



KAIKOURA DISTRICT COUNCIL

Development Contributions Policy

1. Background

1.1 Introduction

Growth pressures mean that the population and economic base of the district will expand through major additions to the existing Kaikoura urban area, both in new greenfields development in the rural environment, and intensification of existing urban areas. This will place a significant strain on network and community infrastructure over the next 10 years.

The challenge is to put in place a transparent, consistent and equitable basis for requiring contributions in order that those undertaking developments pay a fair share of the capital expenditure for infrastructure.

Council is required to have a Development Contributions Policy as a component of its Funding and Financial Policies in its Long-Term Council Community Plan (LTCCP). Development contributions may be required from developments if Council has a Development Contributions Policy in place.

1.2 Enabling Legislation and Supporting Policy Framework

This policy on Development Contributions is provided in accordance with s106 of the Local Government Act 2002.

This policy contributes to community outcomes in the LTCCP by ensuring the provision of appropriate infrastructure to meet the needs of growth.

1.3 Purpose

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the

need for and benefit from that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure. These costs will be met from other sources.

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

- the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and community infrastructure; and
- the Council incurs capital expenditure to provide appropriately for those assets.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development.

2. Policy Section

2.1 *Adoption, Implementation and Review*

This Development Contributions Policy has been reviewed for the first time in 2005/2006 in conjunction with the LTCCP review. From then on, it is anticipated that this policy will be updated on a three-yearly basis, or at shorter intervals if Council deems necessary, to take account of:

- Any changes to the significant assumptions to the Development Contributions Policy.
- Any changes in policy as Council continues to develop and implement Structure Plans for the district.
- Any changes to the Proposed District Plan.
- Any changes in the capital works programme for 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.

2.2 *Retrospective Application*

The LGA 2002 states that development contributions can be required for any resource consent, building consent or authorisation for a service connection granted on or after 1 July 2004 and lodged after 19 December 2001.

Credit will however be given for the pre-existing status of properties (see Section 2.3. below).

Any non-notified application lodged by 2 June 2005, with no outstanding requests for further information, will continue to be assessed under the existing transitional provisions of the Resource Management Act (even if a formal decision on the application is not available by 1 July 2005). This is on the basis that these applications should be processed prior to 1 July 2005 in accordance with the statutory processing timeframes in the Resource Management Act 1991.

2.3 *Credits*

Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit to that amount will be given for the particular activity. For the calculation of these credits there is no historical time limit and all previous payments will be taken into account.

2.4 Definition of Growth

In terms of this Policy, growth means the increase in capacity of network and community infrastructure external to the boundaries of the development site required to service that development.

Within the boundaries of the development site, the developer shall provide the following as part of the cost of development as a condition of the consent under the Proposed District Plan:

- Roading, footpaths, street lighting and car parking infrastructure.
- Water supply network.
- Wastewater network.
- Stormwater collection and disposal infrastructure.

2.5 Development Contributions

2.5.1 Requirement for and use of Development Contributions

Council may require a development contribution from any development for the following:

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

Development Contributions will be required to meet the growth component of the future capital expenditure budgets for:

- Roading
- Water and Wastewater
- Stormwater
- Parks: Reserve Land and community infrastructure on that land
- Community Facilities
- Refuse/Recycling
- Footpaths

2.5.2 Future Policy Developments

Future versions of this policy may capture Development Contributions for additional capital expenditure on facilities and infrastructure not identified in this document.

2.5.3 Capital Expenditure Council Expects to Incur as a Result of Growth

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for Roading, Water and Wastewater, Stormwater, Parks and Community Facilities, Refuse/Recycling and Footpaths over the next 10 years, is summarised in the table in Appendix F Capital Projects.

Note: Backlog and Renewal portions of capital expenditure will be funded from sources other than Development Contributions.

2.5.4 Capital Expenditure Council has Incurred in Anticipation of Development

Development Contributions will be required from development to meet the cost of capital expenditure already incurred in anticipation of development.

