

1. Introduction

This Development Contributions Policy (Policy) is part of and to be read in conjunction with, Whangarei District Council's Long Term Council Community Plan (LTCCP).

This is the third amendment to the Development Contributions Policy.

Council's first Development Contributions Policy was adopted in conjunction with the 2005 amendment to the 2004-2014 LTCCP. The first policy became effective on 1 July 2005 and was amended on 1 July 2006. This current Policy replaces all previous development contributions documents and becomes operable from 1 July 2009 as part of the 2009-2019 LTCCP.

Council will review this policy, including the schedule of contributions on a tri-annual basis or less in association with the LTCCP review cycle. Community consultation will take place on any revision by way of a special consultative procedure process and may be at shorter intervals than tri-annually (and may be carried out in conjunction with an Annual Plan consultation) if Council considers it necessary to take account of:

- any changes to the significant assumptions to the Development Contributions Policy
- any change in policy as Council continues

to develop and implement structure plans for the District, including but not limited to; the Urban Growth Strategy, the Coastal Management Strategy, the Marsden Point and Ruakaka Structure Plan and the Rural Strategy

- any changes to the Operative District Plan
- any changes in the capital projects programme relating to growth
- any changes in the pattern and distribution of development in the District
- the regular reviews of the LTCCP
- any significant changes in cost indices
- any other matters Council considers relevant.

2. Background

Over recent years the Whangarei District has experienced a very high level of growth. Together with the advantages of this strong growth comes the difficulty of funding the essential infrastructure necessary to support it.

The principal underlying *development contributions* is that developers should make a contribution to the costs of providing infrastructure and reserves, the need for which is caused most often by their developments, either individually or accumulatively.

The costs attributable to renewal and backlog will remain with the rate payers to the extent that these costs would have been incurred

even if there had been no growth and/or there is a benefit to the wider community.

3. Development Contributions

Whangarei District Council believes that in order to provide predictability and certainty about sources and levels of funding for new infrastructure related to growth, adoption of a policy on development contributions is a reasonable and practical solution. This decision concurs with Section 102(4) (d) of the Local Government Act 2002 (LGA).

Capital projects provided by Council may be required for several reasons. These include the requirement to meet the demands attributable to: growth (the growth element); to renew existing network and community infrastructure (renewal); or to meet the Level of Service required for current demand (backlog). Development contributions fund only the growth element of infrastructure capital projects. Development contributions may also be used to fund capital expenditure already incurred by Council in anticipation of new development.

In determining how to allocate costs associated with providing Council's capital projects, Council has considered a range of options for funding against the factors set out in section 101(3) of the LGA. The options chosen and explained in the Policy will enable

Council to fund its capital projects in a fair and reasonable manner as part of a consistent, integrated and equitable approach to planning for the District. Where developments generate demand for reserves or infrastructure, which in turn requires Council expenditure on new or additional assets or assets of increased capacity, a contribution may be required.

The LGA (Section 199) provides that Councils may require a development contribution in relation to developments if the effect of the development, either individually or cumulatively, requires Council to provide additional assets or assets of increased capacity, and as a consequence Council incurs capital expenditure in providing:

- Reserves for park land
- Network Infrastructure including; Roading, Water reticulation systems, Wastewater reticulation systems and Storm water reticulation systems
- Community infrastructure including; Activities and facilities on park land, Libraries, Public toilets, Solid waste facilities.

4. Date of effect

This policy applies to all resource consents, building consents and public utility applications lodged after 19 April 2005 and granted after 1 July 2005.

5. Financial contributions

Applications lodged prior to 19 April 2005 will have been assessed for financial contributions as outlined in Councils' District Plan and the Resource Management Act 1991 (RMA). These applications will pay only the financial contributions as originally assessed, unless the consent expires, is surrendered, has not been fully granted or is significantly changed.

Council reserves the right to continue to impose financial contributions under the RMA, as set out in Section 9.4.1 of the Whangarei District Plan as a condition of consent. This may be in addition to a development contribution required under this Policy but where a financial contribution is imposed in relation to an activity on a development, a development contribution will not be required for that same activity.

6. Rationale for funding growth with development contributions

The requirements of Section 101(3)(a) and (b) of the LGA have been considered in the adoption of this Policy. This section of the Policy explains those considerations and why Council has determined to use development contributions as a funding source.

6.1. Community Outcomes

The community outcomes have been clearly identified through a number of different consultative processes with the community of Whangarei. The following six Community Outcomes influence Council's decision on how to fund growth related reserves, network and community infrastructure. These outcomes have been considered in accordance with Section 101(3)(a)(i) of the LGA when defining this Policy and its associated activities, programmes and projects.

- A District which is safe and crime free
- A community which is healthy and educated
- A vibrant and growing local economy
- A District with community programmes and facilities for all
- A Community which values its culture and heritage
- A sustainable, environmentally responsible District which values its natural uniqueness.

Specific outcomes for reserves and infrastructure services are listed in full in Part 1 of the LTCCP.

6.2. Distribution of benefits

In consideration of Section 101(3)(a)(ii) of the LGA, Council recognises that there are benefits for the greater community that flow from the extra capacity provided by development

contributions. These benefits flow to the existing community and the new growth community. The new growth community being separated into growth within the ten years and growth capacity thereafter (excess capacity).

The benefits are assumed to have a value equal to the capital expenditure and similar to the benefits which flow from the underlying service activity, this being that which the consumers of the services receive as value from the availability of the capital assets.

The capital expenditure and benefit allocation in this policy is analysed in the following way:

- 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
- Increased Levels of Service; capital expenditure that benefits all of the community
- New services expenditure; capital expenditure to provide the benefits to both the existing and the growth community on a pro-rata basis
- Growth expenditure; that which benefits and is needed by the projected growth in the community, estimated over the next ten

years. Asset capacity which provides benefits beyond that period may be allocated to future growth communities and may form part of future development contributions.

The Level of Service supplied for most activities generates a benefit that is enjoyed by the whole community, both the existing and new growth. It is considered that there is no mechanism to exclude one group from the other. Similarly both existing and growth communities share proportionately in the benefits of excess capacity up to the point that it is consumed by the expanding community.

The existing community and the expanding existing community will fund any excess until future demand beyond ten years occurs and the development contributions include recovery of that excess.

It is recognised that there are components built into the existing network with excess capacity which will benefit the growth community. Some of these components are included in the development contributions, many are not.

Therefore, the growth community benefits from some past capital expenditure without incurring an additional charge made to them.

The benefit considerations taken into account by Council in setting the development contribution for each of the selected activities, is further detailed in the supporting documentation used in the Section 101(3)(a) and (b) LGA considerations for each activity, programme and project.

6.3. The extent to which actions or inactions of particular individuals or a group contribute to the need to undertake an activity

Council considers that new residential and non-residential developments are actions of the development (growth) community that directly contribute to the District's need for an increase in infrastructure. Council has also considered the individual projects in the LTCCP and evaluated the extent to which the existing areas of the community, as a group or individually, generate a requirement to provide these projects.

For example:

Funding for the proposed harbour bridge is provided in part by development contributions to the extent that the development is driven by new growth. However, Council considers that growth is not the sole driver or sole beneficiary of the development. Although growth contributes to the requirement of the project directly and has exacerbated the current traffic congestion issues in the town basin and town

centre, the new bridge will benefit the existing community and improve traffic conditions for the community as a whole. Council, through workshops and summary meetings, has formally considered the extent to which these groups contribute to and are benefited by the development. These considerations are used in Council's cost allocation methodology when defining an appropriate level of funding to be allocated to development contributions.

The Wilson's Dam project, while primarily driven by growth, is also driven by Council's requirement to provide an improved level of water quality, an enhanced level of reticulation and the requested ability by the existing local community to connect to a safe and reliable water source. Council has given consideration to its obligation to provide these services for both the existing and growth communities through formal workshops and apportioned levels of funding accordingly.

The Whangarei Heads sewer scheme was driven by several factors including: health concerns of the district wide community; a desire of the existing community for an improved Level of Service; and a requirement to service the growing coastal community. In considering this project Council has used a measured methodology to identify the apportioned level of funding directly

proportional to the individual levels of impact and benefit, and has considered the extent to which each of these communities contributed to the need to undertake this activity.

Through this process Council has determined that the activity was necessary for the benefit of: 1) the district wide community to provide them with a clean and safe harbour by way of reducing the ecological and health risks associated with a large amount of private effluent systems in close proximity to the water, 2) the existing coastal community by having a safe and efficient means of wastewater disposal and 3) the growth community by providing a desired Level of Service in line with today's modern expectations and requirements.

These considerations and calculations are available at the offices of Whangarei District Council.

Council has forecast the extent of growth planned within the district and has used the growth figures to identify future development. Council has also identified its capital expenditure necessary to meet the needs of the growing community – this is further explained in this Policy. Council has then identified, through its cost allocation methodology, the extent to which the growth

community for the period 2009 to 2019 will benefit from selected capital expenditure.

This is identified by:

- Including the capital expenditure item on the development contributions schedule of growth related capital projects. In doing this Council shows that the project is necessary and that it has a growth component
- Applying the growth and benefit allocation assumptions to the capital expenditure project and the subsequent development contribution which is derived from it
- The list of development contributions in the appendices tables in this policy.

It is recognised by Council that there may be an increase in capital expenditure necessary to change or increase the Level of Service for the whole community. The allocation of benefits and costs consider this. This increase may occur for a combination of reasons due to:

- ratepayers requiring a higher or increased Level of Service
- obligations of Council to raise the Level of Service to adequately meet resource consent or statutory obligations
- people from outside of the district community, i.e. tourists or holiday home owners, creating additional demand on the facilities.

6.4. The costs and benefits, including consequences for transparency and accountability of funding the activity distinctly from other activities, and the period over which the benefits are expected to occur.

In accordance with Sections 101(3)(a)(iii) & (v) of the LGA each activity for which a development contribution is made is separated from other activities because of the nature of the asset and those services which flow from the use of the assets.

The benefits of funding additional infrastructure capacity required as a result of development growth through development contributions, includes greater transparency and efficiency by passing on an appropriate proportional share of the actual costs to the developers. The developments expected in the next ten years attract their reasonable share of appropriate costs. The capacity that benefits the existing community and growth community beyond 2019 is excluded from development contributions under this policy. The growth portion on which a development contribution is based is that which provides the Level of Service for the assumed growth in residential and non-residential property over the ten year period.

For some activities the use of catchments assists in the transparency and efficiency process by identifying variations in the cost of

providing infrastructure in accordance with the characteristics of separate locations, and the nature of the projects required. Due to the broad and contrasting nature of the district, Council has determined that it is not cost effective to use small identified catchments. Therefore, a district wide contribution is found to be more efficient for some activities, especially if there are a large number of widely distributed projects.

6.5. Development Contributions - Community Outcomes and Well-beings

The implementation of this policy will enable Council to provide appropriately for adequate levels of network infrastructure, community infrastructure and reserves that are necessary to service the growing community. Ensuring adequate levels and balance between the various sources of funding for the provision of appropriate network and community infrastructure is central to Council achieving its vision mission and values set out below, as well as promoting the social, economic, environmental and cultural well-being of the District defined in the LGA. Funding part of the cost of providing increased capacity in Council's infrastructure through development contributions, rather than rates and/or serviced debt, promotes equity between existing residents and newcomers to the district (see S.10.1.20).

