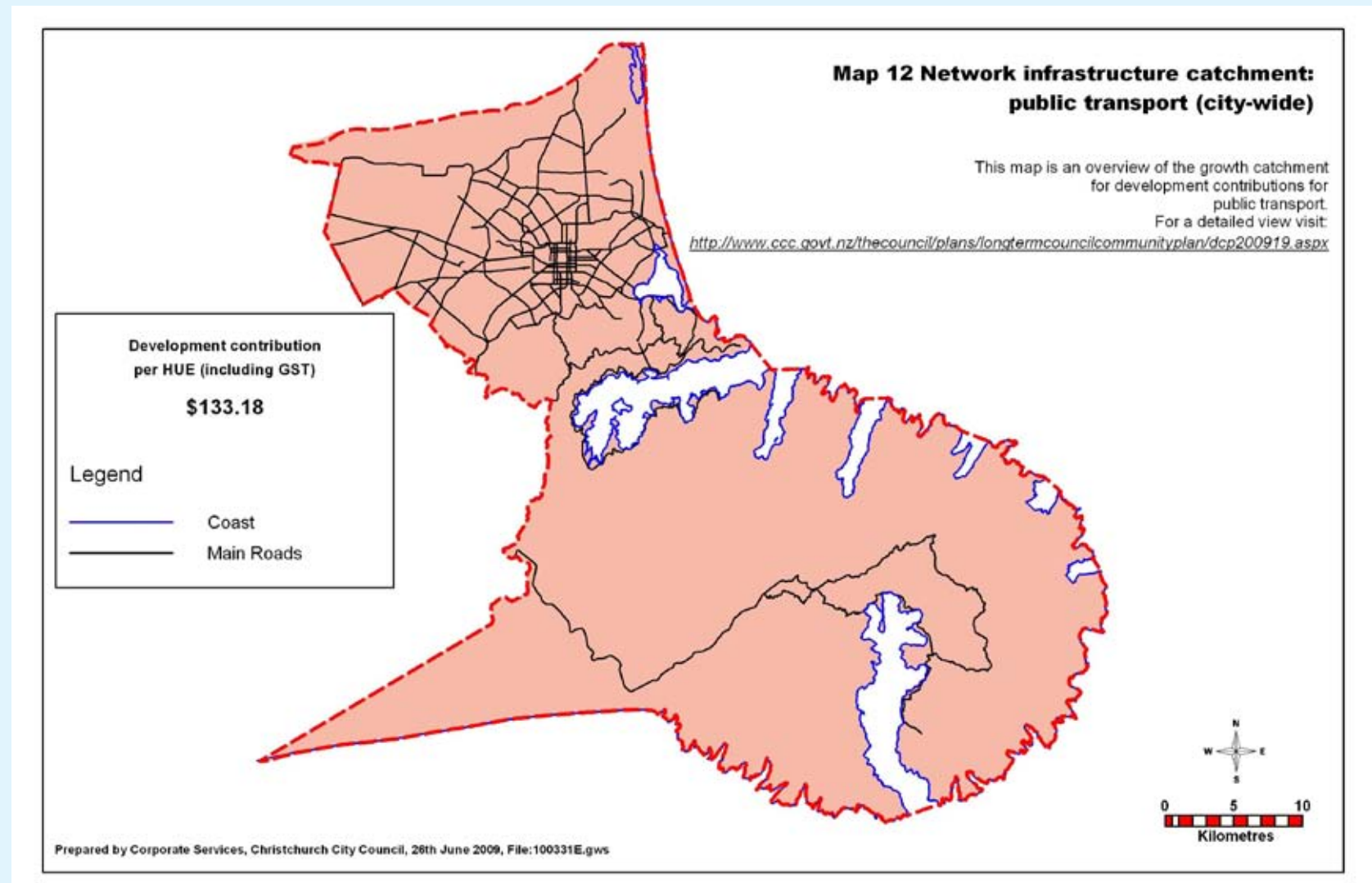
Christchurch City Council

Development Contributions Policy



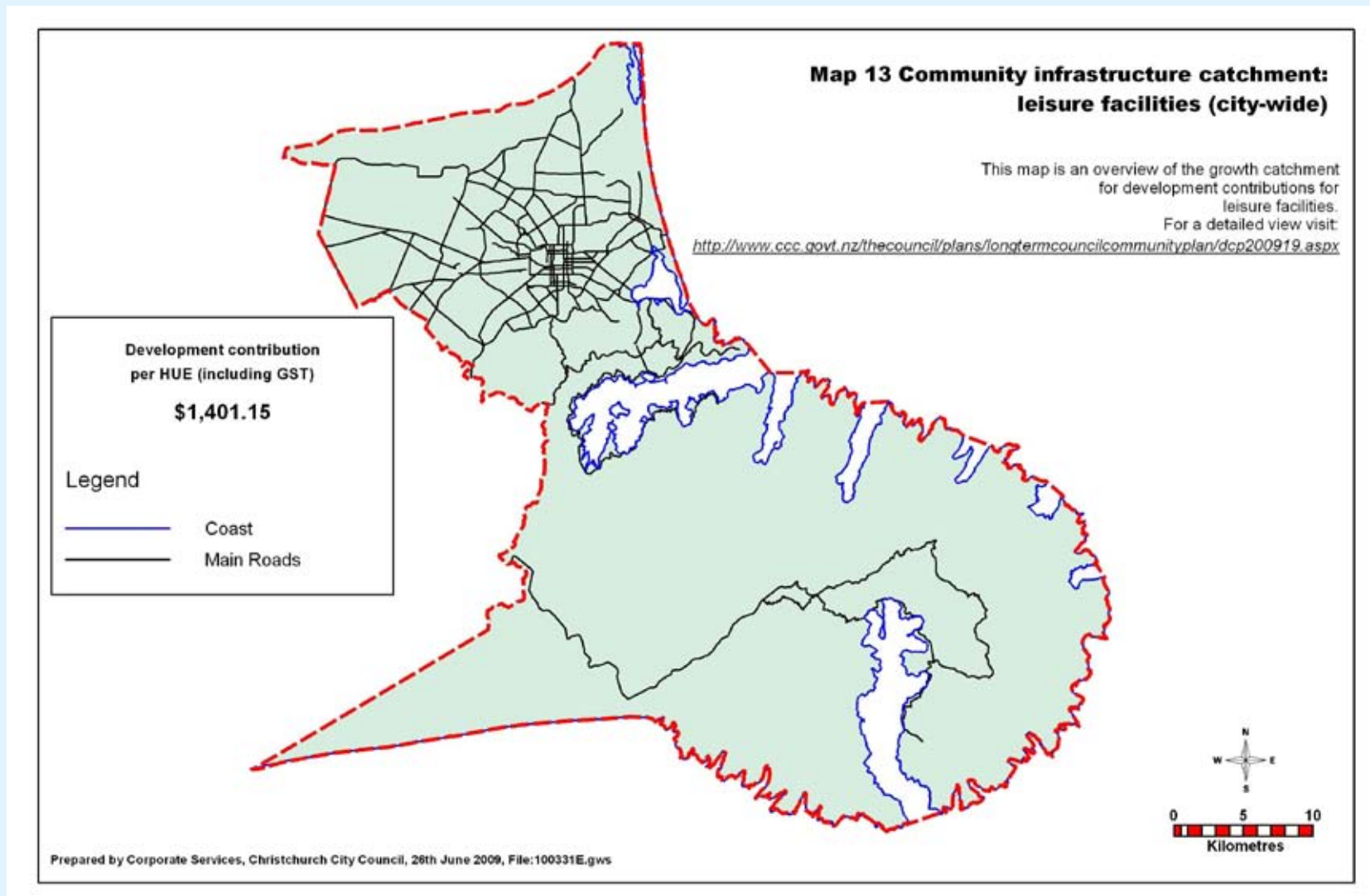
Christchurch City Council

Development Contributions Policy



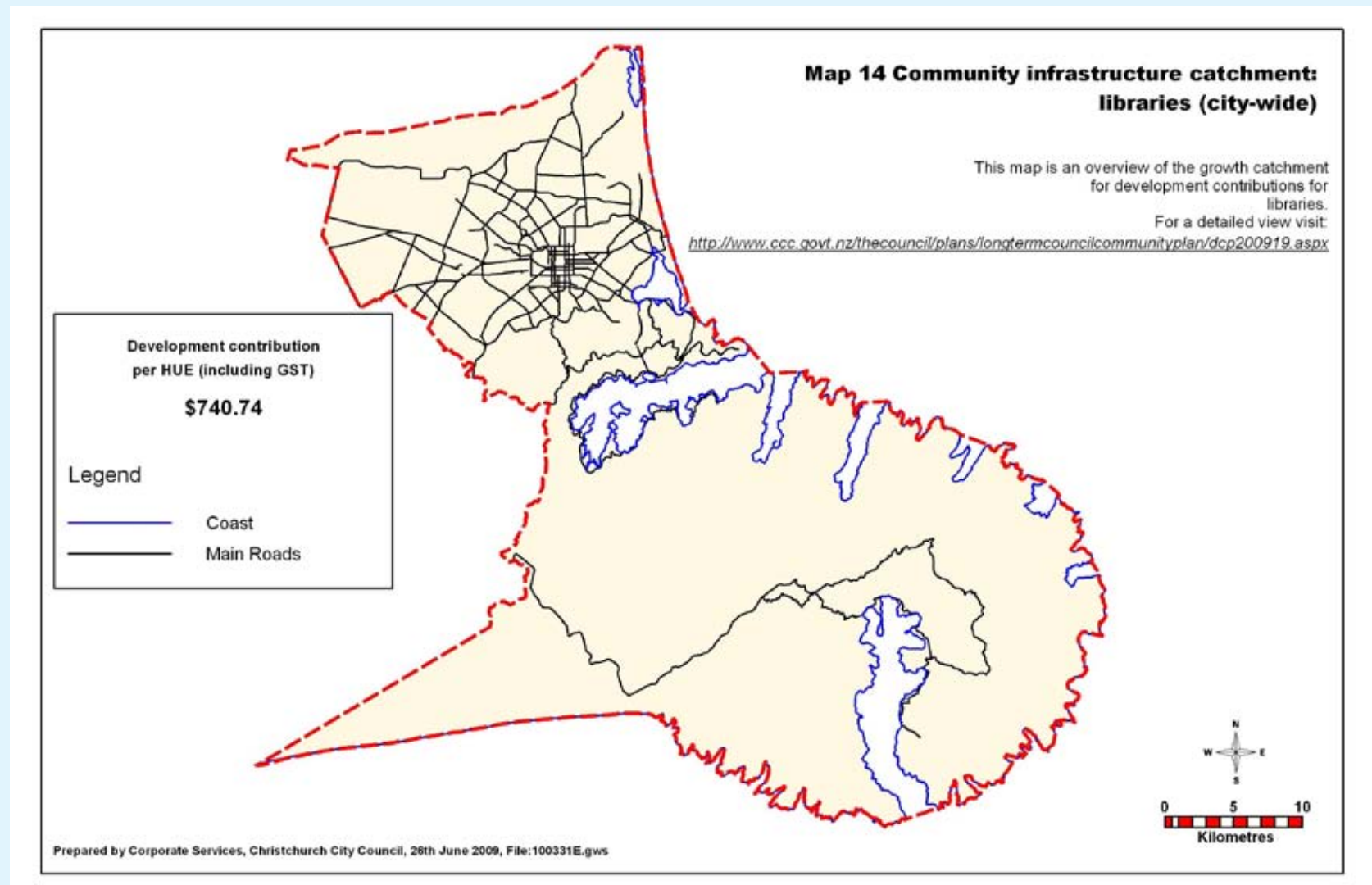
Christchurch City Council

Development Contributions Policy



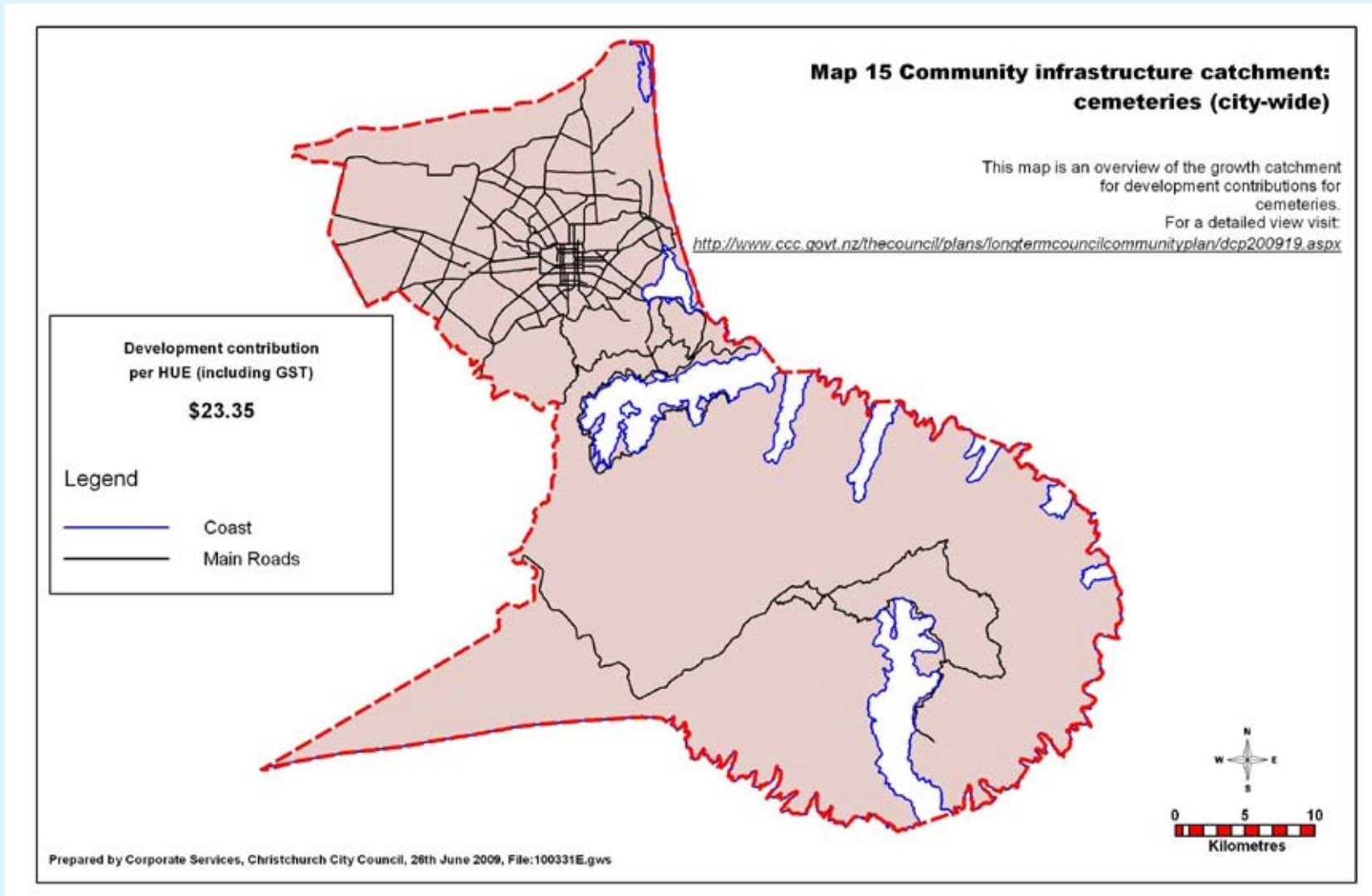
Christchurch City Council

Development Contributions Policy



Christchurch City Council

Development Contributions Policy



Christchurch City Council

Development Contributions Policy

3.2.5 Step 5 – Check schedule of development contributions for reserves and for network and community infrastructure

Identify the charges per HUE payable within the relevant catchments (identified from Step 4) for each activity from the following table.

Activity		Catchment	Development contribution per HUE (excluding GST)	Development contribution per HUE (including GST)	
Reserves	Regional parks	City-wide	\$1,361.99	\$1,532.24	
	Garden and heritage parks	City-wide	\$74.09	\$83.35	
	Sports parks	City-wide	\$1,207.66	\$1,358.62	
	Neighbourhood parks	Central city	\$4,967.33	\$5,588.25	
		Inner city	\$2,562.60	\$2,882.93	
		Suburban	\$5,718.71	\$6,433.55	
		Rural	\$8,284.32	\$9,319.86	
Network infrastructure	Water supply	City-wide	\$1,153.77	\$1,297.99	
	Wastewater collection	City-wide	\$2,815.52	\$3,167.46	
	Wastewater treatment and disposal	City-wide	\$2,105.88	\$2,369.11	
	Waterways and land drainage	Avon	\$1,184.78	\$1,332.88	
		Heathcote	\$7,243.76	\$8,149.23	
		Estuary	\$2,471.41	\$2,780.33	
		Halswell	\$3,543.70	\$3,986.66	
		Otukaikino	\$5,417.35	\$6,094.52	
		Styx	\$540.73	\$608.32	
		Akaroa	\$540.73	\$608.32	
		Lyttelton	\$540.73	\$608.32	
		Northern Bays	\$540.73	\$608.32	
		Southern Bays	\$2,997.03	\$3,371.66	
		Road network	City-wide	\$1,960.71	\$2,205.80
		Active travel	City-wide	\$47.74	\$53.71
	Parking	City-wide	\$2.34	\$2.63	
	Public transport	City-wide	\$118.38	\$133.18	
Community infrastructure	Leisure facilities	City-wide	\$1,245.47	\$1,401.15	
	Libraries	City-wide	\$658.43	\$740.74	
	Cemeteries	City-wide	\$20.76	\$23.35	

Christchurch City Council

Development Contributions Policy

3.2.6 Step 6 – Calculate the development contributions for reserves and network and community infrastructure

For each reserves and network and community infrastructure activity, multiply the number of HUEs (as calculated at Step 3) by the charges payable for that activity for the relevant catchment (from Step 4).

The total fixed development contribution charge per HUE for reserves is applied:

- on both residential and non-residential subdivision, being 1 HUE charge for every additional lot created.
- on residential building, being 1 HUE charge for every additional household unit created.

The charge will also be subject to the statutory maximums under Section 203(1) of the LGA, namely development contributions for reserves must not exceed the greater of:

- 7.5% of the value of the additional lots created by subdivision; and
- the value equivalent of 20m² of land for each additional household unit created by the development.

Furthermore, the HUE charge will be reduced for small household units as provided for in Section 3.2.1.

3.2.9 Step 7 – Calculate total development contribution

The total end-to-end process for assessment of development contributions is exclusive of GST. Once all the assessments are complete, GST will be added to the final invoice as required by the statutory and/or regulatory requirements of the day.

3.3 Additional information on assessing the development contribution payable

3.3.1 Cash and/or land for development contributions for reserves

The Council will generally take development contributions towards providing reserves for open space and recreation from subdivision and/or development in cash, particularly in infill areas. However, it will take land in lieu of, or in addition to, cash where provision is practicable, such as from larger 'greenfield' sites, depending on which will more effectively add to the quality, diversity and distribution of open spaces and recreation areas in the City, as determined by the Council's mechanisms for identifying and acquiring strategic land.

The basis for development contributions for reserves is the additional actual or potential demand anticipated for open space and recreational land, and associated facilities, consequent to subdivision and/or development; that is, its effects in terms of land use and intensification.

The Council needs to retain the ability to make decisions on the appropriateness of land needed for open space and recreation purposes. The Council acknowledges that, in designing a subdivision, the developer has an understanding of the needs of the potential occupiers and has a financial stake in ensuring that the subdivision is attractive and satisfies those needs. As the City grows, there is a continuing need for more land to satisfy open space and recreational needs, new areas of which will inevitably become more difficult to acquire in appropriate locations as the City becomes more intensively developed. The resource consent process instead provides the opportunity for the Council to consult with the developer on whether a cash and/or land contribution is appropriate in the circumstances, so that it is possible for the Council to acquire suitable land as, where and when opportunities arise. In the final analysis, the Council has the right to decide on the appropriate level of cash and/or land contribution.

