

Development Contributions Policy Review 2023/24

Council Workshop
27 November 2023

Long Term Plan 2024-34

- This briefing is one of a series held as part of the development of the Long Term Plan 2024-34.
- **All discussions involve draft material and reflect a position on the day.**
- This recording is intended to provide residents with an overview and understanding of the big picture issues, and therefore may not include all detail and matters discussed at the briefing.

Purpose of briefing

- Recap on what DCs are and how we can use them
- Provide an intro to the review of the policy – more detail will be provided in February
- Raise key policy issues for the policy review – indicate preferred direction
- Outline the work programme and timeline

What are development contributions

A way for the Council to fairly recover the cost of providing infrastructure to service growth...

...from those who primarily benefit from the provision of that infrastructure – developers and property owners

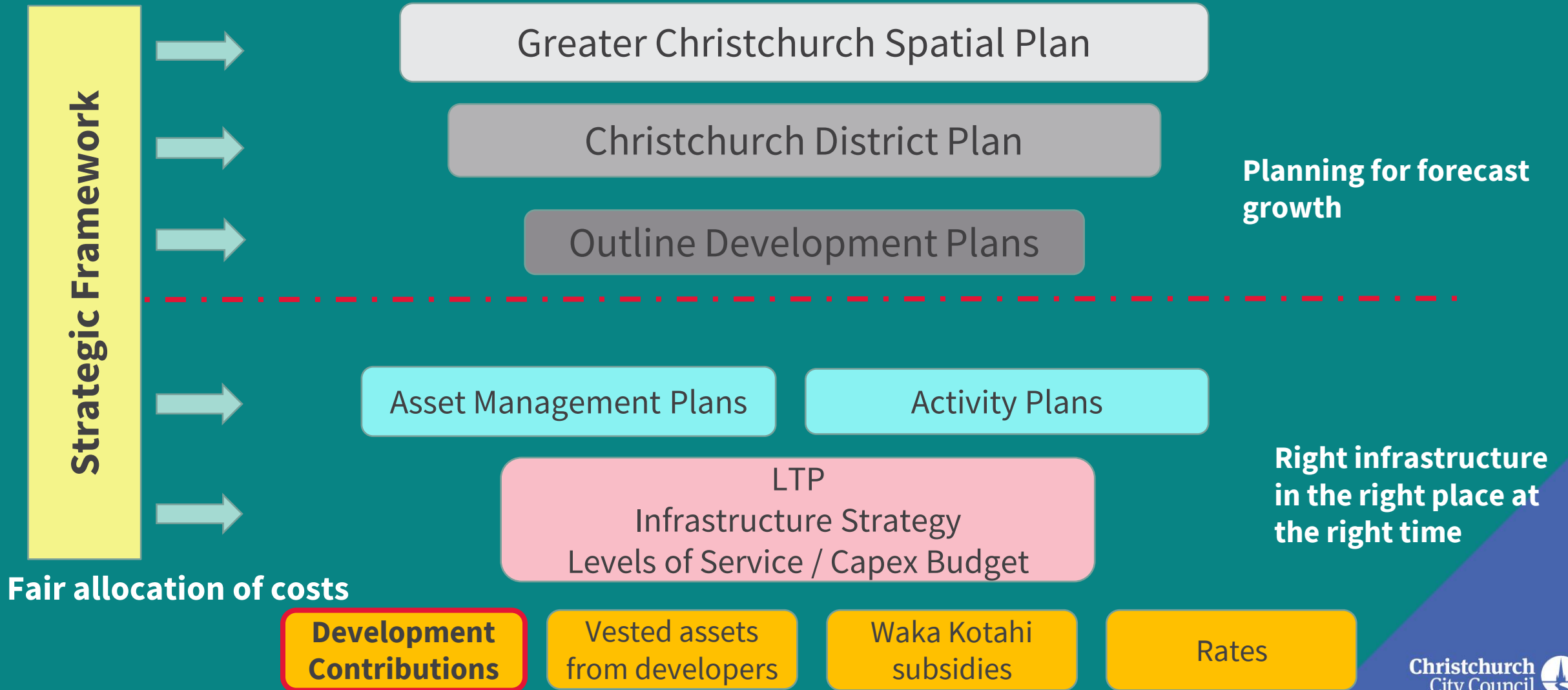
DCs only used to fund growth infrastructure