• Vision

To be a vibrant, attractive and thriving District, by developing sustainable lifestyles based around our unique environment; the envy of New Zealand and recognised worldwide.

• Mission

Creating the Ultimate Living Environment

The provision of an efficient and effective network and community infrastructure, asset and service network is seen as a cornerstone to the creation of the Council mission: 'Creating the Ultimate Living Environment'. Council sees the achievement of its mission as on-going and the provision of infrastructure assets and services will periodically be reviewed to ensure the needs of the District are adequately supported.

• Values

Council undertakes its work in accordance with five values: Communication; Customer First; Innovation and Excellence; Valuing Employees and Partnerships; and Visionary Leadership.

Communication

In developing this Policy Council has communicated and consulted with various stakeholders to ensure that there was adequate input into the policy document. A special consultative process was also undertaken, as required by the LGA.

Customer First

In developing this policy Council has been mindful of all of its 'customers' and has endeavoured to achieve an equitable balance between the 'growth community' and the general ratepayer when requiring development contributions to be paid by the growth community as set out in this Policy.

Innovation and Excellence

Council is dedicated to a programme of capital projects that enables a greater level of network and community infrastructure, assets and services to be provided. Council is committed to providing a very high level of infrastructure, assets and services that support its mission of 'Creating the Ultimate Living Environment'.

Valuing Employees and Partnerships

Council recognises that effective partnerships with developers can assist in the provision of necessary infrastructure, assets and services. To this end it is recognised that in some instances it may be possible that a developer can provide required infrastructure, assets or services in a manner not considered by, or different to, Council's normal delivery mechanism. Therefore, Council has allowed developers to enter into partnerships with Council as a means of providing necessary infrastructure, assets or services, where it can be shown to be mutually advantageous to

Council, the community and the developers.

Visionary Leadership

The provision of future network and community infrastructure, assets and services demands vision and leadership. Within Whangarei's growing District it is necessary to constantly assess and reassess the needs of the District and make key decisions on the infrastructure, assets and services to be provided. This will require changes from time to time, to Council's capital expenditure programme and the levels of service to be provided.

• *Well-beings*

Social Well-being

The Development Contributions Policy provides for some costs incurred in the provision of community facilities within the District to be recouped from developers, therefore assisting in providing necessary infrastructure and reserves for a growing community.

Economic Well-being

The provision of necessary network and community infrastructure, assets and services is vital in enabling economic development to occur within the District. By passing on a portion of the costs related to growth to those who benefit directly equity is ensured in funding which reduces the financial burden

on the 'general ratepayer', but is also at a level which Council considers is affordable in the current economic climate and will not inhibit development in the district.

Environmental Well-being

The provision of necessary infrastructure, assets and services will enhance environmental well-being. For instance, the provision of reticulated wastewater and stormwater systems to currently un-serviced areas in the District can result in improvements to water quality and reduce erosion, etc.

Cultural Well-being

The ability of Council to protect or provide areas of cultural significance, possibly by purchasing land for reserves, theatre, arts, sports and cultural centres or through enhancing coastal water quality and therefore enabling traditional food gathering practices to continue are possible means by which the provision of necessary infrastructure, assets and services will enhance cultural well-being.

6.6. Special Considerations by Council in Determining Development Contributions

Council has after a consultative process and extraordinary deliberations, elected to place a cap on development contribution charges. The individual activity rates have been revised and then capped to provide a net per Household

Unit Equivalent (HUE) charge the same as the previous 2006-2009 development contributions policy rates. In addition to the capping of these rates Council has made a decision to not charge a parks (reserves land) contribution on non-residential subdivision and land use.

The decision to take this action was made after Council considered the potential negative impact for the district as a whole associated with raising the contribution charges in this policy.

The main drivers in making this decision were:

- not wanting to add to the hardship already being generated on the local and development communities by the current downturn in the economic climate.
- a strong desire to avoid creating a negative impact (slow, stifle or stop) on local development.
- a desire to take a proactive approach in maintaining and improving employment levels through facilitating development and thereby income security for the community generally.

The development contribution rates calculated to fund the growth element of the 2009-2012 LTCCP capex projects are shown in appendix C.

Appendices A and B show the revised rates adopted by Council in light of the above considerations. The variance in these rates will be funded by other sources i.e. grants, rates, subsidies, etc.

7. Growth

Council's growth assumptions underpinning the Asset/Activity Management Plans and capital expenditure budgets in the LTCCP have been made based on the best information currently available.

Growth projections are subject to uncertainties as to the quantum, timing and location of growth therefore, regular reviews will be undertaken as a key component of planning future network and community infrastructure requirements. Despite recent high rates of development, population growth rates are still within the tolerance expected by the Growth Model. Whangarei District Council will continually monitor growth and improve the Growth Model forecasting techniques. It is recognised that more work needs to be undertaken in predicting the timing of new development and when it will create actual demand on infrastructure and services.

7.1. The Growth Model

Council has developed a Growth Model to estimate future growth within the Whangarei

District. This model has two components, household population growth and business growth. These documents are available for view at the Whangarei District Council offices.

7.2. Growth Model summary

The Growth Model for the Whangarei District has been developed establishing the rate of growth for population, residential dwellings and business land. This model is used as a first iteration of an evolving process that will refine growth trends. With this information a consistent set of projections are available for Council to use in its long term strategic and infrastructure plan. Council recognises that the Growth Model is an evolving document that will be refined and updated as the District Plan, urban growth and coastal management strategies, new census data and Statistics New Zealand data is made available.

As the Growth Model figures are used in the calculations to produce development contributions any changes to the underlying assumptions and methodology of the model will be highlighted through changes to this policy which will then be publicly notified and consulted on in accordance with the LGA.

The District's Growth Model has been developed in order to predict growth throughout the District in terms of 'Household

Unit Equivalents' (HUE). Growth information is presented per activity and per catchment. In the Growth Model, a HUE (see appendix L) is defined as being equivalent to one average household 'unit of demand'

It is recognised that household units vary throughout the District and the demands they generate cover a broad range. Given the large size of the catchments used in calculating development contributions an implied averaging methodology is used, this approach is considered appropriate and in accordance with Schedule 13 of the LGA.

7.3. Risks and Effects

There is a risk that the growth and uptake predictions in the Growth Model will not eventuate, resulting in a change to the assumed rate of development. However, modelling suggests that the impact of any change to the growth projections on the total development contribution charge for each HUE (Household Unit Equivalent) would be minor. Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models as required. (See S. 11 which sets out the significant assumptions for this policy.)

There is also a risk that the lag between expenditure incurred by Council and

contributions received from those undertaking developments is different from that assumed in the funding model and that the costs of capital projects are greater than expected. This would result in an increased debt servicing cost.

7.4. Further developments

Council will continue to monitor the rate of growth and will update outcomes in the growth and funding models as required including incorporating absentee owners to model the number of holiday homes, particularly in the coastal communities and incorporating the analysed trends from Council's Annual Monitoring Report.

8. Capital expenditure

8.1. Expenditure expected to be incurred as a result of growth

The total estimated capital expenditure Council expects to incur, as a result of growth to meet increased demand on network and community infrastructure, over the next ten years, is outlined in the Appendix L table. The growth element of these projects selected by Council will be funded or part funded by development contributions. This amount is arrived at after funding from other sources has been deducted. For example another source of funding may be from the National Land Transport Programme and a portion

of this funding allocated across the renewal, backlog, growth and improved Level of Service elements of a project. Backlog and renewal portions of capital expenditure will be funded from sources other than development contributions (e.g. depreciation funding - rates, user charges, etc).

The calculations and documentation supporting the capital expenditure are available for examination at the offices of Whangarei District Council.

8.2. Expenditure incurred in Anticipation of Development

Section 199(2) of the LGA allows for 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

In the recent past Council has incurred significant expenditure in anticipation of growth. Council will recover the cost of the growth component of these projects implemented to support the future community. A schedule of these 'Past Projects with Residual Capacity' is included in Appendix J.

8.3. Council Use of Development Contributions

In accordance with Section 204(1) of the LGA, Council will only use development contributions on the activity for which they are collected e.g. contributions collected for roading will only be spent on roading and must not be spent on other types of infrastructure projects. Contributions collected for work in a defined catchment will not be used for projects in another catchment. Use of development contributions will be undertaken on an aggregated project basis for each of the activities.

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

9. Development Catchments

For each activity a number of catchments have been determined based on their key characteristics including the geography and topography, the requirement to protect the environment and human health, the Level of Service delivery and the general nature and complexity of solutions.

The catchments may be either local or district-wide. Individual capital projects are allocated

to either local or district-wide 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. If for any reason a development falls outside the catchment and is still served by the network and/or community infrastructure associated with one of the activities, (i.e. infrastructure is extended to service a new development) then the schedule of contributions for the adjacent catchment shall apply.

10. Calculation of Development Contributions

This section of the policy, in accordance with Section 201(1)(a) of the LGA, sets out in summary form an explanation and justification of how the development contributions have been calculated. The following methodology used is in accordance with Schedule 13 of the LGA.

10.1. Calculation process summary

From Council's capital expenditure projects identified in the LTCCP, Council has prescribed to the following processes and has:

- 1) determined the activity for the purposes of assessing the development contribution
- 2) recorded the catchment where the project provides capacity to meet demand
- 3) summarised in the development

contributions policy the capital projects (with the capacity for growth component identified) from the LTCCP that are included in determining the development contributions charges. (Appendices J, K and L)

- 4) deducted from the project costs all reasonably anticipated funding from third parties
- 5) recorded 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 30 years (as referred to in Council's Revenue and Finance policy)
- 6) included completed projects that were constructed to provide capacity for future demand and that have a remaining surplus capacity. The actual costs of these projects less third party funding are included
- 7) excluded projects which may be implemented as works and services conditions of a resource consent from the development contribution charge
- 8) assessed each activity, programme and selected projects that are using development contributions as part of their funding against the considerations in Section 101(3)(a) of the LGA.

In order to undertake a cost allocation

analysis using the Modified Shared Drivers methodology to determine the share of cost to growth, Council has considered:

- 11) the cost allocation methodology providing a procedure based on the capacity and demand requirements of the current levels of service identified in the LTCCP, to determine the growth share of the project cost as well as the renewal, backlog and unallocated portions.
- 12) the cost allocation methodology providing a consistent and equitable methodology for assessing the project growth cost share
- 13) the outcomes of the cost allocation and summarized it in the development contributions policy stating the proportion of capital expenditure to be funded by development contributions and other sources of funding.(Appendix K)

Council in its Growth Model forecasts, considered the changes in household numbers and business floor areas and has:

- 14) determined for each activity and catchment the changes in demand for service from the existing and growth communities over the capacity life of the project.
- 15) included measures of both household and business demand

In undertaking a funding analysis of each project to determine the total cost of growth for each unit of demand, Council has determined the:

16) project growth cost share funded by development contributions from each of the incoming growth demand units in the catchments serviced by the project over the capacity life of the project

Council has aggregated the outcomes of the funding analysis for each project by activity and catchment to determine the development contributions charge for the activity and catchment and:

17) presented the schedule of development contribution charges (Appendices A and B)

Audit and Review

Council has actioned the following:

18) Independent reviews of the projects, cost allocation analysis and funding analysis. Reviewing is required to verify the fairness of the assumptions and accuracy of the project data used in analysis

19) Internal reviews. (external reviews are based on select random areas. Internal reviews are fully comprehensive encompassing all areas).