The following are some examples to provide a guide as to when the Council may accept land in lieu of cash:

- a flat, usable area of land for a sports park, accessible with full road frontage and a size (at least 4ha) adequate to accommodate at least two sports fields, tree planting and other open space. To accommodate sports clubs, at least 4ha, ideally more, would be needed;
- a relatively flat, useful area of land for a neighbourhood park, accessible to the user population and of a size (at least 2,000 - 3,000m²) adequate to accommodate children's play equipment, substantial tree plantings and open space;
- a linkage, or potential linkage, along or to significant natural features, or between other areas of public open space and community facilities;
- protection or enhancement of significant mature trees, significant areas of indigenous vegetation, indigenous wildlife habitat, margins of waterways or other significant natural features;
- protection or enhancement of historic or cultural features of significance to the City's population; or
- a usable area of open space for planting as visual relief from a built or highly developed environment.

The Council accepts that there are benefits for the future occupants of subdivisions of having plenty of local open space and recreation areas. However, the Council is often asked to take over and maintain larger open space and recreation areas within a new subdivision than are required under the development contribution provisions. Because there are also additional demands from the future occupants of such subdivisions on the Council's other open space and recreation resources, the Council also needs to ensure that it obtains sufficient cash contributions, in addition to land contributions, to fund the acquisition and development of regional, garden and heritage, sports and neighbourhood parks and walking and cycling tracks. While the Council is prepared

Development Contributions Policy

to accept the vesting and future maintenance of such land, it will not accept, as a credit towards the development contribution required, additional land provided (over and above the development contribution requirements according to this policy) for open space and recreation where it is only for the benefit of the future occupants of the subdivision. Likewise, the Council will not accept, as a credit towards the development contribution required, unnecessary levels of development, such as the provision of entrance gateways and fountains, etc. If developers choose to provide such features for the benefit of the subdivision, its future occupants and its competitiveness within the market, it is appropriate that they do so at their own expense.

To avoid doubt, Section 3.3.4 does not in any way limit the Council's discretion on whether development contributions for reserves be paid in the form of cash or land.

3.3.2 Basis of land valuation

Land valuation for the purpose of calculating development contributions for reserves will be determined by the Council on the basis of the market value at the time the development contribution is assessed as per Sections 3.2.5 and 3.2.7, but including the rights and configuration given to the land under the consent application which gives rise to the development contributions assessment, and including any rights or configuration given by consents already granted. The Council will consider and give due weight to all other methods of land valuation, but retains discretion as to how it will be determined and who bears the cost.

Without limiting the Council's ability to recover under Section 208 of the LGA, if for any reason the development contribution is not paid within 12 months of assessment then a revised valuation will be required.

Land valuation for the purpose of vesting land will be separately calculated according to the nature of the land being vested.

3.3.3 Private developer agreements

A private developer agreement (PDA) is an agreement, between the developer and the Council governing the payment of development contributions, that can be used for special developments, not as a case by case bargaining tool. Under a PDA, land or works may be provided instead of a development contribution of cash, as assessed under this policy, for reserves, network infrastructure and community infrastructure. Alternatively land or works may be deferred, reallocated or used as compensation for additional demand placed on infrastructure resulting from development.

A PDA will be a contractual agreement in writing and will identify the terms of the agreement, the extent to which they depart from the standard process and assessment for development contributions and the reasons for entering into the agreement. The terms of a PDA may include the treatment of HUEs and/or the funding arrangements, statements regarding the impacts of the development on the Capital Works Programme and agreement on the timing of payments and other transactional matters.

A PDA cannot be entered into if the consent has already been granted.