Cost drivers for capital expenditure

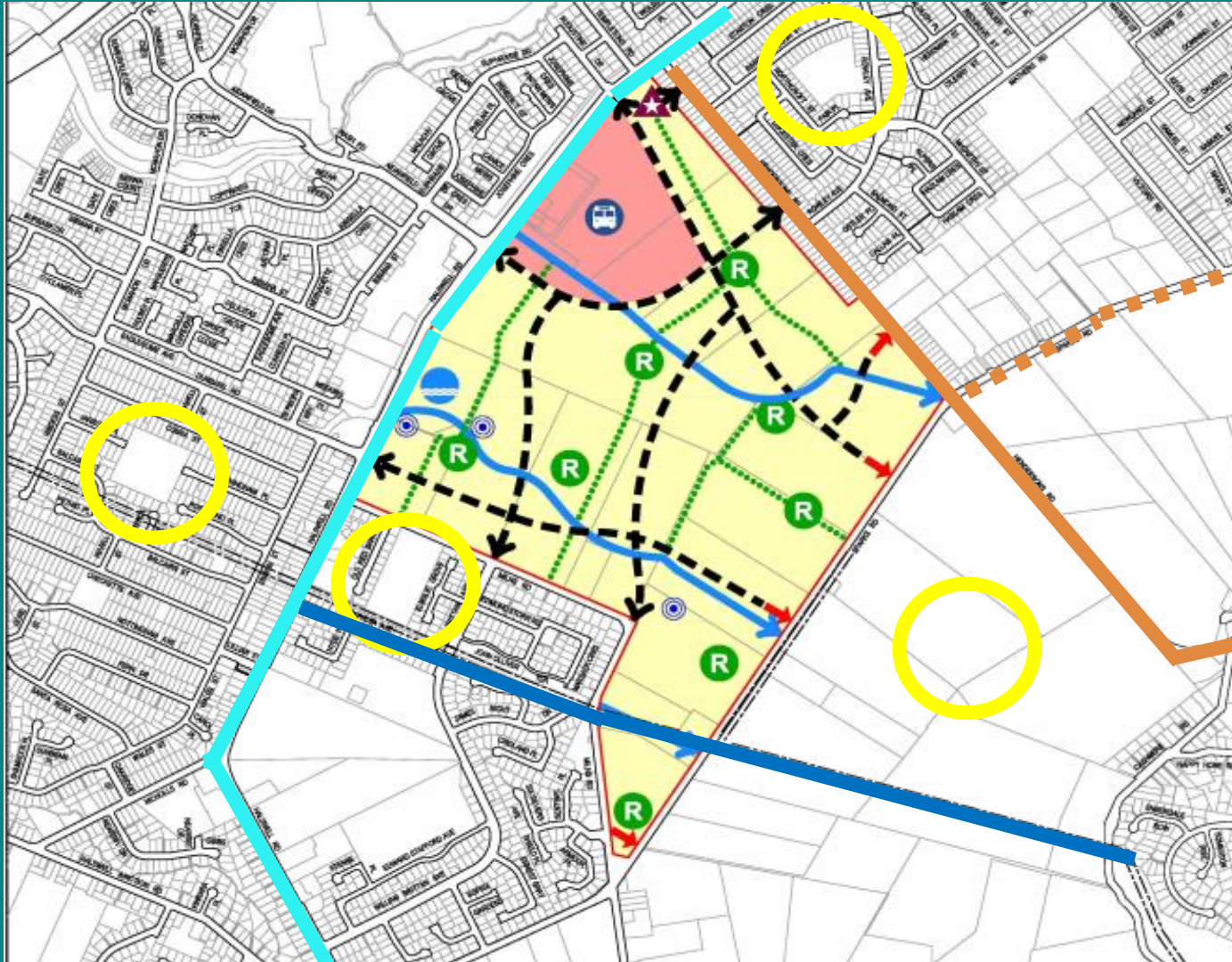
- | | |
|------------------------------|---|
| • Renewal | Rates funded |
| • Backlog | Rates funded (often loan funded initially) |
| • Increased level of service | Rates funded (often loan funded initially) |
| <hr/> | |
| • Growth | DC funded (often loan funded initially) |

Growth can be an entirely new asset or a component of a renewal or backlog asset

Growth planning and implementation framework



How we fund growth infrastructure - greenfield



- **Developer** must provide all infrastructure within development footprint and vest assets with Council
- **Council** provides infrastructure outside footprint and funds from DCs over time
- Examples of infrastructure provided by the Council:

-  Collector road
-  Waste water main
-  Water main
-  Neighbourhood parks

Project Name	Gross Cost (ex inflation)	Project Status	Catchment (s)	% to Catchment (s)	% Waka Kotahi Funding	% DC Funded	% Non DC Funded	DC Funding (ex inflation)	DC Per HUE (ex gst)
Water Supply									
Mains Renewal - Riccarton Rd - Hanson	\$4,753,159	LTP	North West	100		42.15	57.85	\$2,003,521	\$215.75
Scruttons Rd Pump Station to Lyttelton Rd Tunnel & St Andrews Hill Rd Mains Renewal	\$2,953,395	LTP	Lyttelton Harbour	100		22.78	77.22	\$672,920	\$1,292.24
Akaroa Water Upgrade	\$12,169,738	Complete	Akaroa Harbour	100		5.26	94.74	\$640,349	\$10,414.62
Little River Increased Supply	\$6,150,971	Complete	Rest of Banks Peninsula	100		9.66	90.34	\$593,981	\$5,904.69
Carters PS supply to Dyers PS	\$1,400,000	LTP	Lyttelton Harbour	35		19.20	80.80	\$268,833	\$483.98

Activity		Catchment	Development contribution per HUE (excluding GST)	Development contribution per HUE (including GST)
Reserves	Regional parks	District-wide	\$2,344.00	\$2,695.60
	Garden and heritage parks	District-wide	\$140.00	\$161.00
	Sports parks	District-wide	\$2,200.00	\$2,530.00
	Neighbourhood parks	Central City	\$1,544.00	\$1,775.60
		Inner City	\$2,467.00	\$2,837.05
		Suburban	\$1,544.00	\$1,775.60
		Greenfield	\$8,292.00	\$9,535.80
		Lyttleton Harbour	\$1,544.00	\$1,775.60
		Rural	\$1,544.00	\$1,775.60
		Rest of Banks Peninsula	\$1,544.00	\$1,775.60
		Akaroa Harbour	\$1,544.00	\$1,775.60

Network infrastructure	Water supply	District-wide	\$2,083.00	\$2,395.45
	Wastewater collection	District-wide	\$5,521.00	\$6,349.15
	Wastewater treatment and disposal	District-wide	\$2,526.00	\$2,904.90
	Stormwater and flood protection	Styx	\$630.00	\$724.50
		Styx Greenfield	\$7,078.00	\$8,139.70
		Avon	\$694.00	\$798.10
		Avon Greenfield	\$1,075.00	\$1,236.25
		Estuary	\$630.00	\$724.50
		Heathcote Greenfield	\$2,779.00	\$3,195.85
		Heathcote	\$1,723.00	\$1,981.45
		Halswell	\$4,727.00	\$5,436.05
		Otukaikino	\$630.00	\$724.50
		Lyttelton Harbour	\$630.00	\$724.50
		Northern Bays	\$630.00	\$724.50
		Southern Bays	\$630.00	\$724.50

Activity		Catchment	Development contribution per HUE (excluding GST)	Development contribution per HUE (including GST)
Network infrastructure	Road network	Central City	\$789.00	\$907.35
		Inner City	\$811.00	\$932.65
		Suburban	\$848.00	\$975.20
		Greenfield	\$2,883.00	\$3,315.45
		Lyttleton Harbour	\$789.00	\$907.35
		Rural	\$789.00	\$907.35
		Banks Peninsula	\$789.00	\$907.35
		Akaroa Harbour	\$789.00	\$907.35
	Active travel	District-wide	\$370.00	\$425.50
	Public transport	District-wide	\$624.00	\$717.60

Notes to Table 2.7

The Council will collect development contributions for playground equipment and public toilets in neighbourhood parks as part of the development contributions charge for neighbourhood parks and not as a separate activity.

No capital projects related to community centres or halls are included in the Long Term Plan 2015-25. However, the Council reserves the right to charge development contributions for these activities in a future DCP if growth-related capital expenditure for these activities is required. The possible re-introduction of these activities will be as part of a future Annual Plan or LTP and will be consulted on under that basis.

Development contributions policy

- Current DC Policy 2021 adopted July 2021
- Policy is required to be reviewed at least every 3 years
- Review must include consultation on a draft Policy
- This review is being done in parallel with LTP development

Development contributions policy

- All local authorities must have a DC policy – CCC has from 2004
- Provides the basis for allocating the costs of providing for growth through charging DCs
- If DCs are to be used the policy must include:
 - Schedule of assets provided or to be provided for which DCs will be charged
 - DC calculation methodology
 - DC assessment methodology
 - Schedule of DC charges

2024 Key policy issues identified to date

- Treatment of Three Waters
- Use of catchments
- Financial contributions
- DC remissions
- DCs for community facilities
- Life of existing demand credits
- Small residential unit adjustment
- Parks in infill development areas

Any other issues for consideration

Key dates 2024

- 27 February – Council briefing – options analysis / first draft policy
- 27 March – Draft Policy to F&P for approval to use for community engagement
- April – Community engagement
- June – Hearings Panel considers submissions
- 21 August – Final Policy to Council for adoption