20) Considered the programmes and projects including the overall impact of any allocation of liability on the current

and future well-being of the community from a social, economic, environmental and cultural perspective and adjusted the outcomes appropriately and in accordance with Section 101(3)(b) of the LGA (see S.6.5 and S.18.7).

10.2. Cost Allocation Methodology

The Cost Allocation Methodology used in this Policy is referred to as 'Modified Shared Drivers'. This methodology is applied to the ten years of capital expenditure set out in the LTCCP and expenditure on past projects with residual capacity for growth. This methodology has also been applied to the programmes of capital expenditure delivering the levels of services defined in the LTCCP.

Programmes are planned capital expenditure designed to deliver the defined levels of service. Projects are planned or completed projects delivering the programme. The analysis to determine the cost of growth has been undertaken at both programme and project level as appropriate for that Level of Service.

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

methodology are:

- Operating costs and maintenance
- Renewal
- Backlog
- Growth
- Unallocated
- External funding

A summary of the Cost Allocation Methodology is as follows:

- The scope and gross cost of a qualifying project is reviewed and any non-capital (operations and maintenance costs) are excluded
- Third party funding (e.g. New Zealand Transport Agency) is identified and deducted
- The catchments are established to reflect the cost and benefits of providing infrastructure in those areas
- A measured 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 defined levels of service is used to allocate shares to 'Backlog' and 'Growth'
- Any remaining share is defined as 'Unallocated'
- Capacity, useful life information and funding periods are used to determine

the period over which contributions are identified to be collected

- The funding model is then used to identify the appropriate portion of the cost of growth (that which is allocated to the growth community) with regard to the factors outlined in section 101(3) of the LGA.

This cost allocation information and methodology is available for inspection at the Whangarei District Council's Offices.

10.3. The Funding Model

The purpose of the funding model is to ensure an equitable assessment of the funding requirements to support the development contributions calculation. Primary functions of the funding model are to ensure a measured methodology is used to calculate development contribution charges with regard to Section 101(3) of the LGA. The funding model takes that portion of gross costs allocated to the growth community by project and calculates costs in relationship to the Growth Model projections by 'Household Unit Equivalents' (HUEs).

These development contribution charges are listed in Appendices A and B.

The funding model takes account of:

- The funding requirements to support the cost of growth related to network and community infrastructure.

- Equitable application of those funding requirements to the incoming growth community.
- Recognition that the backlog components of the growth network and community infrastructure are funded by the existing community typically with rates.
- Future rating revenue from the increasing community has been estimated and incorporated into the calculation of the contributions in the funding model.
- Interest on funds raised to implement growth network and community infrastructure.
- Interest on contributions received in advance of provision of growth network and community infrastructure.

11. Significant Assumptions

Section 201(b) of the LGA requires the Development Contributions policy to state significant assumptions underlying the calculation of the schedule of development contributions. Throughout the entire process of determining development contributions Council has used the best available information. As more accurate or up-to-date information becomes available it will be used. Any changes to the Development Contributions Policy will be by way of a Special Consultative Procedure as defined in the LGA.

11.1. Planning Horizons

The LTCCP details capital projects to be undertaken over a ten year timeframe. Development Contributions also include some past projects that had a residual (growth) capacity as well as the capital projects (with a growth element) included within the LTCCP. In accordance with Council's Treasury policies, debt on capital projects must be repaid within 20 years. A 40 year horizon has been used to develop the Growth Model and various timeframes have been used for the development of asset and activity management plans, in line with the expected life of the asset. Therefore any single project has a number of different variables that must be taken into account when calculating the development contribution.

11.2. Estimated Cost of Capital Expenditure

Council has used the best information available at the time of developing this policy to estimate the cost of capital expenditure that will be funded in whole or part out of development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond Council's control, such as changes in the price of raw materials, labour, etc and the timing of capital projects taking place. Council makes every effort to incorporate these variables into cost calculations. The actual

project costs will be input into the cost allocation model updating budgeted figures and will be included in subsequent policy reviews. The capital expenditure will be reviewed with each amendment to the LTCCP and adjustments made to the schedules as appropriate.

11.3. Capital Projects

In order to support anticipated growth, Council has assumed the budgeted capital projects programme will be necessary. If the growth rates alter it is most likely that the capital projects programme will be re-sequenced or subtly accelerated or slowed rather than dramatically changed in some other way. New capital projects may also be substituted within an activity group or programme of projects that will not necessarily have an effect on the development contributions calculated for that activity.

11.4. Interest Rates

The interest rates used within the Development Contributions Funding Model are currently set at 6% for interest paid, to account for the debt borrowing Council has undertaken to complete capital projects in anticipation of growth requirements. The interest rate for interest earned on funds received in advance of carrying out growth-related capital expenditure is set at 5%. Council's cost of borrowing in the 2009-2019 LTCCP is set at 7.3%. Interest rates are subject to fluctuation and will be reviewed at

each policy review. Interest will not be included as capex once an asset is built.

11.5. Levels of Service

Levels of service (LOS) are the standard of services that Council provides for each activity. Council prepares activity and asset management plans for each activity that Council provides. The Council defines levels of service through consultation with the community on the LTCCP. These plans define the relevant LOS for an activity. The activity and asset management plans and the defined 'Level of Service' statements form the basis of identifying capital projects required to meet projected growth (see s.6.3). Any requirement to increase the LOS for existing users will be funded by rates and other funding mechanisms and will not be funded by way of development contributions.

11.6. Financial Assumptions

The following financial assumptions have been applied:

- that all future project costs are based on current known infrastructure prices at present value
- that income generated from rates and user charges will be sufficient to meet the operating costs of growth-related capital expenditure into the future
- that all New Zealand Transport Agency subsidies will continue at present levels

and that eligibility criteria will remain unchanged

- that the methods of service delivery will remain substantially unchanged
- that all figures in the development contributions schedule are expressed in 2009 dollars and these will be amended as appropriate in accordance with the Construction Cost Index (CCI) on an annual basis.

12. Development Contribution Processing

12.1. Activities that contributions are collected for

The following three major groups, incorporating nine subgroups of activities, are defined for which development contributions will be charged, with all charged on a District-wide basis except for those specifically charged by catchment.

Parks (Reserve land)

- Parks – reserves

Network Infrastructure

- Transport
- Water Supply (by catchment - refer Map 1 & Appendix G)
- Wastewater (by catchment – refer Map 2 & Appendix H)
- Stormwater

Community Infrastructure and Services

- Facilities and Activities on Parks
- Libraries

12.2. Consents and approvals that attract assessments and a requirement for a development contribution

Council will assess all relevant consent applications and approval requests, and where appropriate require a development contribution to be made.

Assessments will be made on the following consent applications and approvals:

- Building consents lodged under the Building Act 2004 (BA).
- Resources consent lodged under the Resource Management Act 1991, including subdivision applications, certificates of compliance (which are deemed resource consents) and land use applications.
- Requests for approval to make a physical connection to a service provided by Council.

Assessments will take place at the earliest consent and all subsequent consents relating to the same development.

Assessments will also be made when a project information memorandum (PIM) under the Building Act 2004 and a Certificate

of Compliance under the RMA is lodged.

This timing is not a requirement of the LGA however it does afford the applicant an early indication of a development contribution liability.

Should a preliminary assessment not be made on a PIM associated with a building consent or a certificate of compliance, this will not negate subsequent applications for the same development attracting contributions. This means that if a PIM is initially deemed to not attract development contributions but a subsequent building consent application does, the fact that an assessment was not made in relation to the PIM will not invalidate the assessment of a development contribution on the building consent.

Assessments will also be made when a consent is varied or amended and when an invoice is requested or issued. This is to ensure that the demand generated by a development has not changed from the time of the original assessment thereby, increasing or decreasing its level of demand on Council's network infrastructure and community facilities. Assessments will also be reviewed and/or revised when a policy amendment changes the development contributions rate.

12.3. Developments that attract development contributions

In accordance with section 197 and 199 of the LGA a development contribution may be required when Council considers that:

- a proposed subdivision or development (including service connections) will generate a demand on or for reserves, network infrastructure or community infrastructure, either individually or cumulatively with other developments, requiring new or additional assets of increased capacity which causes Council to incur capital expenditure.
- the development contributions policy provides for the application and payment of a development contribution in relationship to the proposed subdivision or development (including service connections).

12.4. The assessment process

Applications will be assessed by applying a sequenced methodology as follows:

- does the development proposed in the application place demand, either individually or cumulatively with other developments, on reserves, network infrastructure or community infrastructure, and if so; -
- will the developer fund or otherwise

provide for the same reserve. network or community infrastructure or part of it, or is other third party funding available; and

- to what extent does the proposed development place demand on reserves, network infrastructure or community infrastructure.

If an application is considered to be for a development generating demand on infrastructure it is then assessed considering the following:

- identify the catchment in which the proposed development is located (see catchment maps)
- calculate how many HUEs represent the impact attributable to the demand by activity for the relevant catchment(s), this may not include the calculation for a 'reserves contribution at this time.
- identify what credits are applicable, by activity.
- deduct the credit HUEs from the demand HUEs. This to obtain the net increase in demand by activity for the development
- determine the charge for each activity by applicable catchment from the schedule of fees
- total the results for each activity.

13. Invoices and payments

13.1. Invoicing

The applicant, at their discretion, may pay for development contributions on the initial assessment or any time preceding the time frames outlined in Section 13.2. Invoices must be paid in full and within thirty days of issue.

Invoicing and payments are in accordance with the Whangarei District Council's financial and debt recovery practices. This does not limit Council's ability to recover development contributions under Section 208 of the LGA.

Development contributions are invoiced at the policy rate applicable at the time an invoice is issued.

13.2. Payments

Development contributions are required to be paid:

- prior to issue of a 224(c) certificate under the Resource Management Act 1991 .
- upon² activation of a building consent or land use consent
- when an authorisation for a service connection is granted, but prior to the actual connection.

Building consents lodged after July 1 2009 which attract a development contribution, will be invoiced for the contributions immediately after the first site inspection. Building consents

lodged prior to this date will be invoiced for development contributions prior to issue of code compliance certificate.

13.3. Enforcement of payments

Should payment not be received as required by this policy, Council will utilise the power to recover unpaid development contributions under Section 208 of the LGA. This being that until a development contribution required in relationship to a development has been paid Council may:

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

- (a) (i) withhold a certificate under section 224(c) of the Resource Management Act 1991
- (ii) prevent the commencement of a resource consent under the Resource Management Act 1991:
- (b) in the case of a development contribution required under section 198(1)(b); withhold a code compliance certificate under section 95 of the Building Act 2004:
- (c) in the case of a development contributions required under section 198(1)(c); withhold a service connection to the development:
- (d) in each case, register the development

contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

14. Assessment and Application of Development Contributions

14.1. Residential

Where a consent is granted for a 'pure' boundary adjustment, and no new titles are created, development contributions will not be applied. However, if the boundary adjustment creates a buildable lot from a previously un-buildable lot (i.e. small road slivers etc) under the District Plan, the new buildable lot will attract contributions.