The Council may initiate or, at its reasonable discretion, enter into a PDA with a developer at the request of the developer before, or as part of, the consent application process for the development. Representatives of the developer, the Council and, if the Council considers it appropriate in relation to its decision-making obligations under the LGA, the City, will be consulted before the implementation of any PDA. The Council requires the general managers from the Council units associated with the PDA to approve the terms of the PDA.

PDAs may be considered in the following circumstances and in any other circumstance where the Council considers the best interests of the developer, the Council and the City will be met by using a PDA, rather than requiring the payment of a development contribution under the standard provisions of this policy:

1. Where additional reserve and/or network and community infrastructure requirements for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service. Where the cost of the works exceeds the total development contributions assessed and payable for that development, the Council may, at its discretion, reimburse the developer;
2. Where land offered by the developer is accepted by the Council as environmental compensation for development opportunities, generally in addition to, and not instead of, development contributions of cash and/or land for reserves. It is the Council's policy to apply the concept of 'environmental compensation' where land of high landscape or natural value is protected or made available for public use and/or significant public benefit will be gained from hazard mitigation measures which would substantially enhance amenity values, e.g. planting and wetland protection; and
3. Where a major infrastructure development project is being undertaken, e.g. some types of project carried out by Christchurch International Airport Limited or by NZTA.

The Council may also enter into other agreements outside of the DCP with a developer for infrastructure provision, such as in the following situations. These will not necessarily lead to an adjustment of the development contributions payable:

4. Where the developer of a residential or non-residential subdivision applies a development contribution of cash and/or land for reserves to provide immediate landscaping and other amenities on a neighbouring or other local reserve outside the subdivision area from which it was derived;
5. Where the developer will meet the additional costs of providing above normal levels of service for reserves or infrastructure, provided the Council agrees to the above normal levels of service for that particular reserve or infrastructure; and

Christchurch City Council

Development Contributions Policy

6. Where reserves or network infrastructure are funded or supplied by a developer to meet levels of service and the infrastructure requirements of rezoning. Deferred reimbursement may be required if the current capital programme at the time of consent does not reflect the requirements of the rezoning.

3.3.4 When the Council will not require a development contribution

Limitations to the application of development contributions

The Council will not require a development contribution to the extent that:

- it has, under Section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure (fund in this sense excludes the cost of community facilities funded by the developer in the short term, but recovered from the Council in the long term); or
- the Council has received, or will receive, full funding from a third party for those works.

Development contributions payable by the Council

The Council is exempt from paying any assessed development contributions for each activity if the development itself is a capital expenditure for which development contributions are required. This avoids the possibility of collecting development contributions on development to pay for the funding of development. The Council is otherwise required to pay development contributions as appropriate.

Development contributions exemption for the Crown

Where the Crown is the landowner, it is exempt from paying development contributions by statute, but it is invited to pay development contributions as appropriate on any activities which consume

infrastructural capacity. The invitation to pay will not be a condition of the issue of a property information memorandum (PIM) or consent, Section 224(c) certificate, code compliance certificate or service connection.

Development contributions payable by private development on reserves

Where the Council permits private developments on reserves, such as clubrooms, as non-residential developments these will be subject to development contributions.

Boundary adjustments

Where a resource consent (subdivision) is granted for a boundary adjustment and no additional lots are created, development contributions will not be assessed or payable on the resource consent.

3.3.5 Other charges

Works and services

Nothing in this policy will prevent the Council from requiring, as a condition of resource consent, the provision of works and services usually, but not exclusively, internal to or on the boundaries of the development site required to service that development, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development, except where such works are provided for in the LTCCP.

The City Plan defines the nature and standard of the works and services that are to be provided (refer to Part 14: Subdivisions in Volume 3 of the Christchurch City Plan and Chapter 31: Subdivision in the former Banks Peninsula Proposed District Plan) and these works and services standards also apply to development fronting existing legal roads. These works and services are provided by the developer at their cost and, where the asset created is normally owned and maintained by the Council, transferred without charge into Council ownership.

Nothing in this policy will prevent the Council from requiring, at its request and cost, the provision of additional ‘extra-over’ works by the developer, such as installing a larger pipe and/or constructing a wider road through their development, in anticipation of future demand on those services beyond the boundaries of the development. Where additional extra-over works for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service, and where the cost of the extra-over part of the works exceeds the development contribution assessed and payable for that development, the Council may, at its discretion, reimburse the developer. The reimbursement will be via a contractual agreement entered into by both parties, being the developer and the Council. The payment terms of any monies will be negotiated in the terms of the contractual agreement.

Service connection

In addition to development contributions payable at the time of any applicable service connection, the Council may continue to collect service connection fees in accordance with current practice and the LGA for the following assets:

- Water supply connection;
- Wastewater connection;
- Surface water connection; and
- Vehicle crossing.

3.3.6 Construction demand

The demand on infrastructure of any activity will be assessed based on the demand which will exist once the activity is established and operational, not on the demand during construction.

Development Contributions Policy

3.4 Postponement, review, remission, reduction and refund of development contributions

3.4.1 Postponement of development contributions

There are no specific situations where payment of a development contribution will be postponed. The Council may, at its discretion, enter into a memorandum of agreement or encumbrance to grant a postponement of any development contribution payable under this policy (such as in the situations outlined in Sections 3.1.2 and 3.2.1).

3.4.2 Review of development contributions

The Council does not consider it appropriate to provide any formal review process. Sufficient opportunities exist for any developer to discuss all matters relating to this policy with Council staff, to outline any extraordinary circumstances and for matters to be brought before the Council for a decision.

3.4.3 Remission and reduction of development contributions

This policy does not provide for any remissions or reductions to be applied for or granted, other than the credits described elsewhere in the policy. The Council does not consider development contribution remissions to be an appropriate means of advancing strategic objectives unrelated to growth-related capital cost recovery (such as the retention of heritage buildings or the provision of social housing), for the following reasons:

- The introduction, and a large number or range, of remissions leads to less transparency and more complexity in the administration of development contributions. If the Council wishes to advance particular strategic objectives, it is considered more appropriate to do so via a means separate to DCP remissions.
- It may be considered unfair that developers, rather than the City as a whole, should pay to achieve such strategic objectives; and

- The availability of relevant remissions is likely to be capitalised into and increase the land value of development sites. Remissions may not advantage the developers of developments that remissions seek to encourage.

3.4.4 Refund of development contributions

The refund of cash and return of land will occur in accordance with Sections 209 and 210 of the LGA, in the following circumstances:

- If the development does not proceed;
- If a consent lapses or is surrendered;
- If the Council does not provide any reserves, network infrastructure or community infrastructure for which a development contribution was required; or
- If the Council does not apply money within 20 years, or use land within 10 years, or any relevant agreed period, of that contribution being received for any specified reserve purpose.

For the avoidance of doubt, and except in relation to any money or land taken for a specified reserves purpose, the Council will not refund a development contribution where any specific project does not proceed, unless the activity for which the development contribution was taken is not provided.

Any refunds will be issued to the current consent holder and/or title holder for the development to which they apply. The amount of any refund will be the development contribution paid, less any costs already incurred by the Council in relation to the development and its discontinuance, but may include any interest earned depending on the circumstances of the case

Part 3 Substantiation Of Policy

4.0 Basis for the policy

4.1 Statutory requirements and options for contributions

The Council has historically required those developers whose developments (including subdivision and buildings) place new demands on the City's reserves and network and community infrastructure to make a fair contribution toward the expansion of those services. An exception to this has been the network effects of incremental growth, which have been paid for by the ratepayer.

The LGA allows councils to require development contributions from developers if the effect of their developments requires the councils to provide new or upgraded reserves and infrastructure. Councils may use either the provisions of the LGA (development contributions) or those of the RMA (financial contributions), or a combination of both, to obtain cash or land from developers. The Council uses a combination of both.

Section 102(4)(d) of the LGA requires the Council to have a policy on development or financial contributions as a component of its funding and financial policies in its LTCCP and sets out the requirements and constraints that must be observed in its preparation. This DCP seeks to establish a transparent, consistent and equitable basis for requiring development contributions in order that the Council's following objectives are achieved:

- To obtain from those responsible for development that places additional demands on the Council's provision of community facilities a fair and reasonable contribution towards the expansion of those services;
- To generate income for the City, in addition to rates and other funding options, to cover the capital costs of growth;
- To generate information for the Council on what infrastructure investments need to be made

Christchurch City Council

Development Contributions Policy

to cater for growth, to assist the Council and City to differentiate between investments in growth infrastructure and investments made for other purposes; and

- To ensure that the level of such contribution does not generally act to discourage development, while recognising that the contribution will be influenced by locality-specific factors and that this may act to discourage development in a particular area.

4.1.1 Development contributions

A development contribution is a contribution from developers of cash or land, or a combination of these, provided for under the DCP. The Council is required to use development contributions only for the activity for which they are collected.

This will be undertaken on an aggregated project category basis for each of the activities, not on a project by project basis. The Council may and will require a development contribution in respect of any developments in the City that create a demand for new reserves and network and community infrastructure. This will include, but not be limited to, developments that create additional lots (except with respect to the unit and strata titling of existing development), additional residential units, additional or changed non-residential development, additional accommodation and additional community services development (such as sporting, educational, religious and charitable activities) irrespective of City Plan zoning and as applicable to the development, for the following:

- to meet the growth component of the future capital expenditure budgets over the following 10 years as set down in the LTCCP for the following activities:
 - Reserves:
 - Regional parks;
 - Garden and heritage parks;
 - Sports parks; and
 - Neighbourhood parks.

- Network infrastructure:
 - Water supply;
 - Wastewater collection;
 - Wastewater, treatment and disposal;
 - Waterways and land drainage;
 - Road network;
 - Active travel;
 - Parking; and
 - Public transport.
- Community infrastructure:
 - Leisure facilities;
 - Libraries; and
 - Cemeteries.
- capital expenditure already incurred in anticipation of development.

A summary of this expenditure is set out in Table 7.1 and in the Schedule of growth-related capital expenditure available online at <http://www.ccc.govt.nz/thecouncil/plans/longtermcouncilcommunityplan/dcp200919.aspx>

The DCP contributes to the achievement of community outcomes in the LTCCP by ensuring the provision of appropriate infrastructure to meet the needs of growth.

4.1.2 Financial contributions

A financial contribution is a contribution from developers of cash or land, or a combination of these, provided for under the RMA. The key purpose of financial contributions is to take account of the wider impact of a specific development, which may include offsetting or mitigating any adverse effects on the natural and physical environment, including infrastructural services, of a new development. The following financial contributions are provided for in the City Plan and will remain in that document because they do not fall within the scope of the LGA provisions for development contributions:

Christchurch City Plan

- A financial contribution towards the provision of parking spaces where it is not practical to physically provide the required amount on-site as part of the development in specified Central City and business zones (refer to Part 13: Transport, Appendix 2 in Volume 3);
- A financial contribution towards the conservation of heritage assets where the development causes the demolition or alteration of a protected building, place or object (refer to Part 9: General City Rules, Section 7.3.3 in Volume 3); and
- A financial contribution towards the provision of esplanade reserves where a development occurs without subdivision, but which would have invoked esplanade reserve provisions had subdivision occurred (refer to Part 9: General City Rules, Section 7.3.1 in Volume 3). Esplanade reserves do not therefore fall within the ambit of reserves for development contributions and will continue to be dealt with under the RMA.

Former Banks Peninsula Proposed District Plan

- A financial contribution towards both existing and proposed facilities, works or services within the Council's approved development programme; and facilities, works and services specific to a proposed subdivision outside of the Council's approved development programme towards:
 - reserves;
 - water supply and wastewater disposal;
 - new road/s and upgrading that portion of any existing road/s outside the site being developed where expected traffic from the development will exceed 50% of existing vehicle movements; and
 - works and services specific to a proposed subdivision outside of the Council's approved development programme for stormwater disposal and other district facilities (refer to Chapter 32: Development Contributions).