2.5.5 Council Use of Development Contributions

Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

Where Council anticipated 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.

2.5.6 Limitations to the Application of Development Contributions

Council will not require a development contribution in the following cases:

- Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- Where the Council has received or will receive funding from a third party for those works.

For the avoidance of doubt, this does not in any way limit Council's ability to require that Parks: Reserves contributions are to be paid in the form of a cash contribution.

2.5.7 Schools Exempt from Development Contributions

Preschools, Primary Schools and Secondary Schools are viewed as community education facilities and are therefore exempt from development contributions.

3. Assessment of Development Charges

The following services have been defined for which development contributions have been calculated. The activities are:

Network Infrastructure

- Roding
- Water Supply
- Wastewater
- Stormwater
- Footpaths
- Refuse & Recycling

Parks, Reserves & Community Infrastructure

- Parks: Reserve Land, and community infrastructure on that land
- Coastal Reserves
- Playgrounds
- Public Toilets

Community Facilities

- Multi Sports Complex
- Indoor Swimming Pool
- Gymnasium
- Library
- Museum
- Art Viewing area
- Meeting/Functions room

3.1 Development Contributions

For Roding, Development Contributions are calculated on a uniform district-wide basis.

However, for Water Supply, Wastewater and Stormwater, Contribution areas have been determined based on existing constituted service catchments.

3.2 Growth Model and Household Equivalent Units

The district's growth model has been developed in order to predict growth throughout the district in 'Household Equivalent Units' (HEU) and this growth information is presented per service.

In the growth model a HEU is defined as being equivalent to one "average" household unit. It was recognised that household units vary and that the demands they generate also cover a broad range.

3.3 Residential Applications

The subdivision of land or land use consent to change the predominant land use of an existing site to create additional residential lots obviously results in the potential for additional household units and therefore additional Household Equivalent Units, which form the base unit for the calculation and charging of development Contributions.

The only information that is required to calculate the number of HEUs, and hence the DC chargeable, is the additional number of residential allotments created by the proposed consent.

The following activities, except for Parks, Reserves and Community Infrastructure will therefore all be assessed as 1 HEU per additional allotment;

- Roading
- Water (except for Suburban, Kincaid, Fernleigh, and East Coast, which are on a per unit of water basis)
- Wastewater
- Stormwater
- Community Facilities
- Footpaths
- Refuse/Recycling

There is no need to calculate HEUs for Parks, Reserves and Community Infrastructure as this is assessed as a percentage of land value. See Section 5.7.2.

Every residential unit, whether a separate dwelling or part of an apartment complex equals 1 Household Unit which equals 1 Unit of Demand and every lot is taken as being intended for 1 Household Unit.

Commercial accommodation is usually made up of a number of beds catering for a maximum number of people rather than Household Units. The number of HEUs is calculated by using a Household conversion factor. Given that each person staying in commercial accommodation is equivalent to 22 percent of a Household Unit (4.5 persons), the conversion factor for commercial accommodation is 0.22. For example, the HEU arising from commercial accommodation catering for a maximum of 200 people is 44 Units.

3.4 Non-Residential Applications

For non-residential consent applications HEUs may be calculated for each activity using the following three methodologies:

- If demand is known (e.g. traffic movements, volume of water usage) then use the base units table below (3.4.1) to calculate the HEU; or
- If demand is unknown, use the GFA conversion table below (3.4.2) to estimate the HEU; or
- If GFA is unknown use the allotment area formula below (3.4.3) to estimate the GFA and then use this estimated GFA to estimate the HEU.

The demand on services of any activity will be calculated based on an assessment of the demand when the activity is established and operational, not on the demand created temporarily during construction.

3.4.1 Base Units

The table below summarises the demands of an average household unit, or HEU, for the activities in terms of base units.