14.1.1. Residential subdivision

Council considers that subdivision is the most appropriate time to apply development contributions, as it considers that once a lot has been created through subdivision the legal framework is in place for development to commence. The timing of this process has also been implemented for the purposes of practicality, economies of scale with cost implementation, fairness and for the best available knowledge for projections and allocation of budgets. Therefore, each new residential lot created by subdivision attracts

¹ Reserves are assessed as 0.29% of current land value per allotment for residential and non-residential subdivision or the value of 20m² of land for a second dwelling. These contributions require a land valuation no older than six months, to establish the amount.

² The LGA states that a territorial authority may require a development contribution to be made when a building consent is granted under the Building Act 2004. Whangarei District Council has elected to require payment for a development contribution at the time the first inspection is requested. This being deemed the time that a building consent has been activated and infrastructure demand has commenced. Landuse consents without another consent associated to them will be invoiced and must be paid when Council's monitoring staff are satisfied the consent has been given effect to.

development contributions at the rate of one HUE (see appendix A).

Where two or more vacant lots held in one certificate of title are severed into separate titles and no previous contributions had been paid on them, including financial contributions under the RMA, development contributions will apply.

Where two lawfully created independent dwellings are on one allotment and a resource consent is lodged to separate the properties into two independent titles, development contributions will not generally apply as no additional demand is generated. This situation may still attract a contribution for services if they are required (see section 15.6) and were not originally connected.

14.1.2. Residential Land use and Building Consents

The first single dwelling built on a vacant allotment with a registered title in existence prior to 1 July 2005 will not attract development contributions (except as noted below), and will as of right have an inherent exemption of one HUE.

Existing allotments will attract a development contribution for services if additional services are required and the allotment has not previously been serviced. In the instance

where a contribution has previously been paid for services or a service availability charge is being paid, then no development contributions will be applied.

Additional dwellings built on an allotment containing an existing dwelling(s) will attract development contributions at the rate of one HUE for each additional dwelling unit. This includes integrated, attached and detached units, sleep outs and minor dwellings as defined in Council's District Plan. It is considered that an independent dwelling unit provides the opportunity to house a single family and consequently generates its own demand on infrastructure. However, as a concession Council will apply a reduced development contribution rate to one additional dwelling on a lot if it is less than 100 square meters of gross floor area (GFA). This decision is at the sole discretion of Council and in consideration of people who may wish to house an elderly family member or extended family member close by, yet still afford them some level of independence.

An additional dwelling unit under this consideration will attract a prorated development contribution in direct relationship to the gross floor area (GFA) up to 100 square meters. Any dwelling unit over 100 square meters of GFA will attract a development

contribution of one HUE. An additional dwelling unit of 70 square metres of GFA will attract 70% of one HUE, 50 square metres of GFA will attract 50% of one HUE, etc. Additional dwellings will also attract a reserves contribution as set out in Section 18.2 of this policy. This reduced rate does not apply to multiple dwelling units i.e. apartment blocks, townhouses or other similar situations where there are more than two dwellings on a lot. Council will evaluate second dwelling applications on a case by case basis and may monitor second dwelling use to ensure compliance with the district plan and this policy.

Should a consent be lodged to expand a reduced rate dwelling to over 100 square meters of GFA the remaining balance of development contributions up to a full HUE will become due.

Commercial properties converted in part or fully to single or multiple dwelling unit(s) will attract a development contribution of one HUE per dwelling. In this circumstance a credit will be given for the existing commercial areas prorated against the one HUE per dwelling. Any surplus credits will still remain with the site. (see section 16 of this policy).

Commercial accommodation is assessed for

development contributions however these contributions are applied at a modified rate. (see section 14.1.7 of this policy)

Buildings that are not connected to infrastructure, that are not independent dwelling units and do not create a demand on services i.e. residential garages, car ports, garden sheds, will not attract development contributions. Should any of these structures be connected to services they will attract a development contributions to the extent that they impact on those services.

Home-based businesses and dwellings changed to business use will be assessed for additional demand over and above the existing use and development contributions, if applicable, will be required in accordance with the rates for non-residential activities. An assessment for a change of use to a building will be made with consideration given to the demand already in place for the existing activity and this demand will be credited against the new activity. For the purposes of clarity the definition of a change of use in this policy may NOT have the same meaning as a change of use under the Building Act 2004 regulations. Council, will at its discretion, determine whether there is a change of use in any situation.

Only activities that directly or cumulatively create demand for services and infrastructure will be assessed for development contributions i.e. if the Council's Environmental Engineer designates that the site will not be serviced and/or will be self sufficient in respect to services (water, wastewater or stormwater), development contributions will not be charged for those services.

14.2. Non-residential

14.2.1. Non-Residential Subdivision

Non-residential subdivision will attract development contributions for each new allotment created at the rate of one non-residential HUE per new allotment, in accordance with Appendix B. This will be applied as a credit when a construction or land use activity takes place on the lot. If ³credit contributions from an underlying subdivision are in excess of contributions assessed at the time of land use, the balance of credit will remain with the allotment as a credit for future land use. Council will not refund credit contributions (see section 16).

Should an application for unit title of a commercial building be received prior to development contributions being paid on a land use or building consent, the section 224(c) certificate(s) and or code compliance

certificate (which ever occurs first) will be withheld until all contributions are paid. This is to protect the future owner(s) of a new unit title premises from inheriting the debt of development contributions that are the responsibility of the original developer.

14.2.2. Non-Residential Land Use

Non-residential land use will attract development contributions based on the demand a proposed new building or activity will place on Council's network and community infrastructure, in accordance with the rates setout in Appendix B.

Where possible a 'first principle' basis is applied to assessments for non-residential development. This means that each individual development application is assessed on its actual (proposed) demand, for example:

roading

To establish roading contributions Council will use the figures in Appendix F however, Council will also consider a report from a suitably qualified traffic engineer. Council reserves the right to have independent reports peer reviewed.

water

⁴Water demand is calculated, when possible, on average demand by type of activity. This calculation is then applied to the HUE figures

in Appendix B.

wastewater

Wastewater demand is calculated, on average demand by type of activity.

stormwater

Stormwater contributions are derived from the impervious surface areas (ISA) of a development.

When Council is not satisfied that the demand for an activity is identifiable, the development will be assessed using the rates and multipliers contained in Appendices D & E.

Development contributions will not be charged for existing structures on a site unless a change of use occurs that increases demand on network infrastructure. When an existing structure is removed or demolished, that building area (GFA & ISA) will be credited towards any new development. If there is no development on the site, 1 HUE credit for infrastructure and/or services available at the time of subdivision will be allocated against the new GFA and ISA of the development.

Activities that Council deems to not generate demand or impact on infrastructure will not attract development contributions.

14.3. Land Use (Other)

Special conditions relating to a Land Use

Consent (or for certificates of compliance) may exist (i.e.: a quarry or quarry extension) and these situations will be dealt with on a 'case by case' basis. It is advisable that you contact Council for clarification on how you should proceed with this type of application.

14.4. Rural Land Use

Residential developments in the rural area are treated the same as in the urban environment and will attract development contributions as set out in Appendix A.

Non-residential sheds and other farm buildings such as hay sheds, minor store sheds, etc, will not attract development contributions if they are assessed to have no additional impact on infrastructure.

Industrial or commercial developments including milking sheds, packing houses, growing houses, etc (any development that has a proposed activity that will impact on infrastructure and services), will be assessed for development contributions in accordance with the rates and multipliers set out in Appendix B.

As with residential development, only areas of use that directly or cumulatively create demand on services and infrastructure will be assessed for development contributions.

3. Vacant allotments which have previously paid financial contributions under RMA are deemed to have a credit of one HUE

4. Some commercial development may be assessed under the application of the extraordinary circumstances and special assessments section of this policy

14.5. Commercial Accommodation

⁵Commercial accommodation is assessed on the number of transitory accommodation ⁶rooms in the building. The calculation of HUE equivalents for commercial accommodation is based on each room proposed to be occupied, as being the equivalent to 40% of a household unit. Therefore, the conversion factor for commercial accommodation is 0.4 per accommodation room plus 1 HUE for each full time independent dwelling unit (i.e. managers unit).

For example, the total development contributions arising from commercial accommodation with 20 rooms and 1 managers unit would be $20 \times 0.4 + 1$ for a total of 9 HUEs.

The following activities will be assessed as HUES per ⁶single room (at the converted rate):

- Network Infrastructure
- Transport
- Water Supply
- Wastewater
- Stormwater

In this example a reserves contributions would be added to the above charges for the managers unit, as Council deems this to be a full time habitable dwelling unit.

14.6. Service Connections

A request for approval to connect to Council's reticulated services will attract development contributions when Council considers that a connection will generate additional impact.

Service connections include water, wastewater and stormwater applications.

Storm water collected and discharged directly and indirectly to a WDC maintained reticulation system will attract development contributions.

Development contributions will not apply to a stand alone water meter connection as this assumes that the water service is in place and has been consented to with all associated fees being paid.

If a service was not originally available to a previously established development or subdivision and it becomes available by way of Council or a third party provision, development contributions will apply on that new service to the extent the connection to that service places demand on Council infrastructure.

14.8. Special Assessment Calculations

When Council considers that an application for a development indicates that the development will generate impact on infrastructure to a level outside of the inherent averaging used for the cost allocation methodology a 'special

assessment' may be applied. Council reserves the right to undertake special assessment however as a rule, assumes that a special assessment will only be done when the demand for an activity is expected to be greater than double the identified average value for that type of activity. This may in some cases require that the applicant provides Council with detailed calculations of the development's existing and proposed impact on infrastructure. It is expected that this will be supplied by a suitably qualified person i.e. a traffic report provided by a qualified traffic engineer. This data will then be converted into HUEs using the base HUE volumes of demand in Appendices D and E.

Council encourages developers to provide this information at the feasibility stage of their project prior to lodging an application. It may also be required as part of a further information request under Section 92 of the RMA or Sections 33 or 48 of the BA.

Activity types that could require a special assessment may be sports or convention centres that would incur large volumes of traffic at specific peak times or, trucking and courier activities that may have a consistent above average roading use. Other activities like concrete plants may attract a special assessment for both roading and water use.

15. Private Development Agreements

Council may at its discretion, in special circumstances enter into a private development agreement with a developer. A private development agreement may include a situation where a developer is to provide Council planned infrastructure works identified as growth related in the LTCCP and Council considers it to be a benefit to all parties involved. All parties involved being the growth community, existing local and district wide communities and present and future affected individuals directly and indirectly associated with a development. Any agreement, if approved by Council, will state the departures from the standard processes and calculations of this policy, the reasons for those departures and the reasons for the agreement.

16. Credits

Credits are allocated to the demand historically inherent with an allotment and are associated only with that allotment and any related development lawfully established prior to 1st July 2005. Where development contributions for an activity on an allotment have previously been paid credit to that extent will be in HUEs.