Development Contributions Policy

- A financial contribution towards esplanade reserves or strips on land use adjacent to Wairewa (Lake Forsyth) and Te Waihora (Lake Ellesmere), the coast and rivers (refer to Chapters 10: Water Resources and 31: Subdivision);
- A financial contribution towards the manufacture and erection of all new road name plates (refer to Chapter 31: Subdivision); and
- A financial contribution of cash in lieu of on-site parking provision (refer to Chapter 35: Access, Parking and Loading).

The financial contributions in the former Banks Peninsula Proposed District Plan are not operative or enforced and will be the subject of a proposed variation to align them with the Council's approach to development and financial contributions.

The Council may in the future include site-specific provisions in the City Plan requiring financial contributions for reserves, network infrastructure and community infrastructure in exceptional circumstances that cannot be covered by the LGA or by PDAs.

The capital expenditure summarised in Table 7.1 and the Schedule of growth-related capital expenditure does not include any projects funded by financial contributions.

4.2 Review of the policy

The LTCCP and therefore this policy can only be amended through a special consultative procedure. It is intended that the DCP will be reviewed every three years in parallel with the LTCCP cycle (i.e. 2009, 2012, ...), but the Council may review it at shorter intervals in parallel with the Annual Plan cycle or at any time, if the Council deems it necessary to take account of:

- Any changes to the significant assumptions underlying the DCP;
- Any change in policy as the Council continues to develop and implement the UDS and other strategies of significance for the City;

- Any changes to the City Plan;
- Any changes in the capital works programme for growth, including as a result of regular liaison with developers;
- Any changes in the pattern and distribution of development in the City, including as a result of regular liaison with developers;
- Any corresponding changes necessary to the growth catchments for development contributions for each activity;
- Any audits and reviews of the LTCCP;
- Any significant changes in cost indices; and
- Any other matters the Council considers relevant.

In addition to the above, it is intended that the schedule of development contribution charges will be updated annually with each annual plan to account for inflationary adjustments to the costs of projects and changes to the capital expenditure programme.

Opportunities for interested or affected parties to seek amendment to the policy are available whenever the special consultative procedure is used to propose an amendment under the above scenarios. In addition, the Council welcomes suggested amendments at any time and will consider these as it prepares the three yearly LTCCP and DCP review or any annual amendment. The Council's decision to adopt this policy is subject to judicial review to the High Court only.

At the time of preparing this policy, the Council does not expect future versions of the DCP to require development contributions for any activities additional to those for which this policy already provides.

5.0 Planning for growth

5.1 Growth model¹

City growth assumptions underpin the Council's asset management plans and capital expenditure budgets in the LTCCP for the 2009-19 period. Growth in the City has been projected for the following three components: additional residential households, additional non-residential floor area (m²) and additional non-residential impervious surfaces (m²).

Population and household growth is based on The Greater Christchurch Urban Development Strategy (UDS) population and household projections for the City adjusted to include the area outside the UDS area of the City. These projections assume high rates of migration and medium rates of fertility, mortality and household structure. Non-residential growth as estimated by the Council is based on historic rates of development collected from the Council's non-residential building consent records. These were projected using either the LTCCP 2009-19 population growth projections or the UDS labour force projections², whichever was appropriate for each specific business zone defined by the City Plan. Changes in impervious surfaces in the City are based on impervious information provided by Landcare Research derived from landsat satellite imagery. Impervious surface projections were then generated by using the projected non-residential growth to identify the amount and location of future change.

The cost of growth due to increased visitors is recovered through residential development contributions charged to holiday homes and through non-residential development contributions charged to new and growing businesses benefiting from visitor volume growth, such as hotels, motels, tourism operators, passenger transport operators and food and beverage providers.

¹ Christchurch City Council, *Development Contributions Policy 2009–19 Growth Model Documentation as at November 2008*.

² UDS labour force projections were produced in September 2006 by Statistics New Zealand using a set of assumptions agreed with the UDS management team.

Christchurch City Council

Development Contributions Policy

Table 5.1 City growth projections

	2009	2019	10 year percentage change 2009–19	2041	Percentage change 2009–41
Population ³	369,400	396,200	7%	453,000	23%
Households	149,000	164,800	11%	197,400	32%
Business floor area (million m ²)	8.1	9.3	15%	10.9	36%
Non-residential impervious surfaces (million m ²)	28	29	4.6%	29.4	5.3%

These projections indicate that:

- Residential growth between 2009 and 2019 will produce 15,800 additional households (11% growth) spread across greenfield, infill and rural locations;
- Household growth from 2009 to 2041 is estimated to produce around 48,400 additional households (32% growth);
- Non-residential growth between 2009 and 2019 is expected to be in the order of 1.2 million m² of new floor area, a growth rate of 15%;
- Non-residential growth from 2009 to 2041 is expected to be around 2.8 million m² (36% growth); and
- Impervious surfaces for non-residential areas of the City is expected to increase by 1.3 million m² (4.6% growth) in the ten years from 2009 to 2019 and by 1.5 million m² from 2009 to 2041 (5.3% growth).

Growth projections are subject to significant uncertainties as to the amount, timing and location of growth. Therefore the regular update and assessment of growth projections is a key component of monitoring growth and planning future infrastructure requirements.

The Council will continue to monitor the actual growth in residential development, non-residential development and impervious surfaces and compare these trends with the forecast growth from the growth model. It is anticipated that over the short term there will be periods where growth will be above or below the forecast growth. However, the aim is that these periods will average out close to the forecast trend. The monitoring of actual trends versus the predicted growth will be used to adjust the growth model to improve the accuracy of forecasting over time. It will also inform future asset management planning and its subsequent capital programmes in future LTCCPs. The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population, household or business growth, i.e. actual costs for growth will depend upon the particular capital works required.

5.2 Application of household unit equivalents (HUEs) as the unit of demand

The most equitable way to apportion the cost of new reserves, network infrastructure and community infrastructure in response to growth demand is on the basis of the number of equivalent new households expected as detailed in Section 5.1 for both residential and non-residential development. A growth model has been developed in order to predict growth throughout the City in HUEs and this growth information is presented per activity, per catchment. In the growth model, a HUE is defined as being equivalent to one ‘average’ household unit. It is recognised that household units vary throughout the City and that the demands they generate also cover a broad range. Given the relatively large size of the development contribution catchments and the implied averaging, the approach is considered equitable and appropriate, as well as being consistent with the level of detail recognised by the growth model itself.

The projections in Section 5.1 for the non-residential floor area (GFA) and non-residential impervious surface area (ISA) are multiplied by the equivalences in Table 5.2 to convert the non-residential growth to HUEs.

In a subdivision, 1 HUE applies per lot. In a residential development, 1 HUE applies per household unit, subject to the small residential unit adjustment. In a non-residential development, the m² of non-residential floor and impervious surface areas are subsequently converted into HUEs as follows.

³ Household and population projections are rounded to the nearest 100.

Christchurch City Council

Development Contributions Policy**Table 5.2 Land use HUE equivalents**

Land use classification	Measure	Reserves	Water supply	Wastewater collection	Wastewater treatment and disposal	Waterways and land drainage	Transport-related	Leisure facilities	Libraries	Cemeteries
All land uses	m ² ISA					0.0038				
Business 1	m ² GFA		0.0037	0.0046	0.0046		0.0140	0.0028	0.0028	
Business 2 & 2P	m ² GFA		0.0040	0.0050	0.0050		0.0214	0.0028	0.0028	
Business 3 & 3B	m ² GFA		0.0036	0.0045	0.0045		0.0042	0.0028	0.0028	
Business 4, 4P & 4T	m ² GFA		0.0037	0.0047	0.0047		0.0052	0.0028	0.0028	
Business 5	m ² GFA		0.0038	0.0047	0.0047		0.0028	0.0028	0.0028	
Business 6	m ² GFA		0.0044	0.0055	0.0055		0.0014	0.0028	0.0028	
Business 7	m ² GFA		0.0037	0.0047	0.0047		0.0052	0.0028	0.0028	
Business Retail Park	m ² GFA		0.0038	0.0048	0.0048		0.0150	0.0028	0.0028	
Central City & Central City Edge	m ² GFA		0.0036	0.0045	0.0045		0.0066	0.0028	0.0028	
Special Purpose (Airport)	m ² GFA		0.0039	0.0048	0.0048		Special assessment	0.0028	0.0028	
Special Purpose (Awatea)	m ² GFA		0.0037	0.0047	0.0047		0.0052	0.0028	0.0028	
Special Purpose (Hospital)	m ² GFA		0.0035	0.0044	0.0044		Special assessment	0.0028	0.0028	
Other non-residential zones	m ² GFA		0.0038	0.0047	0.0047		Special assessment	0.0028	0.0028	
Household (residential)	Per residential unit	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Holiday home (residential)	Per residential unit	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Retirement villages	Per residential unit	0.2500	0.5000	0.5000	0.5000		0.3000	0.5000	0.5000	1.0000

Development Contributions Policy

6.0 Rationale for funding the costs of growth through development contributions (consideration of Section 101(3) of the LGA)

The development contribution charges in this policy have been set by the Council after considering the requirements of Sections 101(3)(a) and (b). The following is an explanation of the issues considered.

6.1 Overview

In determining whether development contributions are an appropriate funding source for different activities, the Council considers, for each of its activities:

- how they relate to community outcomes;
- who benefits from that activity;
- the period over which those benefits are expected to occur;
- who created the need for that activity to be undertaken;
- the costs and benefits, including consequences for transparency and accountability, of funding that activity distinctly from other activities; and
- how any decision about funding this activity will impact on the social, economic, environmental and cultural wellbeing of the community.

In practice, this consideration can be summarised into four main steps:

Step 1

On a citywide basis, the Council considers how groups of activities contribute to community outcomes. For example, the Council has determined that wastewater infrastructure projects contribute to the community outcomes of 'a safe city', 'a city of people who value and protect the natural environment' and 'a healthy city'.

Step 2

Within the framework of the Council's activities, and how they contribute to community outcomes, the Council develops a programme of infrastructural capital works and reserves purchases. For each of the individual capital projects on that programme, the Council makes judgements about who created the need for that project, who will benefit from the asset that it creates and how long that benefit will last.

This step is carried out by the Council with proprietary software which assists it to make and record judgements about whether the need for a particular project is driven by Christchurch's existing community, or by demand that will be created by properties that are yet to be developed (the growth community). The software also assists the Council to make and record judgements about who the various beneficiaries of those projects are. Based on this information, the software calculates the value of the benefit that can be attributed to either the existing or growth community. It also enables the Council to calculate how this benefit is spread across the city and across time. The value of the benefit attributed to the growth community in each part of the city over the next ten years is the amount that could potentially be recovered from that community via development contributions.

Step 3

On an activity by activity basis, the Council considers the costs and benefits of funding each activity distinctly from other activities. The benefits of additional community infrastructure capacity accrue to the improved or new properties generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and lease prices to the occupants of those improved or new properties. Where existing residents gain a benefit from new infrastructure that is created to meet the needs of the growth community, the value of this benefit is not included within development contributions.

Therefore the Council concludes that the use of development contributions to partially fund the cost of growth in community facilities, in proportion to the benefit received by the growth community, provides the benefits of greater transparency, greater accountability and intergenerational equity. These benefits exceed the cost of using development contributions as a separate and distinct funding source.

Step 4

Finally, the Council considers how funding each activity will impact on the wellbeing of the community. In general, the Council believes that the majority of the cost of assets being created or enhanced for the growth community should be paid for by the growth community through development contributions. Failing to fund growth in this manner would impose an unfair burden on the economic wellbeing of the existing ratepayer community.

Each of these steps are discussed in more detail below.