The application of a credit recognises that a development may replace existing demand

5. This may be motels, hotels, hostels, holiday cabins etc

6. For motel/hotel type development a room is deemed to be for a maximum of 2.6 people

for an activity therefore not creating additional demand to the level that the activity has been replaced. This further ensures that only the additional demand on infrastructure generated by the proposed development attracts development contributions.

Credits remain with the allotment they were originally established on and are not cross transferable from one activity to another i.e. credits for water will only be applied to a water contribution, reserves to reserves etc.

Development contribution credits are measured in units of demand (HUEs or parts thereof) for each qualifying activity.

Credits will only be allocated to the level of the contributions applicable. This means that if the value of the credit is more than the value of the development contributions applied to a development, the surplus credit will remain in place with the allotment and can only be recovered if further development takes place.

For the purposes of clarity surplus development contribution credits are not redeemable by other means. Council will not reimburse a developer for credits in any form (i.e. money or land).

Development contribution credits for all activities must remain with the originating lot.

For the avoidance of doubt, Council prohibits the transferring of credits from one allotment to another.

16.1. General Principles of Credit

16.1.7. Residential

Any undeveloped ⁷existing allotment with a registered title is deemed to have 1 HUE credit for reserves, network and community infrastructure. Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit shall be given for the particular activity with no historical time limit and all previous payments being taken into account.

For residential buildings that are demolished or destroyed, no development contributions will be payable provided that the same number of independent dwelling units are rebuilt. Any additional units will be assessed for payment of development contributions under the terms of this policy.

Subdivision that separates a lawfully constructed residential unit from a cross lease, provided it does not create any new vacant lots, will not attract development contributions. Council considers that the demand generated by the residential unit is already in existence, therefore not generating any additional demand. This also applies to unit, or strata title

of existing buildings.

For the purposes of development contributions a residential subdivision will always inherit a credit lot(s) this being the original lot(s) prior to subdivision. In assessing a reserves contribution on a new subdivision Council will credit the largest lot or at the sole discretion of Council the lot of highest value. Should the subdivision involve allotments with an existing dwelling(s) on it then the credit lot will always be the new lot created with the existing dwelling(s). Council deems that the allotment with an existing dwelling(s) already has an impact on infrastructure associated with it and cannot be charged development contributions, except for where services may be required that were not in place prior to the subdivision.

It is understood that some special circumstances may apply to some service connections i.e. a targeted or special rates levy has been agreed to pending the installation of a new service and as such provides for that property to connect to the services when commissioned. Under these circumstances the special agreement will apply and no development contribution will be required, except for where the demand proposed is greater than that envisaged by the special rate and a development contribution, or part thereof will be charged.

Only areas of use that directly or cumulatively create demand for services and infrastructure will be assessed for development contributions i.e.: if the Council's Environmental Engineer determines that the site is self sufficient in respect to services (water, wastewater and stormwater), development contributions will not be applied for those services.

Credit will not be granted for infrastructure and/or services provided in excess of that required as a condition of any consents issued by Council.

16.1.8. Non-residential

Non-residential credits shall be valid for network infrastructure based on lawfully created developments in place prior to July 1, 2005.

Credits will be applied at the rates set out in appendices A and B and applied on either a specific activity basis where applicable and/or the GFA of a development.

As with residential subdivision any undeveloped existing allotment with a registered title is deemed to have one HUE credit for network infrastructure. Where development contributions or financial contributions for a particular property have previously been paid, contribution credits to that amount shall be given for the particular activity with no historical time limit and all previous payments being taken into account. Non-residential subdivision credits will be applied

7. Credits will only be given for existing lots that comply with the minimum allotment size for the underlying environment set out in the District Plan i.e. small road severances etc will not be credit lots unless they comply in all cases with the District Plan for minimum buildable lot size.

to future development and construction on the lot excluding reserves contributions.

For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.

Allotments that previously contained buildings that were demolished or destroyed prior to July 1 2005 will be deemed to be vacant lots and will be assessed as having the equivalent of one non-residential subdivision credit.

17. Postponements, reviews, remissions, reductions and refunds

17.1. Postponement of development contributions

For the purposes of this policy postponements on payment of a development contribution will not be applied.

17.2. Review of development contributions

Council considers that there is adequate opportunity for developers to review and discuss any extraordinary circumstances with Council's development contributions review team and to resolve any issues relating to development contributions. However should this process prove to be ineffectual, provision is made for matters to be brought before

Council for a final decision.

17.3. Remissions and reductions of development contributions

This policy does not provide for any remissions or reductions to be applied or granted, other than for credits and transitional discounts noted in Section 16 of this policy.

17.4. Refunds of development contributions

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

- If development or building does not proceed
- If a consent lapses or is surrendered
- If Council does not provide any reserve network infrastructure or community infrastructure for which a contribution has been collected within ten years of that contribution being received.
- If Council does not apply money within 20 years, or use land within ten years, or any relevant agreed period of the contributions being received for any specific reserve purpose.

For the avoidance of doubt, and except in relation to money or land taken for a specific reserves purpose, Council will not refund a contribution where a specific capital project does not proceed, except when the activity for

which the development contribution was taken is not provided.

Refunds will only be issued to the payer on the development to which they apply and the amount of any refund will be the contribution paid, less any costs already incurred by Council in relation to the development and its discontinuance. The refund would exclude any other costs already incurred by Council, but may include any interest earned depending on the circumstances of the case.

18. Other Matters relating to development contributions

18.1. Development Contribution - Money or Land

The LGA provides that a development contribution for Parks (Reserves) may be money or land, or both. Under this policy the contribution shall in every case be money unless, at the sole discretion of Council, a piece of land offered by the developer would adequately substitute, in whole or in part, the purposes for which the contribution is sought. If a contribution is to be taken in land this must be agreed with Council under a private development agreement as detailed in Section 15

18.2. Reserve Land

In general Council will only accept reserve land as a development contribution where it

is specifically a recreational, scenic or historic reserve and will be vested as such. Esplanade and drainage reserves are not considered by Council to be within the ambit of Parks (Reserve land) for development contributions. Esplanade and drainage reserves will continue to be dealt with under the RMA, as they are at present and will not be discounted against development contributions for Parks (Reserve land) in any way. The acceptance of land for parks (reserves) contributions will at all times, be at the sole discretion of Council. See Appendix I

18.3. Basis of Land Valuation

Where a land valuation is required for the purpose of calculating a development contribution for reserves, the valuation shall be a market valuation no older than six months. The valuation shall be undertaken on the basis of 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. See appendix I for development contributions relating to reserves.

If an invoice for development contributions remains unpaid over a 6 month period, and where there is reason to believe that market values have altered significantly, a revised land valuation may be require by Council.

18.4. Wastewater Projects

Council has entered into a private developer agreement with the Bream Bay Landowners Association (BBLOA) to provide wastewater treatment, disposal and reticulation infrastructure to service the Ruakaka/One Tree Point/Marsden Point catchment. The agreement sets out the parties' responsibilities with regard to funding, the provision of wastewater infrastructure and the HUE entitlement for each party. Each residential lot created will be entitled to one HUE for wastewater treatment, disposal and reticulation. However, each business lot created will be entitled to one HUE for wastewater treatment and multiple HUE's for disposal and reticulation, the exact apportionment of the disposal and reticulation HUE's to be at the respective party's discretion. At the time of development of the business lots (e.g. a building consent application is received by Council) Council will assess the total wastewater demand and charge the appropriate wastewater DC charges for wastewater treatment, disposal and reticulation taking into account the HUE entitlement for the lot previously paid for by the BBLOA member. The wastewater DC charges for the lots created under the BBLOA Agreement are:

Wastewater treatment \$3,540 + GST/HUE
 Wastewater disposal \$5,153 + GST/HUE

Wastewater reticulation \$11,173 + GST/HUE

18.5. Council Developments and Development Contributions

Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required (i.e. if Council is developing a library it will not pay a library contribution but it will be required to pay relevant water, wastewater etc contributions).

18.6. Goods and Services Tax (GST)

The total end-to-end process for calculation of development contributions is exclusive of GST. Once all the calculations are complete, GST shall be added to the final invoice as required by the Goods and Service Tax Act 1985.

18.7. Development Contributions rate revisions (see S.6.6)

In this policy the individual activity rates have been revised and then capped to provide a net per HUE charge the same as the previous 2006-2009 development contributions policy rates. Contribution rates calculated to fund the growth element of the 2009-2012 LTCCP capex projects are shown in appendix C. Appendices A and B show the revised (capped) rates adopted by Council to reflect the considerations explained in Section 6.6.

Appendix A. HUE contribution rates for residential development and subdivision.

Activity	Catchment	Contribution per HUE
Parks; reserve land	District wide	0.29% of land value for each new lot created by subdivision or the value equivalent to 20m ² of land for each additional household unit (see appendix I)
Roading	District wide	\$7,111.00
Water Supply	Whangarei City	\$5,176.00
	Bream Bay	\$7,000.00
Wastewater	Non-coastal	\$1,472.00
	Coastal	\$19,866.00
Stormwater	District wide	\$318.00
Facilities & Activities on parks	District wide	\$1,600.00
Libraries	District wide	\$500.00

Appendix B. HUE contribution rates for non-residential subdivision and land use.

Activity	Catchment	Contribution per HUE
Roading	District wide	\$7,111.00
Water Supply	Whangarei City	\$5,176.00
	Bream Bay	\$7,000.00
Wastewater	Non-coastal	\$1,472.00
	Coastal	\$19,866.00
Stormwater	Impervious Surface Area (ISA)	\$318.00

Note: Where possible a first principle basis is applied to assessments for non-residential land-use consents. This means that each individual development application is assessed for its actual (proposed) demand. Read section 14 for a full explanation.

Development Contributions Policy 2009-2012

Appendix C. The following figures are the calculated development contribution rates before being capped by Council - See S6.6.

Activity	Catchment	Contribution per HUE
Parks (reserve land)	District wide	Same as Appendix A
Roading	District wide	\$9,930.00
Water Supply	Whangarei City	\$6,109.00
	Bream Bay	\$16,885.00
Wastewater	Non-coastal	\$2,090.00
	Coastal	\$30,404.00
Stormwater	District wide	\$318.00
Public Toilets	District wide	\$110.00
Facilities & Activities on parks	District wide	\$1,929.00
Solid waste	District wide	\$21.00
Libraries	District wide	\$853.00

Appendix D. Base unit rates applied to one HUE of demand

Activity	Base unit	Demand per HUE	Comments
Parks (reserve land)	ha	N/A	see Appendix I
Roading	VPD	10	based on light vehicles
Water Supply	m ³ per day	0.75m ³	calculated on average flow
Wastewater	m ³ per day	0.80m ³	calculated on peak flow
Stormwater	m ² of ISA	450m ²	averaged per household
Facilities-activities on parks	per activity	N/A	see Appendix A
Libraries	per activity	N/A	see Appendix A

Appendix E. Equivalency factors applied to Non-Residential Development HUEs

Activity	Base unit	Demand per HUE (100m ² of GFA)
Roading	VPD	0.7 of 1 HUE
Water Supply	m ³ per day	0.47m ³ of 1 HUE
Wastewater	m ³ per day	0.6m ³ of 1 HUE
Stormwater	m ² of ISA	0.23 of 1 HUE

Appendix E demand figures are the equivalency factors applied to future business floor area used in Council's cost allocation methodology to identify a HUE equivalent for business development. These figures are averages and will vary by development activity. Non-residential land-use consents will be assessed in accordance with section 14 of this policy.

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Transport; roading

Transport; roading contributions are calculated on trips generated by a development activity. The unit of measure is based on the average annual daily trips for a weekday. The traffic activity used for this policy is established from the New Zealand Trips and Parking surveys database and locally established traffic activity by location and land use. The trips data has been adjusted to reflect that the trips observed at the gate are driven by the start and end destinations. For example a car driven from home to a place of work has activity equally allocated to both the residential and the work elements of the trip. It is further recognised that a level of activity has shared drivers and this is reflected in these calculations.

Appendix F. Schedule of base vehicle movements per day for non-residential development (these are indicative figures only which may vary by activity)

Average vehicle movements per 100m² of GFA (one HUE equivalent)

Land Use	vpd/100m ²	attributable movements to the activity			net activity	
		(1) percent of activity at 50%	(2) percent of activity at 20%	(3) percent of activity at 3%	trips/100m ²	HUEs
Residential per dwelling	10	-	-	-	10	1
Commercial/Office	20	60	30	10	7.26	0.73
Retail >10,000m ²	90	30	50	20	23.04	2.30
Retail <10,000m ²	150	30	50	20	38.4	3.84
Supermarkets	130	20	50	30	27.17	2.72
Service stations with retail	600	5	20	75	52.5	5.25
Markets	5	40	50	10	1.515	0.15
Bulk Goods	40	60	30	10	14.52	1.45
Fast food	200	10	20	70	22.2	2.22
Restaurants	70	60	20	20	24.22	2.42
Industrial	20	50	30	20	6.32	0.63
Warehouse storage	5	70	20	10	1.965	0.20
Hospitals/medical/dental	50	70	20	10	19.65	1.97
Gyms	35	80	15	5	15.10	1.51

Most trips include multiple stops for other activities. To average this level of activity it has been calculated that traffic activities fall into the following categories:

- (1) Primary usage; the portion of the trip that is solely to visit a single business. This assumes that 50% of the trips are directly attributable to that business land-use.
- (2) Secondary usage; the portion of the trip is to visit several businesses. This assumes that 20% of the trips are attributable to that business land use
- (3) Incidental usage; the portion of the trip that is incidental to the land-use. This assumes that the primary purpose of the trips is to visit somewhere else however, 3% of the trip is an incidental stop at the business land use i.e. a service station stop for petrol or fast food drive through.

Water

Water use is based on the “average” flow per household in the district divided by the average occupancy per household.

Average commercial land-use water usage

Calculation of water use for a business land-use activity is based on the district wide average water use by industry. If the activity for a development is not identifiable at the time an assessment is made then the water use identified in Appendix E will be applied.

If the average water use for an activity in the district is identifiable then the following example will be followed:

Assuming the average water use for commercial office space in the City is 1.30 litres per m² of GFA. If the proposed building has a GFA of 400 m² the water use is calculated to be 1.3(litres) x 400(m²) = 520(litres). This is then divided by the HUE base rate (750litres) to identify the contributions. Therefore, $520/750=0.693$ x \$5,176.00 = \$3,588.69.

As noted in section 15.3 of this policy Council may in some circumstances, undertake a special assessment, as a rule this will occur when it is deemed that the demand for an activity is expected to be greater than double the identified average value for that type of activity.

APPENDIX G. Schedule of water use

Average residential water usage for the District

Usage	288 litres per person per day
Average occupancy	2.6 people
Average household usage	750 litres per day

Wastewater (sewer)

Wastewater is based on “peak” flow and the base figures are established from district wide residential flows per household.

Commercial land-use wastewater usage

Calculation of wastewater use for a business land-use activity is calculated using the same methodology applied to water use.

Stormwater (surface water management)

Surface water management entails the assessment of demand for surface water management services from a unit area of non-residential land as a portion of the surface water management demand from a typical residential site. Residential impervious surface area (ISA) has been established from Councils building consent and land use records, plus Councils District wide GIS mapping database. The average residential ISA is calculated to be 450m². It is considered that each square meter of ISA has an equal impact on flooding and erosion irrespective of the collection source (residential or non-residential). Non-residential ISA is adjusted using the equivalency factor in appendix E. Council recognises that a surface water management project may have multiple drivers, including resolving surface water discharge quality in addition to flooding and erosion controls.

Residential ISA for surface water is based on the average impervious area per house site including building footprint plus driveways, footpaths, concrete patios, vehicle crossings etc.

Stormwater contributions will be collected for any development discharging stormwater directly or indirectly into any Council maintained system.

APPENDIX H. Schedule of wastewater use

Peak flow residential wastewater usage for the District

Usage	307.69 litres per person per day
Average occupancy	2.6 people
Average household usage	800 litres per day

Note that wastewater is based on peak flow in recognition that Council must provide adequate capacity for an activity to safely and effectively discharge wastewater.

Appendix I. Calculation of Contributions for Parks (reserve land)

Parks (reserve land) - residential subdivision

Parks (reserve land) contributions associated with residential subdivision are charged at the rate of 0.29% of the land value of the additional allotment(s) created.

Where a lot being created by a subdivision has an area greater than 4.0 hectares the valuation shall be undertaken with respect to a nominal lot of 4.0 hectares in area. This 4.0 hectare area shall be valued as if for a separate title.

When assessing a reserves contribution on a new subdivision, Council will credit the largest lot or at the sole discretion of Council the lot of highest value. Should the subdivision involve allotments with an existing dwelling(s) on it then the credit lot will always be the new lot created with the existing dwelling(s). Council deems that the allotment with an existing dwelling(s) already has an impact on infrastructure associated with it and cannot be charged development contributions, except for where services may be required that were not in place prior to the subdivision.

Parks (reserve land) - residential non-subdivision

Parks (reserve land) contributions associated with residential activities not relating to

subdivision i.e. second dwellings, are charged at the value equivalent to 20m² of land for each additional household created or 0.29% of the land value of the lot, whichever is the lesser of the two.

Parks (reserve land) – non-residential subdivision

Parks (reserve land) contributions do not apply to non-residential subdivision

Parks (reserve land) – non-residential land-use

Parks (reserve land) contributions do not apply to non-residential land-use

Catchments – Council's methodology for identifying catchments

Council has determined that it is not cost effective to use several small identified catchments. Therefore, a district wide contribution is found to be more efficient for some activities, especially if there are a large number of widely distributed projects.

In seeking to proportion development contribution charges in a fair and equitable manner Council has identified some specific capital projects as being unique to

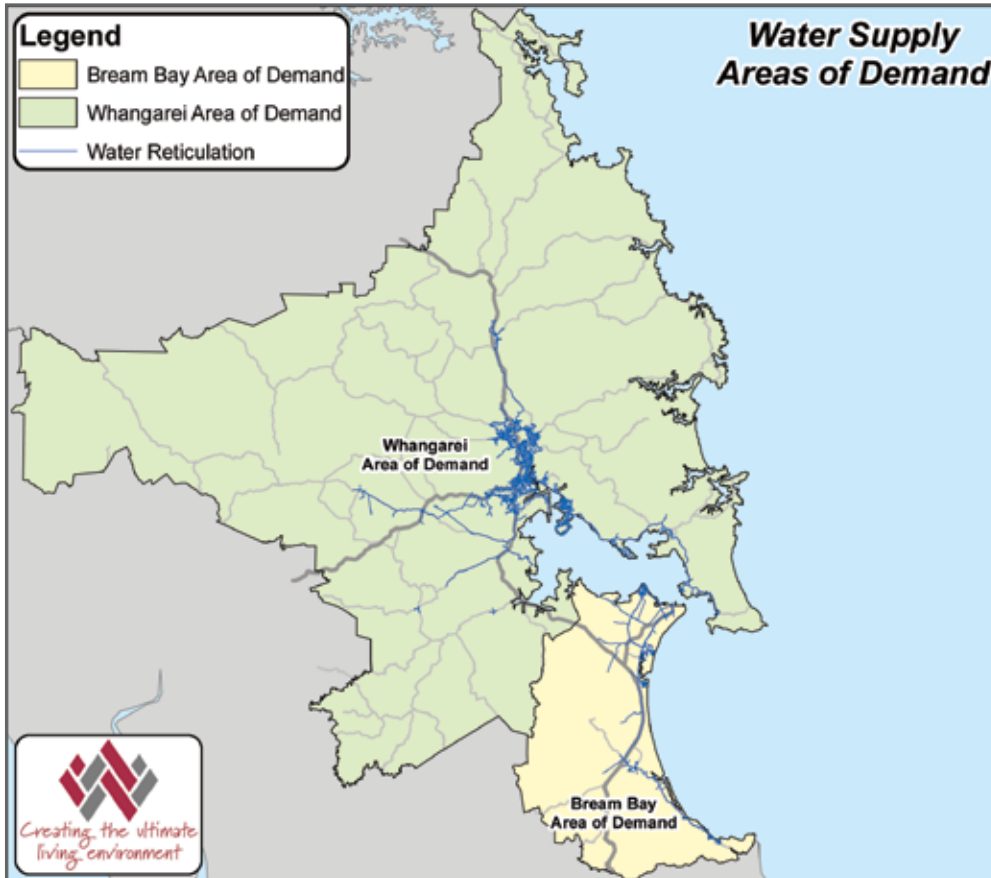
certain areas of the district, and the growth in these areas as the primary driver behind the projects. Council has separated out these

areas and the associated projects as individual catchments. After considering the distribution of benefits and impact for and from the local and district wide community on these projects, Council has elected that the development growth within the catchments should contribute proportionately towards funding the catchment projects, and in some cases the district wide projects also.