6.2 Step 1 – Considering community outcomes

Considering community outcomes (Section 101(3)(a)(i))

The Council considers that capital expenditure being incurred to meet the increased demand for community facilities contributes to achievement of the following community outcomes:

Christchurch City Council

Development Contributions Policy

Table 6.2 Contribution to achievement of community outcomes

Community outcomes	Reserves	Network infrastructure projects	Community infrastructure projects
<p>A safe city:</p> <ul style="list-style-type: none"> We are safe at home and in the community. Risks from hazards are managed and mitigated. 		✓	
<p>A city of people who value and protect the natural environment:</p> <ul style="list-style-type: none"> Our lifestyles reflect our commitment to guardianship of the natural environment in and around Christchurch. We actively work to protect, enhance and restore our environment for future generations. 	✓	✓	
<p>A well governed city:</p> <ul style="list-style-type: none"> Our values and ideas are reflected in the actions of our decision-makers. Our decision-makers manage public funds responsibly, respond to current needs and plan for the future. 	✓	✓	✓
<p>A prosperous city:</p> <ul style="list-style-type: none"> We have a strong economy that is based on a range of successful and innovative businesses. We value sustainable wealth creation, invest in ourselves and in our future. 	✓	✓	✓
<p>A healthy city:</p> <ul style="list-style-type: none"> We live long, healthy and happy lives. 	✓	✓	✓
<p>A city for recreation, fun and creativity:</p> <ul style="list-style-type: none"> We value leisure time and recognise that the arts, sports and other recreational activities contribute to our economy, identity, health and wellbeing. 	✓		✓
<p>A city of lifelong learning:</p> <ul style="list-style-type: none"> Our learning opportunities help us to participate in the community and the economy. Quality education is available for people of all ages. 			✓
<p>An attractive and well-designed city:</p> <ul style="list-style-type: none"> Christchurch has a vibrant centre, attractive neighbourhoods and well-designed transport networks. Our lifestyles and heritage are enhanced by our urban environment. 	✓	✓	✓

The list above summarises some of the most relevant outcomes, however, the specific outcomes for each activity are listed in Volume 1 of the LTCCP under the respective Council Activities and Services pages and are not repeated in full here.

Charging new development a development contribution towards additional or increased capacity of community facilities ensures an appropriate contribution to these community outcomes.

6.3 Step 2 – Benefits of performing the activity *Who creates the need for the community facilities (Section 101(3)(a)(iv))*

The Council has estimated the extent of growth within the City and has translated that to the expected number of developments which constitute that growth. The Council has also identified its capital expenditure necessary to meet the needs of the growth community and this is explained in this policy.

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 LTCCP, those new users/the growth community are therefore the ones who 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 this city using the facilities.

The allocation of the benefits and the costs take these other factors into account.

Christchurch City Council

Development Contributions Policy***Who benefits from the community facilities (Section 101(3)(a)(ii))***

For each of the individual projects that require capital expenditure, the Council makes a judgement about whether the asset being created will provide capacity to, and therefore benefit, the existing community (which includes the current volumes of visitors to the city), the growth community, or both of those groups.

The capital expenditure and benefit allocation in this policy is analysed as follows:

- renewal expenditure – this benefits the existing community only and replaces the existing asset base;
- backlog expenditure – new asset capacity is of benefit to the existing community only, to meet the shortfall in the current level of service;
- changed (increased) levels of service - capital expenditure that benefits all of the community. The pro-rata portion which benefits the growth community is allocated to them and is potentially recoverable by development contributions;
- new services expenditure – capital expenditure to provide the benefits to both the existing and the growth community on a pro-rata basis. The portion which benefits the growth community is potentially recoverable by development contributions; and
- growth expenditure – that which benefits and is needed by the projected growth in the community, estimated over the next 10 years. Asset capacity which provides benefits beyond that period may be allocated to future growth communities and may form part of future development contributions.

Built into the existing network of community facilities are components with excess capacity which will benefit the growth community. Some components are included in development contributions, but many are not. The growth community therefore benefits from some past capital expenditure without any additional charge made to them.

Likewise, both existing and growth communities share proportionately in the benefits of excess capacity until consumed by the expanding community.

In determining the value of benefits being received by the growth community, it is assumed that the value of those benefits is equal to the cost of providing them.

The period over which those benefits will occur (Section 101(3)(a)(iii))

For each of the individual projects that require capital expenditure, the Council determines the length of time over which the asset created by that expenditure will provide a benefit to the community. The Council also determines the capacity of that asset and the amount of capacity that will be utilised by the growth community. For example, the Council might determine that a new culvert might last for seventy years and therefore provide benefits to the community over that period. This culvert may alleviate flooding for existing residents as well as providing capacity to deal with surface water run-off for the growth community. Based on the Council's assessment of the culvert's capacity and growth forecasts, the Council may determine that the excess capacity provided by the culvert will meet the needs of the growth community for ten years.

6.4 Step 3 – Funding the activity***Costs and benefits, including consequences for transparency and accountability, of funding an activity distinctly from other activities (Section 101(3)(a)(v))***

The benefits of funding additional infrastructure capacity to meet demand from development include greater transparency and efficiency by requiring an appropriate share of the actual costs to be paid by developers. An additional benefit also arises, because the use of development contributions ensures that existing ratepayers are not paying for infrastructural capacity that they do not require, and this ensures intergenerational equity.

Therefore the Council concludes that the use of development contributions to partially fund the cost of growth in community facilities, in proportion to the benefit received by the growth community, provides the benefits of greater transparency, greater accountability and intergenerational equity. These benefits exceed the cost of using development contributions as a separate and distinct funding source.

For some activities, the use of catchments also aids transparency and efficiency by identifying the variations in the cost of providing infrastructure according to the characteristics of the particular locality and the nature of the works required. Although development contributions do not incur significant administrative cost once systems are established, the use of small local catchments to collect development contributions are not always cost effective because of the requirement to collect and maintain detailed data at a localised level. Therefore a city-wide charge will be more efficient for some activities, particularly ones with a larger number of widely located projects and projects that benefit a wide geographic area.

Development Contributions Policy

6.5 Step 4 – Considering community wellbeing

Overall impact on community wellbeing (Section 101(3)(b))

Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the City. The DCP impacts on the four wellbeings in the following way:

- social wellbeing – this benefits the existing community only and replaces the existing asset base. The DCP provides for some of the costs incurred in providing reserves and infrastructure to be recouped from developers, therefore assisting in providing necessary community facilities for a growing community. Some new facilities also benefit existing residents, who pay their share of those costs through rates. Comparing our DC charges with those of adjoining councils also requires a comparison of the facilities which each council provides. Although the level of DC charges may be different across each district, the Council believes that it provides a high level of community facilities for its new and existing residents, thereby contributing to the sense of social wellbeing in the wider city. The DCP assists in achieving the Council's aims in relation to social wellbeing;
- economic wellbeing – the provision of necessary network and community infrastructure, assets and services is vital in enabling economic development to occur. Funding the Council's net cost of providing increased capacity in the City's infrastructure largely through development contributions, rather than rates-serviced debt or other forms of funding, promotes equity between existing and new residents. Therefore, the Council

believes that the majority of the cost of assets being created or enhanced for the growth community should be paid for by the growth community through development contributions, reducing the financial burden on the 'general ratepayer'. The Council also recognises that the DC charges need to be at a level that is affordable in the current economic climate and will not inhibit development within the city, and believes the charges it has provided for in this policy achieve that balance;

- environmental wellbeing - the provision of necessary infrastructure, assets and services enhances environmental wellbeing. For instance, the provision of wastewater and surface water management systems results in improvements to water quality and reduces erosion. Establishing new reserves also has environmental benefits for the city, as recognised in the Council's community outcomes; and
- cultural wellbeing – the ability of the Council to protect or provide areas of cultural significance, such as by purchasing land for reserves and establishing libraries and other community infrastructure, are some of the means by which the provision of necessary infrastructure, assets and services, through DC funding, enhances cultural wellbeing.

The practical result of the Council's consideration of the overall impact of the development contributions on the four 'wellbeings' has been implemented by calculating the full charge based on the cost allocation methodology and the Section 101 considerations.

7.0 Capital expenditure in response to growth

7.1 Activities and catchments for which development contributions may be required

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

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

Development contributions will be required on either a city-wide or local catchment basis for the Council-funded capital works summarised in Table 7.1 resulting from growth associated with the provision of the following reserves and network and community infrastructure.

A full breakdown of the Council's capital programme is available in the Capital Works Programme section of LTCCP 2009-19. The Council Activities and Services section of the LTCCP 2009-19 also provides information about the Council's capital programme, including a breakdown of why capital expenditure is being incurred (e.g. for growth) and how it is being funded.

Christchurch City Council

Development Contributions Policy

Table 7.1 Summary of capital expenditure (GST exclusive)								
Activity	Sum past years	Sum future years	Total cost	3rd party funding	Renewal	Backlog	Unallocated	Growth
Regional parks	10,167,033	7,835,980	18,003,013		2,420,211	82,350		15,500,452
Garden and heritage parks	3,554,209	7,502,000	11,056,209			8,636,570		2,419,639
Sports parks	4,180,998	14,828,748	19,009,746			384,500		18,625,246
Neighbourhood parks	610,500	18,192,767	18,803,267		3,586,039	291,325		14,925,903
Water supply	11,295,871	88,864,566	100,160,437		30,484,576	34,472,794	2,293,048	32,910,019
Wastewater collection	57,782,576	204,144,710	261,927,286		6,753,562	138,466,257	1,332,762	115,374,705
Wastewater treatment and disposal	161,975,000	92,183,832	254,158,832		23,907,664	165,688,254	4,594,018	59,968,895
Waterways and land drainage	17,223,837	175,069,955	192,293,792		16,826,934	58,949,024	1,026,079	115,491,755
Road network	42,653,295	130,915,730	173,569,025	19,776,773	1,460,380	65,502,705		86,829,167
Active travel		3,135,000	3,135,000	913,853		955,093		1,266,054
Parking		146,250	146,250			62,888		83,363
Public transport	18,232,937	127,227,377	145,460,314	80,719,045		51,766,927		12,974,342
Leisure facilities	32,215,301	42,737,312	74,952,613		3,013,739	27,828,263		44,110,610
Libraries	226,004	90,070,953	92,296,957		14,977,338	43,518,102		33,801,516
Cemeteries	207,696	2,404,602	2,612,298			2,263,992		348,306
Total	360,325,257	1,007,259,782	1,367,585,039	101,409,670	103,430,443	598,869,043	9,245,908	554,629,974

Note: These figures are un-inflated 2009–10 dollars. The full schedule of past and pending growth-related capital expenditure is obtainable online at <http://www.ccc.govt.nz/thecouncil/plans/longtermcouncilcommunityplan/dcp200919.aspx> and at the Council's Civic Offices, 163–173 Tuam Street.

Development Contributions Policy

Reserves

Development contributions will be required for:

- The expansion of the reserves assets portfolio, through the continued purchase of new reserves and through vesting new reserves from subdivision, to:
 - hold the existing level of service of 15.7ha for regional parks, 0.25ha for garden and heritage parks and 3.6ha for sports parks per 1000 people; and
 - maintain the existing level of service per 1000 people for neighbourhood parks in each catchment; and
- The development of reserves and levels of service provided to meet new needs.

The Council's reserves assets portfolio includes the following (internally classified) types of reserves:

- Regional parks – large, predominantly rural reserves, including coastal areas, the plains, wetlands and the Port Hills, intended primarily to protect and conserve natural, cultural and heritage landscapes and features while providing for passive recreation with a feeling of visual relief and remoteness from urbanity, and to contribute to the 'Garden City' image of Christchurch City;
- Garden and heritage parks – small to large, predominantly urban reserves intended primarily to provide for distinct 'Garden City' landscapes and protect heritage features, such as Victorian heritage gardens, fountains, clocks and statues;
- Sports parks – large reserves intended primarily to provide for formal, city-wide, active recreation (sporting activities and events) and open space;
- Neighbourhood parks – small to medium sized reserves intended to provide for informal, local, passive and active recreation and open space;
- Reserves for amenity purposes within or adjoining non-residential areas;

- Pedestrian and cycling linkages along or to significant natural features, or between other reserves and community facilities; and
- Works for any other purpose permitted by Sections 205 and 206 of the LGA.