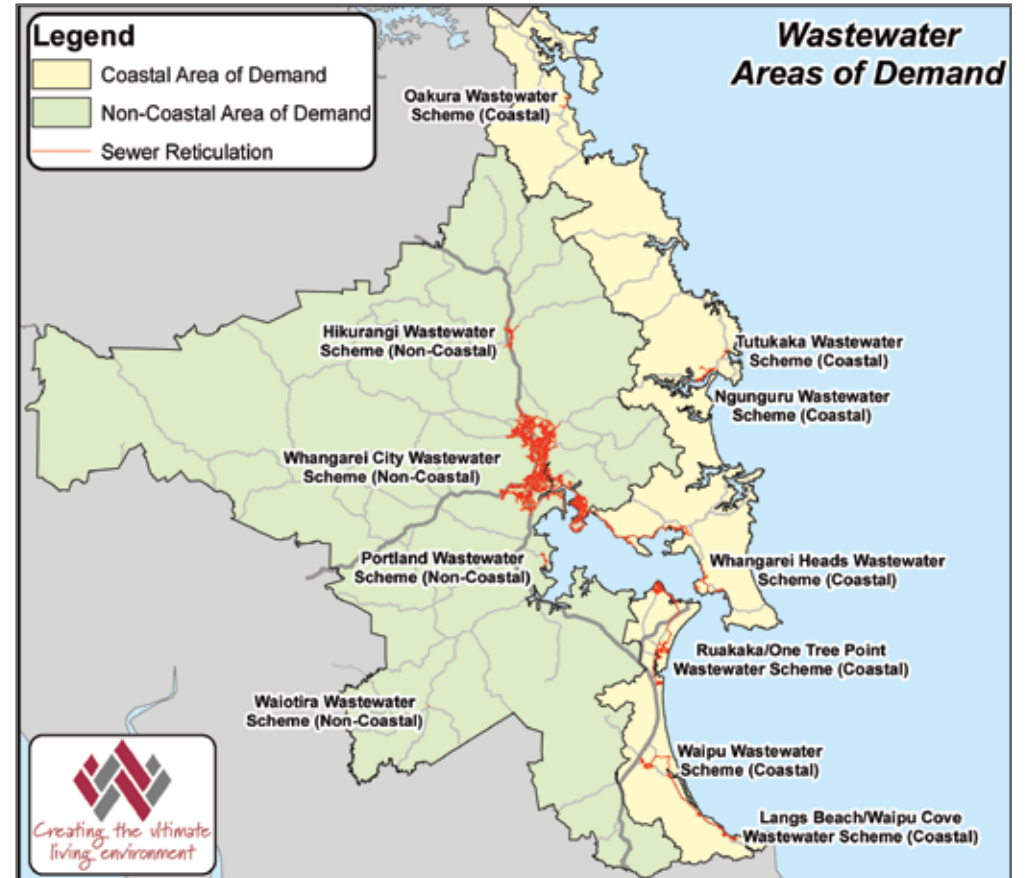
Capital projects within the catchments will attract defined catchment related development contribution rates.

These special catchment areas and projects (aside from the district wide projects and charges) have been identified as the Bream Bay catchment for water and the Coastal areas for wastewater. The development contribution rates specific to the catchments are listed in appendices A and B, and identified on the following maps.

Map 1. Water Areas of Demand (Catchments)



Map 2. Wastewater Areas of Demand (Catchments)



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Appendix J. Schedule of past projects with residual capacity used in the calculation of development contributions in actual dollars expended.										
Activities and Projects	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Libraries										
Book Purchases				165,000	165,000	165,000	502,331	596,422	557,783	683,000
Mobile Library					170,000					
New Central & Ruakaka Library						7,314,000	663,000			
Parks & Recreation Facilities										
Aquatic Facilities Upgrade						1,134,000	1,075,478	6,505,000		
Upgrade and New Cemeteries and Crematorium								100,000	170,000	
Upgrading of City parks			97,903	545,329	199,149	196,000	200,000	290,000	445,000	
District reserves			83,260	374,479	353,754	245,000	5,000	370,000	1,115,000	434,178
New and renewed Playgrounds and Skate Parks			136,298	38,401	3,982	15,000	2,000	18,000	190,000	275,503
Cobham Oval			98,281	1,087,967	449,672	575,000	1,529,000	300,000		
Upgrade - Existing			1,353,611	152,200	482,329	37,440		105,000	235,000	117,000
Facilities - New parks						20,000	10,000	35,000	35,000	117,000
Walkways, Cycle ways and path development			244,300	430,637	249,608	50,000		50,000	165,000	59,000
Roading										
Five Finger Roundabout		251,700	395,000	3,350,000	38,000	298,000				
Port Marsden Highway Construction		1,271,600	2,404,600	3,003,500	159,000	43,600	40,900			
Dent/Quay Street Realignment				1,155,000	122,000	5,361,000	1,903,000			
Minor Safety Projects			310,000	468,000	450,000	996,000	1,030,000	1,129,926		
Speddings Road Link						80,000			650,000	
Lower Harbour Crossing								28,971	898	219,851
Porowini Avenue -Maunu Road - Central Avenue Upgrade								41,056	36,698	1,836,976
Traffic Services Renewals								212,272	191,005	193,650
Traffic Services Renewals								62,000	63,500	65,000
Traffic Signals Upgrades								125,000	336,080	
Minor Safety Projects 2008-09 programme									967,484	1,074,790
Walking & Cycling Improvements									104,960	
Sealed Road Widening			635,000	801,000	728,000	736,000	777,000	1,044,000	1,015,000	1,276,000
Sealed Road strengthening			1,650,000	2,082,000	1,892,000	1,914,000	2,020,000	981,000	1,005,000	1,133,000

Development Contributions Policy 2009-2012

Appendix J. Schedule of past projects with residual capacity used in the calculation of development contributions in actual dollars expended (continued)										
Activities and Projects	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Unsealed Widening, Rehab & Strengthening			397,000	366,000	218,000	486,000	188,000	494,000	507,000	529,000
Kerb, Channel Shoulder Widening			74,000			59,000	166,000	335,848	202,432	201,412
New footpaths Programme			116,000	93,000	159,000	171,000	49,000	293,000	189,515	322,000
Parking Improvements								466,699		
Road Improvements								7,000	314,880	
Seal Extension Programme			1,546,000	1,381,000	1,093,000	1,315,000	1,368,000	2,792,000	2,303,262	2,150,000
Stormwater										
Stormwater Assessments								150,000	150,000	150,000
Stormwater Upgrades								263,000	263,000	228,000
Wastewater										
Wastewater Assessments								150,000	75,000	75,000
Whangarei Heads SS Stages I & II		573,000	3,014,001	2,149,875						
Whangarei Heads WW Scheme Stage III				9,230			1,173,681	6,683,480	7,406,081	2,893,121
Oakura WW - Extend Reticulation						54,318	10,198	242,270	873,721	817,988
Ruakaka South - Extend WW System									216,110	
Waipu Trunk Sewer-increase Capacity									24,145	228,000
Ruakaka System - Ruakaka Bridge PS & Main										54,971
Ruakaka System - Sime Road P/S & Main										257,667
Whangarei WWTP Upgrade			46,418	15,570	94,730	2,157,956	1,477,588	97,027		
Oakura WWTP					54,571	77,633	18,334	573,135	1,822,315	
Ruakaka/One Tree Point WWTP Upgrade						137,176	40,670	244,395	294,532	500,000
Ngunguru WWTP Upgrade							125,000	950,000	188,242	300,000
Waiotira WWTP Upgrade							27,887	8,575	40,891	
Ruakaka - New Disposal System								118,682	580,966	700,000
Waipu WWTP Upgrade								258,068	352,317	1,000,000
Whangarei WWTP - Filtration System								79,569	1,300,993	219,000
Whangarei WWTP - Primary Screening & Degritting								43,262	50,853	2,900,000

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Appendix J. Schedule of past projects with residual capacity used in the calculation of development contributions in actual dollars expended (continued)										
Activities and Projects	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Water supply										
Vinegar Hill Reservoir Outlet main					45,000					
Mangapai Mains Upgrade						137,602				
Mangapai Mains Upgrade						13,121				
Cemetery Road Firemain							131,181			
Ruddells Pumped Source								100,000	30,000	
Takahiwai Road									612,303	
Parua Bay Rising Main	455,191									
Kamo Rising Main			1,251,557							
Austins Road extension				144,188						
Hikurangi Supply Link					916,570	692,425				
Wilson's Dam	291,056	4,798,000	3,326,584	340,240	272,508	50,750				42,000
Whangarei new Water Source					150,000		300,000	500,000		
Mangapai Plant Upgrade						116,760	26,096			
New Bulk Meters									27,000	28,000
Kamo (Dip Road) Reservoir					30,000					
Parua Bay Reservoir					348,394					
Three Mile Bush Reservoir						40,000	10,000	100,000		
Ruddells UV Upgrade					485,000					
Ahuroa UV						400,000				
Mangapai UV						31,140				
Maungakaramea UV						55,830				
Poroti UV						400,000				
Ruakaka Treatment Plant Hydraulic Upgrade						30,000	1,140,000	1,425,000	3,177,750	
Ruakaka Treatment Plant Quality Upgrade						150,000	860,000	1,075,000	2,397,250	
Whau Valley UV						500,000				

Note: All dollar amounts are in actual dollars expended exclusive of GST. The capital expenditure list above does not include the expenditure required for Park/reserves land. A detailed breakdown, calculations and documentation supporting the above projects are available for examination at the offices of Whangarei District Council.

Development Contributions Policy 2009-2012

Appendix K. Allocated of renewal, backlog, growth and other costs related to capital projects included in the 2009-2019 LTCCP.

Activity	Renewal	Backlog	Growth	Unallocated	External	Totals
Libraries	228,117	10,755,840	3,124,579	1,673,000	0	15,781,536
Parks & Recreation Facilities	776,899	22,357,312	6,901,085	56,464	0	30,091,760
Roading	21,699,198	59,772,024	41,145,861	20,361,369	192,713,282	335,691,734
Solid Waste	0	1,841,235	458,765	0	0	2,300,000
Public Toilets	0	682,000	418,000	0	0	1,100,000
Stormwater	801,287	3,481,332	1,854,031	709,220	0	6,845,870
Wastewater	2,686,811	49,269,873	55,993,286	1,598,247	0	109,548,217
Water supply	3,014,324	13,191,003	34,818,388	9,987,781	0	61,011,496
Totals	29,206,636	161,350,619	144,713,995	34,386,081	192,713,282	562,370,613

The total cost of projects includes projects detailed in the 2009-2019 LTCCP which have 'growth' elements. The total cost of the projects is not directly comparable to the capital projects schedule detailed in the prospective financial statements as the financial statements are adjusted for future value, while the capital expenditure costs within the development contributions policy are stated in 2009 dollars. Only growth related elements of capital projects will be funded by development contributions. Backlog and renewal portions will not receive development contribution funding.

Development Contributions Policy 2009-2012

Appendix L. Schedule of future projects included in the 2009-2019 LTCCP with expenditure related to growth in 2009 dollar costs.											
Activities and Projects	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Libraries											
Book Purchases	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	
New Central & Ruakaka Library		300,000									
Parks & Recreation Facilities											
Upgrade and New Cemeteries and Crematorium					95,000	51,000					
Upgrading of City parks	105,000	55,000	705,000	235,000	179,000	10,000	10,000	180,000	2,000	55,000	
District reserves		35,000	20,000	338,000	30,000	30,000		25,000		30,000	
Provision of new and renewed Playgrounds and Skate Parks		84,000	25,000	65,000	137,000		37,000	60,000		180,000	
Upgrade - Existing	135,000	284,000			455,000	435,000				435,000	
Facilities - New parks			500,000	803,000	400,000		300,000				
Walkways, Cycle ways and path development	44,000	266,000	116,000	135,000	191,000	25,000		184,000			
Roading											
Speddings Road Link	2,970,846										
Lower Harbour Crossing		10,260,000	11,390,000	10,279,120							
Porowini Avenue - Maunu Road - Central Avenue Upgrade	2,500,000	2,511,300									
Traffic Services Renewals	371,150	326,150	393,440	448,000	300,150	280,150	280,150	280,150	280,150	28,0150	
Traffic Signals Upgrades	81,297	60,000	300,000	300,000	300,000	150,000	150,000	150,000	134,072	134,072	
Walking & Cycling Improvements	75,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	
Bus Shelter Renewal & Replacement	30,000	125,000	125,000	110,000	20,000	20,000	20,000	50,000	50,000	50,000	
Minor Safety Projects programme	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
Riverside Drive/Onerahi Road	59,000					2,500,000	2,500,000				
Road Studies	170,000	70,000	70,000	120,000	60,000	60,000	60,000	110,000	60,000	60,000	
Onerahi Bypass		51,300	400,000	400,000	400,000						
McEwan Road			1,000,000						2,900,000		
One Tree Point Road			3,000,000					4,900,000			
Preventative Maintenance Annual Programme			216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	
Mill Road/Nixon Street Upgrades				66,046	2,462,400	2,462,400					
Maunu Road						68,324	1,375,586				
Marsden Point Road								700,000	2,500,000	4,700,000	
Walton Street-Four Laning								3,078,000	3,078,000	3,078,000	
McCathie Road									1,400,000		
Major Arterial Upgrades											1,708,095

Development Contributions Policy 2009-2012

Appendix L. Schedule of future projects included in the 2009-2019 LTCCP with expenditure related to growth in 2009 dollar costs.

Activities and Projects	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Whangarei Urban Bypass											1,137,830
Associated Improvements Annual Programme	873,763	884,286	894,810	915,857	915,857	926,381	905,333	894,810	863,239		
Sealed Road Widening Programme	1,837,523	2,154,141	2,170,760	2,203,998	2,428,226	2,402,955	2,216,124	2,283,284	3,384,762	3,574,933	
Sealed Road strengthening Programme	4,287,552	5,026,330	5,065,107	5,142,661	5,665,860	5,606,896	5,170,957	5,327,662	7,897,778	8,341,509	
Unsealed Road Widening, Rehab & Strengthening Programme	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	1,176,730	
Parking Improvements					260,000	260,000	260,000				
Road Improvements	200,000	300,000									
Kerb and Channel Shoulder Widening	250,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
CBD Refurbishment & Strategic Footpath Renewals		600,000									
New Footpaths Programme	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Minor Road Seal Extension Programme	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Seal Extension Programme	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
Solid Waste											
Transfer Stations	900,000		200,000	200,000	200,000	200,000	200,000	200,000	200,000		
Stormwater											
Stormwater Assessments	108,422	108,422	108,422	108,422	108,422	108,422	108,422	108,422	108,422	108,422	
Stormwater Upgrades	300,000	400,000	300,000	300,000	300,000	300,000	379,650	544,750	559,500	1,173,750	
Wastewater											
Wastewater Assessments	150,000	150,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Ruakaka South - Extend WW System			4,000,000	7,000,000							
Waipu Trunk Sewerage System - Increase Capacity		810,000	700,000							531,000	
One Tree Point Trunk Sewerage - Upsize P/S & Main			400,000								
Waipu Cove/Langs Beach Sewerage - Increase Capacity					4,941,000	50,000	136,000				
One Tree Point Trunk Sewerage - Increase Capacity										2,000,000	
Whangarei WWTP Upgrade		744,000	1,688,000								
Ruakaka/One Tree Point WWTP Upgrade			400,000			250,000	250,000	370,000	400,000		
Ruakaka - New Disposal System	120,000	500,000				1,500,000	7,500,000	7,380,000	3,600,000		
Ruakaka - New WWTP						700,000	2,250,000	3,750,000			
Overflow mitigation - sewer system upgrades	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,000,000					
Public Toilets	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	

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Appendix L. Schedule of future projects included in the 2009-2019 LTCCP with expenditure related to growth in 2009 dollar costs.

Activities and Projects	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Water supply											
Miraka Road						248,000					
Pyle Road East Fire Main							880,000				
Ruddels Raw Water Line Upgrade								713,000			
Manganese Point Road Firemain									405,000		
Onerahi Trunk Main										2,225,000	
Waipu Reticulation Upgrade				660,000							
Marsden Point Highway Main						690,000	2,263,000				
Connect Mangapai to City								1,500,000	700,000		
Whangarei new Water Source										4,133,500	4,750,000
New Bulk Meters		90,000	45,000								
Pressure Management		90,000	45,000								
Hatea River Main Upgrade			1,571,000								
Kamo (Dip Road) Reservoir							1,000,000				
Three Mile Bush Reservoir			200,000	200,000	1,300,000						
McLeods Bay Reservoir			300,000								
Waipu Reservoir						960,000					
Sargeants Hill Reservoir							1,500,000				
Ruakaka Treatment Plant & Quality Upgrade	250,000	500,000									
Whau Valley Treatment Plant Expansion					684,000	5,519,000					
Whau Valley Land Purchase						500,000					

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Appendix M – Development Contributions Policy Glossary of Terms	
Activity	means the provision of service provided by, or on behalf of, a local authority or a Council controlled organisation; and includes- the provision of facilities and amenities group within the following capital programmes; <ul style="list-style-type: none"> • reserves • network infrastructure including <ul style="list-style-type: none"> - <i>water supply</i> - <i>wastewater collection, treatment & disposal</i> - <i>stormwater management</i> - <i>transport</i> • community infrastructure <ul style="list-style-type: none"> - <i>facilities and activities on park land</i> - <i>provision of libraries</i>
Allotment	has the meaning as defined in the Whangarei District Plans and the S218(2) of the RMA.
Annual Plan	means an annual plan adopted by territorial authorities (Councils)
BA	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.
Base Units	means the demand of an average household unit for each activity
Catchment	a defined area of the district for some specific asset categories. For some assets, e.g. transport the development contribution area this is district wide, for stormwater, water and wastewater development contribution areas are based upon existing service catchment areas as identified on the location maps in this document.
CCI	means Construction Cost Index
CBD	central Business District (as defined in the 2004 Whangarei Central Business District Structure Plan).
Commercial	means any activity, whether temporary or permanent, involving payment, exchange or other consideration.
Commercial Accommodation	means temporary travellers accommodation including hostels, hotels, motels, etc
Community Facilities	means reserves, network infrastructure. or community infrastructure for which development contributions may be required in accordance with S.199 of the LGA.
Community Infrastructure	means land, or development assets on land, owned or controlled by Whangarei District Council to provide public amenities, including land that Council will acquire for that purpose. ie activities and facilities on park land, Libraries, Public toilets and Solid waste facilities.
Cost Allocation	is the allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.
CPI	Consumer Price Index (for avoidance of doubt this excludes credit)
Credits	where development contributions or financial contributions for a particular property have previously been assessed and paid, or where properties have pre-existing status, credit to that amount will be given for the particular activity.
DC	means Development Contribution

Development Contributions Policy 2009-2012

Appendix M – Development Contributions Policy Glossary of Terms	
Development	means any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure, but does not include the pipes or lines of a network utility operator.
Private Development Agreement	any private agreement signed between a developer and Whangarei District Council.
Developer	means an individual, firm or company who is an applicant for a consent or service connection where a development contribution may be assessed under this policy.
Dwelling Unit	see residential unit
Financial Contributions	financial contributions are provided for by the Resource Management Act 1991 (RMA) and Council's policy is set out in Section 5 of the District Plan. A financial contribution is a contribution from developers of cash, land, works, services or a combination of these. Financial contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.
First Principle Basis	means the basis on which non-residential development contribution assessments will be made. This being that an assessment will be made, where possible on the actual (potential) demand a commercial development will place on infrastructure
Funding Model	the funding model ensures an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is an accurate assessment of the required development contribution charges.
GFA	Gross Floor Area being the sum total area of all floors of a building. GFA is measured from the exterior of exterior walls and the centre line of a wall adjoining two or more buildings
Growth Model	Council has estimated population and business growth within the district over time. This growth is transformed into 'Household Unit Equivalents' (HUEs) to allow development contribution calculations to be made.
GST	Goods and Services Tax
HUE	means Household Unit Equivalent. A measured 'unit of demand' relating to a development and used in calculating its development contributions.
Independent Dwelling Unit	has the meaning as defined in section 14.1.2 of this policy
Industrial	means activities including associated land, infrastructure and buildings used for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles, and the servicing and repair of goods and vehicles whether by machinery or hand.
Infrastructure	see community infrastructure and network infrastructure.
ISA	areas of Impervious Surface Areas to be drained to the reticulated stormwater network.
Level of Service (LOS)	the standard of service provision for each asset.
LGA	Local Government Act 2002
Lot	(or allotment) is deemed to have the same meaning as 'Allotment' under both the Local Government Act 2002, and the Resource Management Act 1991.
LTCCP	Long Term Council Community Plan
Network Infrastructure	means the provision of roads and other transport related service, water, wastewater and stormwater collection, reticulation and management

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Appendix M – Development Contributions Policy Glossary of Terms	
New Growth/New Expenditure	relates to the growth demand and planned costs for the ten years defined in the main LTCCP document.
Non-residential	means any development or part of a development including land and/or buildings that do not fall under the definition of residential.
Past Growth/Past Expenditure	relates to growth capacity and cost that has been provided by past expenditure. In terms of cost it relates to actual costs incurred in past years - including the current year. In terms of demand it relates to the provided capacity for the period between implementation and the current year.
Parks (Community)	This refers to the cost of providing additional improvements necessary to turn basic reserve land into usable reserves such as: <ul style="list-style-type: none"> • City parks - generally small areas of scenic or recreation reserve that are intended primarily to 'beautify' an urban area • Neighbourhood reserves - small to medium-sized areas of recreation reserve intended to provide for informal local passive and active recreation • Parks/domains - larger scenic or recreation reserves intended primarily to provide for passive recreation with a feeling of remoteness from urbanity and more formal active recreation and events
Parks (Reserve land)	this refers to the cost of purchasing land and minor improvements necessary to enable that land to function as a basic area of green open space, including minor earthworks, fencing, access, demolition, basic drainage, and grassing.
Reductions	a reduction is an adjustment to the HUEs assessed for a consent application. A reduction will only be considered as part of a review requested by an applicant
RMA	Resource Management Act 1991
Remissions	a remission is an adjustment to the scheduled charged for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council.
Renewal	means the 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 improvement necessary to enable that land to function as a reserve usable for its intended purpose as defined in the Reserves Act 1977.
Residential	is the use of land and buildings by people for accommodation purposes, including residential units, serviced apartments and unit/strata title developments.
Residential Unit	for the purposes of development contributions and this policy means any building, part of a building, room or group of rooms, designed, used, or capable of being used or, rented, leased, let or, hired to be occupied, or which is occupied, as a residence for a single family (including one person, or two or more people as an individual group) with or without a common right to the use of entrances, passages, stairways, or open spaces; and where necessary, includes a combination of parts of a building or two or more buildings or parts thereof. This includes batches or other similar private holiday accommodation but excludes temporary activities.
Retail	the use of land, a building or parts of a building where goods are sold or displayed for sale, by retail, or are offered for hire.
Rural	deemed to have the same definition as Rural Environment in the Proposed District Plan.
Service Connection	means a physical connection to a service provided by, or on behalf of, Whangarei District Council.
Subdivision	is deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991
VPD	means Vehicles Per Day
WDC	means Whangarei District Council