Reserves may be comprised of either soft or hard landscaping, along with associated infrastructure such as seating, lighting, play equipment, public conveniences, artworks and water features, i.e. grassed with planting, or paved with raised planters in a highly developed environment such as the Central City.

Funding provision for growth over the next 3 years will focus on the continued expansion of the neighbourhood parks asset portfolio, mainly through vesting from new subdivisions, by maintaining the rate per 1000 people in each catchment. One significant regional park will be purchased on Banks Peninsula and minor land will be acquired to open up frontages to existing sports parks.

Strategic reserve purchases from the Port Hills Acquisition Programme is on hold. Neighbourhood parks purchases are being made as part of the Local Parks Acquisition Strategy to balance infill housing in Living 3 Zones and to meet the goal of the strategy to ensure at least 90% of residents in the urban environment live within 400m of a reserve. In particular, additional local reserve purchases are planned in areas such as Addington, Riccarton, Central City, St Albans, Papanui and the inner city east. The purchase of a new major sports park is on hold until the capacity for use of existing sports parks is established.

In addition to extensions to existing reserves or the formation of linkages between them, the new reserve vesting programme adds around 10 new reserves per year, which also need to be developed and levels of service provided to meet new needs. Population, as measured by the last four census periods from 1991 to 2006, has been growing at an average of 5.4% per census. The take up of vacant residential land for

new housing is averaging 95ha per year (1994 – 2008). This creates the demand for new reserve assets to be developed.

Open space service levels have also been raised in many infill areas, such as the Central City, where there has been an increase in unit development leading to the purchase of houses beside existing parks to incorporate into the reserve and create greater space for new recreation equipment.

The development of land for residential purposes increases the actual or potential number of users of the open space and recreational facilities that reserves provide. Similarly, the development of land for non-residential purposes usually implies an increase in employment in an area, with consequent demands for open space to meet the leisure, walking and cycling needs of workers in, and visitors to, business areas and to enhance local amenity values. The emergence of residential units above businesses in the light industrial zones as part of recent subdivision trends and the greater mixed-use zoning proposed by the UDS further supports the need for development contributions for reserves from subdivision for non-residential purposes.

Significant work has been required by the Council to change from a percentage of land value charge to a fixed HUE-based charge which is more directly linked to the Council's capital expenditure programme. The current reserves charges for regional, garden and heritage and sports parks have been kept to a city-wide charge because this best reflects the usage of those parks and the benefits that will accrue from them to the growth community. However, four local catchments (central city, inner city, suburban and rural) have been created for neighbourhood parks, to reflect the localised nature of their usage and the relative cost of land acquired in each of the catchments for neighbourhood parks.

Christchurch City Council

Development Contributions Policy

Water supply

Development contributions will be required for the ongoing city-wide upgrade in capacity of the water supply network of pipes and pumping stations, and capital works to provide additional reservoir capacity.

Wastewater collection

Development contributions will be required for the ongoing city-wide upgrade in capacity of the network of wastewater pipes and pumps.

Wastewater treatment and disposal

Development contributions will be required for the ongoing upgrade in capacity of wastewater treatment plants.

Waterways and land drainage

Development contributions will be required for the ongoing upgrade in capacity of the network of pipes and streams that make up the surface water management system and which benefit the City as a whole.

Where capital projects benefit a specific section of the growth community those projects have been attributed to a local catchment. These waterways and land drainage catchments are based on physical surface water catchment areas (drainage basins), however catchment boundaries are mapped to the closest meshblock boundary. These boundaries reflect the Council 2009-2019 LTCCP Growth Model from which the Council develops its capital expenditure programme and development contributions charges.

The use of local catchments best reflects the benefits that will accrue from capital expenditure to the growth community.

Road network

Development contributions will be required for the ongoing provision and upgrade of the public road network, including traffic services and safety programmes, road infrastructure (including bridges, walls and culverts), road drainage facilities (kerbs and channels) and road amenity (including street lighting and landscaping).

Active travel

Development contributions will be required for the ongoing provision and upgrade of facilities for active travel, including walking networks (including public footpaths, public pedestrian malls and open spaces), cycling networks, public on-road and off-road cycle linkages and travel behaviour change programmes.

Parking

Development contributions will be required for the ongoing provision and upgrade of public parking facilities, including on-street parking and off-street Council-operated parking facilities.

Public transport

Development contributions will be required for the ongoing provision and upgrade of public transport infrastructure, including the Transport Interchange, suburban interchanges, bus priority systems, bus stop infrastructure and the Shuttle bus service.

Leisure facilities

Development contributions will be required for the establishment, upgrade and expansion of multi-use facilities, swimming pool complexes and other leisure facilities.

Libraries

Development contributions will be required for the provision of new libraries, the purchase of library resources (books, serials, audiovisual and electronic) and relocation and/or expansion of libraries to meet growth needs.

Cemeteries

Development contributions will be required for the provision of new cemeteries for body and ashes burial and the expansion of existing cemeteries.

7.2 Capital expenditure already incurred in anticipation of growth

In the past, the Council has incurred expenditure in anticipation of development. Under the LGA the Council can recover the growth component of these projects implemented to support the future City. A 'Schedule of past projects with residual capacity' is included in the supporting information for this policy. The cost of the growth component is determined from the actual total cost to implement these projects.

Where the Council anticipates funding will be available from a third party for any part of the growth component of the capital expenditure budget, then this proportion of funding has been excluded from the total cost of estimated growth to be funded by development contributions.

7.3 Use of development contributions

The Council will use development contributions either for, or towards, the capital expenditure for which they were required, or for providing analogous reserves or network and community infrastructure.

Where a development contribution is received for capital expenditure that has already been incurred by the Council, the Council will have met its obligations under the LGA that relate to the use of the development contributions, unless a refund is due.

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

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

Development Contributions Policy

Should the development contribution revenue not meet the target, the Council may, at its discretion, reduce the cost of capital expenditure by varying the scope of the project or substituting the project for another more suited to the growth needs of the City.

There will be a review of the capital expenditure programme each year and changes to the development contribution charges may result. However, notwithstanding a change in any specific project, it is expected that the activity as a whole will continue to address the service level needs of the City.

8.0 How development contributions have been calculated

8.1 LGA requirements

Section 201(1)(a) of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule of development contribution charges is calculated. In summary, each development contribution has been calculated in accordance with the methodology set out in Schedule 13 of the LGA, by using the following seven step process.

Further explanation as to how development contributions have been calculated is provided in Sections 8.2, 8.3 and 8.4 as follows.

Table 8.1 Calculation of development contribution

Step	Explanation	LGA reference
One	From the capital expenditure projects included in the LTCCP:	Section 106(2)(a)
	• Determine the activity for the purposes of assessing the development contribution.	Section 106(2)(d) Schedule 13(1)(a)
	• Record the catchment where the project provides capacity to meet demand.	Schedule 13(1)(a)
	• Summarise in the DCP the capital works (with a component of capacity for growth) from the LTCCP that have been included in the determination of the development contribution charge (refer to Table 7.1).	Section 106(2)(a)
	• Deduct from the project cost all reasonably anticipated funding from third parties (typical sources of third party funding include NZTA, Lotteries Grant, community fund raising).	Section 200(1)(c)
	• Record the capacity life of the project – the growth cost share will be assigned to the demand reported in the growth model over the capacity life of the project to a maximum of the 30 years (as referred to in the Council's Revenue and Finance Policy).	Schedule 13(1)(b)
	• Include completed projects that were constructed to provide capacity for future demand and still have remaining surplus capacity. The actual costs of these projects less third party funding are included.	Section 199(2)
	• Exclude projects which may be implemented as works and services on condition of a resource consent, etc, from the determination of the development contribution charge.	Section 200(1)(a) Section 200(1)(b)
Two	• Assess each activity (and selected projects) that will use development contributions as part of their funding against the factors in Section 101(3)(a) (refer to Section 6).	Section 101(3)(a)
	Undertake a cost allocation analysis using the Modified Shared Drivers methodology to determine the share of cost to growth. (Refer to Section 8.3).	Schedule 13(1)(a) Schedule 10(2)(1)(d)
	• The cost allocation methodology provides a procedure based on the capacity and demand requirements of the current levels of service identified in the LTCCP to determine the growth cost share of the project cost.	Section 106(2)(a)
	• The cost allocation methodology provides a consistent and equitable methodology for assessing the project growth cost share.	Schedule 13(1)(b)
Three	• The outcomes of the cost allocation are summarised in the DCP to state the proportion of capital expenditure to be funded by development contributions and other sources of funding (refer to Table 7.1).	Section 106(2)(b) Schedule 10(2)(1)(d)
	The growth model forecasts changes in household numbers and business floor areas (refer to Section 5.1).	Schedule 13(1)(a) Schedule 13(1)(b)

Christchurch City Council

Development Contributions Policy**Table 8.1 Calculation of development contribution (cont'd)**

Step	Explanation	LGA reference
	<ul style="list-style-type: none"> Determine for each activity and catchment the changes in demand for service from the existing and growth communities over the capacity life of the project. Include measures of both household and business demand. 	
Four	Undertake a funding analysis of each project to determine the total cost of growth for each unit of demand. <ul style="list-style-type: none"> The project growth cost share is funded by development contributions from each of the incoming growth demand units (identified in the growth model) in the catchments serviced by the project over the capacity life of the project (refer above and to Section 8.4). When the timing of project expenditure collectable from the growth community via development contributions differs from the receipt of development contributions revenue, the mismatched amount will have interest applied for the duration of the timing difference. 	Schedule 13(1)(a) Schedule 13(1)(b)
Five	Aggregate the outcomes of the funding analyses for each project by activity and catchment to determine the development contribution charge for that activity and catchment. <ul style="list-style-type: none"> Present the Schedule of development contribution charges (refer to Table 3.2.5). 	Section 202(1) Section 202(3) Section 201(2) Section 202
Six	Audit and review. <ul style="list-style-type: none"> Undertake both internal and independent reviews of projects, cost allocation analyses and funding analyses. The purpose of the reviews is to check reasonableness of assumptions and correctness of the project data used in analysis. Internal reviews are comprehensive. External reviews are based on a mixture of selected and random samples. 	
Seven	Consider community wellbeing. <ul style="list-style-type: none"> Consider the overall impact of the use of development contributions to collect the cost of providing community facilities to the growth community on the current and future social, economic, environmental and cultural well-being of the community. Based on this consideration, determine the appropriate amount of the development community charge. 	Section 101(3)(b)

8.2 Level of service

The Council's activity management plans for each activity define the relevant level of service for that activity.

From these level of service statements a list of the capital projects necessary to meet projected growth has been identified and costed, based on sustaining, or where necessary changing, these levels of service.

In general, development contributions will be assessed based on the existing levels of service across the City.

Any requirement to increase the level of service for existing users will not be funded by development contributions.

8.3 Cost allocation methodology

The cost allocation methodology used in this policy is referred to as 'Modified Shared Drivers.' This methodology is applied to the 10 years of capital works projects expenditure set out in the LTCCP and expenditure on past projects that have provided residual capacity which is available to meet the needs of the growth community in the future (summarised in Table 7.1). The methodology has been applied to the programmes of capital expenditure delivering the levels of service defined in the LTCCP.

Programmes are planned capital expenditure to deliver the levels of service, while projects are planned or completed works delivering the programmes. The programmes and projects needed to deliver the defined level of service to existing and growth communities are developed by the Council through its LTCCP planning process. The forecast demand growth used to develop those programmes and projects is the same as the forecast growth that is used within the 'Modified Shared Drivers' methodology to attribute the cost in growth in community facilities to the growth community. The analysis to determine the cost of growth has been undertaken at either project level or at programme level as appropriate for that level of service.

Development Contributions Policy

The Modified Shared Drivers approach takes the planned costs of a proposed project and assigns them to various drivers, with only the growth component of a project being recouped through development contributions. The categories of drivers within the methodology are:

- Renewal;
- Backlog;
- Growth; and
- Unallocated.

A summary of the cost allocation methodology is as follows:

- The scope and gross cost of the project are reviewed. Any non-capital (operations and maintenance costs, feasibility costs) are deducted.
- Third party funding (e.g. from NZTA) is identified and deducted.
- The catchment is established.
- A share for renewal is deducted, taking into account the scope of assets being renewed and their remaining life at the time of renewal.
- Capacity and demand information based on current levels of service is used to allocate shares to backlog and growth.
- Any remaining share is defined as unallocated.
- Capacity and useful life information is used to determine the period over which development contributions should be collected.

8.4 Funding model

The purpose of the funding model is to ensure an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is an assessment of the required development contributions. These charges are listed in Table 3.2.5.

The model takes account of:

- The funding requirements to support the costs of growth infrastructure;
- Equitable application of those funding requirements to the incoming growth community;
- Recognition that the backlog components of the growth infrastructure are funded by the existing community, typically by rates;
- Future rating revenue from the increasing community (this has been estimated and incorporated into the assessment of the development contributions in the funding model as a deduction to the charge);
- Interest on funds raised to implement growth infrastructure;
- Interest on development contributions received in advance of provision of growth infrastructure; and
- The Council's consideration of current and future community wellbeing in accordance with Section 101(3)(b).

8.5 Significant assumptions

Information

Throughout the entire process of determining development contributions the Council has used the best information available. As more accurate or up-to-date information becomes available it will be used for amendment or review of this policy as necessary.

Planning horizons

A 40-year timeframe is used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons.

Growth

The Council's growth model makes use of the best available information in anticipating growth of the City, including alignment with the UDS.

Household unit equivalents (HUEs)

Refer to Section 5.2. Residential units within retirement villages are assumed to accommodate no more than 1.3 people on average.

Financial

The following financial assumptions have been applied:

- The methods of service delivery will remain substantially unchanged.
- In preparing the capital programme that is used to establish the capital costs of growth for this policy, the Council has used the financial assumptions set out in the Significant Forecasting Assumptions section of the LTCCP 2009-19. The Council has also made assumptions, based on the best information available at the time of developing this policy, about the life and capacity of each asset created through the capital programme, and the extent to which the growth community benefits from that capacity.

Christchurch City Council

Development Contributions Policy

- While the funding policies of third parties such as NZTA are subject to change, the Council has assumed that they will remain the same for the period of the LTCCP 2009-19 and eligibility criteria will remain unchanged.
- The Council has used the best information available at the time of developing this policy to estimate the cost of individual items of capital expenditure that will be funded in whole or part by development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond the Council's ability to predict, such as changes in the price of raw materials, labour, etc, and the time of capital works. The Council will review its estimates of capital expenditure annually and adjust the LTCCP.
- All costs in the LTCCP are based on current known infrastructure prices in current 2009 dollars. The software used by the Council to help calculate development contribution charges takes these LTCCP costs and inflates them to estimate the likely costs of capital works in the future. The inflation adjustors used are nationwide figures provided by Business and Economic Research Limited (BERL) and adjusted by the Council to account for local conditions.

- The interest rates used within the development contributions funding model are those defined in the budget assumptions for the LTCCP 2009-19. While interest rates are subject to fluctuation and are reviewed annually, these are reasonable assumptions over the period of the LTCCP 2009-19.
- Income generated from rates will be sufficient to meet the operating costs of growth-related capital expenditure into the future.

Key risks/effects

The growth and uptake predictions in the growth model may not eventuate, resulting in a change to the assumed rate of development. If this happens, the Council's capital programme will be adjusted to reflect the changed demand resulting from growth. It is anticipated that these changes to the capital programme would offset the effect of incorrect growth forecasts and the net impact on development contribution charges would be minimal. However, the Council will continue to monitor the rate of growth compared to that forecast and, if any differences are not reflected in changes to its capital programme, it will update the DCP as necessary.

There is also a risk that the lag between expenditure incurred by the Council and development contributions received from those undertaking developments is different from that assumed in the funding model and that the costs of capital are greater than expected. This would result in an increased debt servicing cost and could also result in increased depreciation costs for future ratepayers. The Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models as required.

Christchurch City Council

Development Contributions Policy

Part 4 Appendices

Appendix 1

Methodology to establish HUE equivalences

Reserves

All non-residential development will be assessed, on subdivision, at 1 HUE per additional lot for reserves, as previously agreed by a joint Council and development industry working party in recognition of the definite, but limited, demand non-residential development places on them.

Water supply and wastewater

The methodology to establish the equivalences for both water supply and wastewater is the same and the calculations are shown below. Using typical water and wastewater daily usage figures and typical floor area allocations per person, water and wastewater usage figures per m² are established for a range of different non-residential land uses. These figures are then applied to the mix of these land uses that occur in the different business zones defined for the City, to arrive at water and wastewater demand figures per m² and by business zone. These figures are then compared to the City's household demand figures to determine the household equivalents.

Water supply						
Usage	238 L/p/day					(1)
Occupancy	2.4 p/HH					(2)
Average daily flow per household	571 L/HH/day					(3)
Background standards (4)	Floor area per person (m ² /p)	Use per person (L/p/day)			Use per floor area (L/day/m ²)	
Commercial	40	80			2.00	
Retail	35	80			2.29	
Industrial (light/dry)	40	80			2.00	
Industrial (heavy/noxious)	40	130			3.25	
Warehouse	40	80			2.00	
Education	12.5	25			2.00	
Usage per m ²	Commercial	Retail	Industrial (light/dry)	Industrial (heavy/noxious)	Warehouse	Total
L/day/m ²	2.00	2.29	2.00	3.25	2.00	
Zone (5)						
Business 1	58%	42%	0%	0%	0%	100%
Business 2 and 2P	7%	92%	1%	0%	0%	100%
Business 3 and 3B	15%	11%	16%	0%	58%	100%
Business 4, 4P and 4T	7%	19%	17%	6%	51%	100%
Business 5	1%	8%	23%	10%	58%	100%
Business 6	3%	20%	32%	37%	8%	100%
Business 7	7%	19%	17%	6%	51%	100%
Business Retail Park	33%	63%	3%	0%	1%	100%
Central City and Central City Edge	84%	15%	0%	0%	1%	100%
Special Purpose (Airport)	49%	9%	28%	14%	0%	100%
Special Purpose (Awatea)	7%	19%	17%	6%	51%	100%
Special Purpose (Hospital)	99%	0%	1%	0%	0%	100%
Other non-residential	0%	54%	22%	0%	24%	100%

Christchurch City Council

Development Contributions Policy

Business type/zone	L/day/m² (floor area measure) (6)	Household equivalents per m² (HH/m²) (7)	m²/HH (8)
Business 1	2.12	0.0037	269
Business 2 and 2P	2.26	0.0040	252
Business 3 and 3B	2.03	0.0036	281
Business 4, 4P and 4T	2.13	0.0037	268
Business 5	2.14	0.0038	266
Business 6	2.52	0.0044	226
Business 7	2.13	0.0037	268
Business Retail Park	2.18	0.0038	262
Central City and Central City Edge	2.04	0.0036	279
Special Purpose (Airport)	2.21	0.0039	259
Special Purpose (Awatea)	2.13	0.0037	268
Special Purpose (Hospital)	2.00	0.0035	285
Other non-residential	2.15	0.0038	265

Notes:

- (1) Estimate of average residential consumption per person (based on 10 year average residential water consumption).
- (2) Occupancy provided by the Council's Strategy and Planning Group.
- (3) Usage multiplied by occupancy.
- (4) From Auckland City: Sanitary Sewer Design Manual.
- (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
- (6) Standard discharge per m² weighted by activities carried out in zone.
- (7) Previous column divided by average daily flow per household.
- (8) Inverse of previous column.

Christchurch City Council

Development Contributions Policy

Wastewater						
Discharge	190 L/p/day					(1)
Occupancy	2.4 p/HH					(2)
Average daily flow per household	456 L/HH/day					(3)
Background standards (4)	Floor area per person (m²/p)	Discharge per person (L/p/day)			Discharges per floor area (L/day/m²)	
Commercial	40	80			2.00	
Retail	35	80			2.29	
Industrial (light/dry)	40	80			2.00	
Industrial (heavy/noxious)	40	130			3.25	
Warehouse	40	80			2.00	
Education	12.5	25			2.00	
Discharge per m²	Commercial	Retail	Industrial (light/dry)	Industrial (heavy/noxious)	Warehouse	Total
L/day/m ²	2.00	2.29	2.00	3.25	2.00	
Zone (5)						
Business 1	58%	42%	0%	0%	0%	100%
Business 2 and 2P	7%	92%	1%	0%	0%	100%
Business 3 and 3B	15%	11%	16%	0%	58%	100%
Business 4, 4P and 4T	7%	19%	17%	6%	51%	100%
Business 5	1%	8%	23%	10%	58%	100%
Business 6	3%	20%	32%	37%	8%	100%
Business 7	7%	19%	17%	6%	51%	100%
Business Retail Park	33%	63%	3%	0%	1%	100%
Central City and Central City Edge	84%	15%	0%	0%	1%	100%
Special Purpose (Airport)	49%	9%	28%	14%	0%	100%
Special Purpose (Awatea)	7%	19%	17%	6%	51%	100%
Special Purpose (Hospital)	99%	0%	1%	0%	0%	100%
Other non-residential	0%	54%	22%	0%	24%	100%

Christchurch City Council

Development Contributions Policy

Business type/zone	L/day/m ² (floor area measure) (6)	Household equivalents per m ² (HH/m ²) (7)	m ² /HH (8)
Business 1	2.12	0.0046	215
Business 2 and 2P	2.26	0.0050	202
Business 3 and 3B	2.03	0.0045	225
Business 4, 4P and 4T	2.13	0.0047	214
Business 5	2.14	0.0047	213
Business 6	2.52	0.0055	181
Business 7	2.13	0.0047	214
Business Retail Park	2.18	0.0048	209
Central City and Central City Edge	2.04	0.0045	223
Special Purpose (Airport)	2.21	0.0048	207
Special Purpose (Awatea)	2.13	0.0047	214
Special Purpose (Hospital)	2.00	0.0044	228
Other non-residential	2.15	0.0047	212

- Notes:
- (1) Estimate of average residential discharge per person (based on 10 year wastewater discharges and estimated residential indoor water use).
 - (2) Occupancy provided by the Council's Strategy and Planning Group.
 - (3) Discharge multiplied by occupancy.
 - (4) From Auckland City: Sanitary Sewer Design Manual.
 - (5) Breakdown of proportions of development in business zones provided by the Council's Strategy and Planning Group.
 - (6) Standard discharge per m² weighted by activities carried out in zone.
 - (7) Previous column divided by average daily flow per household.
 - (8) Inverse of previous column.

Waterways and land drainage

The waterways and land drainage equivalence concept entails the assessment of demand for surface water management services from a unit area of non-residential land as a proportion of the surface water management demand from a typical residential site.

Residential imperviousness

The demand measure for residential surface water is the average impervious area per site, being the sum of the building footprint (m²) and impervious surfaces (m²). It does not include any allowance for impervious surfaces off the site, such as roads, vehicle crossings and footpaths. Assessments of impervious areas have been made for a number of projects in the past, including measuring representative samples from aerial photographs.

A typical residential site impervious area was estimated from:

- Interpretation of satellite photography for degree of imperviousness by Landcare Research Ltd.
- Knowledge of a typical residential building footprint.

Residential imperviousness is therefore calculated as follows:

Typical residential building footprint	195m ²
Typical impervious area on a residential site	+ 232m ²
	427m²

Non-residential imperviousness

Each m² of impervious surface can be considered to have an equal impact on flooding and erosion regardless of the source being residential or non-residential. However, surface water management projects may have multiple drivers, including resolving surface water discharge quality in addition to flooding and erosion.

It is generally considered that the contamination of surface water runoff is higher in non-residential areas. The need to deal with additional contaminant loadings affects the cost of surface water management services

Christchurch City Council

Development Contributions Policy

and hence the equivalence calculation. For the purpose of this assessment, it is considered that surface water contaminants from non-residential environments are twice the load from residential environments and this differential is adopted for the equivalence calculation.

The calculation also makes the assumption, based on forward planning to date and experience from other cities, that 40% of capital expenditure will relate to flooding and erosion mitigation and 60% will relate to water quality mitigation.

Assumptions applicable to the non-residential surface water equivalence calculation are therefore:

- The portion of the capital works programme related to flooding and erosion is 40%.
- The portion of the capital works programme related to surface water quality is 60%.
- The contaminant load ratio between non-residential and residential is 2:1.

Non-residential imperviousness is therefore calculated as follows:

Share of 1 m ² of non-residential impervious surface related to flooding and erosion =	
1m ² x flooding and erosion portion =	x 40%
0.40m²	

Share of 1m ² of non-residential impervious surface related to surface water quality =	
1m ² x contaminant load ratio x surface water quality portion =	1m ²
	x 60% x 2
1.20m²	

Effective equivalent area =	
Flooding and erosion share + contaminant loading share =	0.40m ²
	+ 1.20m ²
1.60m²	
Equivalence 1m ² of non-residential impervious surface =	
	1.60
	÷ 427 HUE/m ²
0.00375 HUE/m²	

Transport-related

For transport-related activities, equivalence is based upon 'trips' generated by an activity and the unit of measure is based on the average annual daily trips for a weekday – vehicles per day (VPD).

The methodology to establish the equivalences for transport-related activities is based on a published database of information on vehicle generation by activity type, together with the Christchurch Transport Study (CTS) TRACKS model. This model extends from the Ashley River south towards the Selwyn River. It thus covers not only the former Christchurch City, but also the principal areas associated with commuting from surrounding districts, including Rangiora, Kaiapoi, Rolleston, Lincoln, Lyttelton and Diamond Harbour.

The trip data requires adjustment to reflect that the trips observed 'at the gate' are driven by activities at either end. For example, a one-way trip from home to work (e.g. office) is driven by both the residence at one end and the office at the other and thus the capacity taken up by that one trip should be allocated equally between the residence and the office. In terms of this allocation, the following table gives the allocations, by trip purpose, that have been calculated using data from the Christchurch Transport Model:

Trip purpose	Residential	Non-residential
Home-based work	50.0%	50.0%
Home-based shopping	50.0%	50.0%
Home-based social	83.4%	16.6%
Home-based other	71.3%	28.7%
Non-home based	32.9%	67.1%
Light goods vehicles	32.0%	68.0%
Heavy goods vehicles	30.9%	69.1%
External (trips with an origin or destination outside the former Christchurch City)	73.1%	26.9%
Overall	51.9%	48.1%

Christchurch City Council

Development Contributions Policy

Basic measures of transport demand from business land uses ('at the gate') adopted in the policy are:

Zone (1)	Base trips/100m ² (2)	GFA for zone (former Chch City only available) (3)	Business trips – at 'gate' (4)	Adjustment factor (5)	Adjusted total trips (6)	Equivalent HUE (7)	Equivalent HUEs/100m ² (8)	Adjusted equivalent trips/100m ² (9)	Equivalent HUEs/m ² (10)	Peak adjustment factor (11)	Equivalent HUEs/m ² (12)
Business 1	30.30	195,752	59,313	0.689	40,871	4,087.1	2.09	20.90	0.0209	0.6700	0.0140
Business 2 and 2P	46.40	562,968	261,217	0.689	179,999	17,999.9	3.20	32.00	0.0320	0.6700	0.0214
Business 3 and 3B	9.00	1,288,433	115,959	0.689	79,905	7,990.5	0.62	6.20	0.0062	0.6700	0.0042
Business 4, 4P and 4T	11.30	1,680,150	189,857	0.689	130,827	13,082.7	0.78	7.80	0.0078	0.6700	0.0052
Business 5	6.10	2,202,625	134,360	0.689	92,585	9,258.5	0.42	4.20	0.0042	0.6700	0.0028
Business 6	3.00	154,348	4,630	0.689	3,191	319.1	0.21	2.10	0.0021	0.6700	0.0014
Business 7	11.30	43,771	4,946	0.689	3,408	340.8	0.78	7.80	0.0078	0.6700	0.0052
Business Retail Park	32.48	103,507	33,619	0.689	23,166	2,316.6	2.24	22.40	0.0224	0.6700	0.0150
Central City and Central City Edge	14.35	1,688,733	242,333	0.689	166,987	16,698.7	0.99	9.90	0.0099	0.6700	0.0066
Special Purpose (Airport)						Special assessment					
Special Purpose (Awatea)	11.30	1,680,150	189,857	0.689	130,827	13,082.7	0.78	7.80	0.0078	0.6700	0.0052
Special Purpose (Hospital)						Special assessment					
Other non-residential						Special assessment					
All impervious surfaces											
Total/Average	13.21	7,920,287	1,046,235	0.689	720,939	72,094	0.91	9.10	0.0091	0.6700	0.0061

- Notes:
- (1) This is the City Plan land-use zoning classification adopted within the growth model.
 - (2) The existing estimated land use (household and non-residential GFA by each land use zone) for each of the traffic zones within the Christchurch Transport Model was provided from the growth model. This data was analysed (for 2006) to determine household trip generation (based on the notional assumption adopted for this equivalence exercise, of 10 total trips per household per day) and the 'residual' business generation ('at the gate') determined as a total across the UDS area. Only those traffic zones with exclusive land use (e.g. all B1, or all B2, etc) were used in this analysis, the output of which is this 'base trip rate' (for non-residential activities only) per 100m² GFA, that are shown in column 2.
 - (3) This column summarises the estimated GFA (for the base year 2006) across the former Christchurch City area only.
 - (4) The estimated business trip generation ('at the gate') is shown in this column, calculated from (Column 2 x Column 3)/100.
 - (5) Column 5 shows the adjustment factor applied to convert the estimated non-residential trip generation ('at the gate'), given in Column 4, to the actual total trips allocated to non-residential activities, which amount to 720,829 trips a day. This factor is thus (on average) 0.675, being (720,829/1,062,630).
 - (6) The adjusted total trips by land use zone shown in this column is simply Column 4 x Column 5. This column thus gives the actual 'true' number trips allocated to non-residential (within Christchurch City) within the Christchurch Transport Model.
 - (7) Column 7 indicates the equivalent HUE, based on the total adjusted trips in Column 6 and the standardised assumption (for the sake of simplicity) that 1 HUE represents 10 trips per day (note that this actual value is not critical, but is required to be accounted for, as this process is about obtaining an equitable relative value of equivalence for non-residential activities compared with residential activities).
 - (8) The equivalent HUEs per 100m² GFA of non-residential floor area is obtained from Column 7 (Column 3/100).
 - (9) This is simply the equivalent trips per 100m², based on the standardised assumption of 10 trips/household/day (Column 8 x 10).
 - (10) This is simply the equivalent HUEs per m², based on the standardised assumption of 10 trips/household/day (Column 8 ÷ 10).
 - (11) The ability of a road to deliver adequate level of service is driven principally by peak traffic flows. These peak flows are dominated by cars travelling to/from home/business, whereas business to business trips occur predominantly outside peak times. To account for this impact a peak adjustment factor of 0.67 is applied reducing the share of demand to non-residential.
 - (12) The final HUE equivalence for charging is determined from Column 10 x Column 11.

Christchurch City Council

Development Contributions Policy

Land use	Trips (VPD) (1)	Measure	Classification (2)			Net trips (3)	Equivalence HUE/ residential unit, HUE/m ² , or HUE/ accommodation unit (4)
			1	2	3		
			50%	20%	3%		
Residential							
Residential unit (including holiday homes)	10.0	Unit	100	0	0	10.0	1.0
Retirement villages	3	Unit	100	0	0	3.0	0.3000
Business							
Commercial premises/offices	20	100m ² GFA	50	30	20	6.3	0.0043
Retail							
Centres ≥ 10,000m ²	87	100m ² GFA	30	50	20	22.3	0.0151
Centres < 10,000m ²	160	100m ² GFA	30	50	20	41.0	0.0278
Supermarket	130	100m ² GFA	20	50	30	27.2	0.0184
Service stations with retail facilities	600	100m ² GFA	5	20	75	52.5	0.0356
Markets	5	100m ² GFA	40	50	10	1.5	0.0010
Bulky goods	40	100m ² GFA	60	30	10	14.5	0.0098
Drive-in fast food restaurants	320	100m ² GFA	10	20	70	35.5	0.0241
Restaurants	66	100m ² GFA	60	20	20	22.8	0.0155
Industry							
Manufacturing industry	18	100m ² GFA	60	30	10	6.5	0.0044
Warehouses/storage	5	100m ² GFA	70	20	10	2.0	0.0013
Accommodation							
Within Central City and Central City Edge Zones	0.3	Unit	95	5	0	0.1	0.0001
Within other zones	3	Unit	95	5	0	1.5	0.0010

Notes:

(1) The source of this data is primarily the New Zealand Trips and Parking database.

(2) Many trips include a number of stops. A portion of the total trips associated with the non-residential land use is assumed to fall under each of the following three classifications:

1 Primary: That portion where the sole purpose of the trip is to visit a single business. It is assumed that 50% of those trips are associated with that business land use.

2 Secondary: That portion where the purpose of the trip is to visit a number of businesses. It is assumed that 20% of those trips are associated with that business land use.

3 Incidental: That portion where the visit to the business is incidental to other purposes. For example, it is likely that a visit to a service station is incidental to the primary purpose of a trip. It is assumed that 3% of those trips are associated with that business land use.

(3) The net trip rate is the basic generation 'at the gate' (2nd column) proportioned by the classification of trips.

(4) The final HUE equivalence for charging is determined by applying the peak adjustment factor of 0.67 for business trips.

Christchurch City Council

Development Contributions Policy

Leisure facilities

The Council considers that non-residential development benefits from leisure facilities in a number of ways:

- non-residential development receives a substantial indirect benefit from their employees' use of leisure facilities during and at either end of their working day; and
- Christchurch has a high number of transient workers who commute from neighbouring territorial authorities. Some of the demand for leisure facilities is created by non-residential development and their employment of individuals who reside out of Christchurch.

On this basis, it is considered that non residential developments do receive benefit from the provision of a network of leisure facilities which make the City an attractive place to live, work and play.

The HUE equivalence for leisure facilities is calculated as follows:

Assessed business benefit	12.5%
Assessed residential benefit	87.5%
Non-residential floor area 2009-10	7,510,381m ²
Residential floor area 2009-10	150,473m ²
Non-residential benefit is equivalent to households	21,496
Non-residential equivalence	0.0028 HUE/m ²

Libraries

The Council considers that non-residential development benefits from libraries in a number of ways:

- non-residential development benefits directly from their employees' use of libraries for work purposes;
- non-residential development receives a substantial indirect benefit from their employees' use of libraries during and at either end of their working day; and
- Christchurch has a high number of transient workers who commute from neighbouring territorial authorities. Some of the demand for libraries is created by non-residential development and their employment of individuals who reside out of Christchurch.

On this basis, it is considered that non-residential developments do receive benefit from the provision of a network of libraries which make the City an attractive place to live, work and play.

The HUE equivalence for libraries is calculated as follows:

Assessed business benefit	12.5%
Assessed residential benefit	87.5%
Non-residential floor area 2009-10	7,510,381m ²
Residential floor area 2009-10	150,473m ²
Non-residential benefit is equivalent to households	21,496
Non-residential equivalence	0.0028 HUE/m ²

Cemeteries

All non-residential development will be assessed at zero HUEs for cemeteries.