Activity	Base Units	Demand per HEU	Comments
Roading	Vehicle trips/day	10	Assume all light vehicles
Water	M3/day/lot	1.9m3/day/lot	Urban Upgrade Study 2000
Wastewater (Collection and Treatment)	M3/day/lot	1m3/day/lot	Urban Upgrade Study 2000

3.4.2 GFA Conversions

The table below summarises the conversion factors to convert the GFA of a non-residential building to an average household unit, or HEU.

Land use	Roading HEUs / 100m2 GFA	Water Supply HEUs / 100m2 GFA	Wastewater HEUs / 100m2 GFA	Stormwater HEUs / 100m2 Impervious Surface	Reserve Land	Footpaths Refuse, Recycling	Community Facilities
Kaikoura retail	2.4	0.13	0.26	1	0.5% of Capital Value	2.4	0.5% of Capital Value
Industrial	1.36	0.1	0.2	1	0.5% of Capital Value	1.36	0.5% of Capital Value
Commercial	1.36	0.1	0.2	1	0.5% of Capital Value	1.36	0.5% of Capital Value

See Appendix D for a breakdown of the calculations of these figures.

Development Contributions will be levied on non-residential development for Parks – Reserves. Council has determined that non-residential developments do increase demand on reserve infrastructure and this demand does translate into the need for additional land purchase. It is also deemed to be equitable to charge a contribution on Parks: Community Infrastructure and Community Facilities.

3.4.3 Estimate of GFA

IF the GFA of a non-residential building is unknown Council will make an estimate of the likely GFA for calculation purposes, based on the average building coverage rates for that area.

Developments in the Kaikoura Urban Area will also be assessed for a stormwater contribution, based on the area of impervious surfaces to be drained to the reticulated stormwater network. Where no information is provided with an application on the area of impervious surfaces proposed to be drained to the network, it is difficult and impractical to calculate the demand created by the development in terms of HEUs. In this circumstance Council will make an estimate of the likely area of impervious surfaces, based on the average building coverage rates for the industry.

3.4.4 Non-residential applications in Residential Environments and Residential and Mixed use applications in Commercial / Retail Environment Areas:

To be assessed on the particular land use applied for.

3.4.5 Summary

	Subdivision	Development
Residential	1 HEU per activity per additional title except Parks – Reserves, to be assessed as a % of land value.	As for subdivision including units in strata title type developments. Parks: Reserves to be assessed based on land value.
Non-residential	Standard table of HEUs per activity in units of 100m ²	Standard table of HEUs per activity in units of 100m ²
Mixed Uses	To be assessed as above for the particular land use applied for.	
Special Category	On demand by Council. Applicant to provide detailed assessments of their development's transport, water supply or wastewater demands in "Base Units". Using the standard base unit / HEU conversions these estimates may then be converted into HEUs and charged accordingly.	

See Appendix D for a breakdown of the calculations of these figures.

3.5 Rural Land Uses

Residential developments in the rural area are treated the same as in the urban environment.

Each rural allotment will be assessed as having 1 HEU per residential dwelling on the property. Each additional residential dwelling on a rural allotment will be assessed as an additional HEU.

Non Residential sheds and farm buildings associated with rural activities, which do not place additional demand on infrastructural services, will not incur a development contribution.

Industrial or commercial developments located in the rural area will be assessed for a contribution in accordance with Section 3.4.

3.6 Extraordinary Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of Household Equivalent Units.

If, at development stage, an application clearly has a significantly greater impact than that envisaged in the averaging implicit in the above methodology, a “Special Assessment” may be called for at the Council’s discretion. The applicant will be expected to provide supporting information and detailed calculations of their development’s roading, water supply and wastewater demands in base units. Using the standard base unit/HEU conversions these estimates may then be converted to HEUs and charged accordingly. This additional information could be made part of a Section 92 (RMA 1991) or at requested per-application stage.

For example, a “Traffic Impact Assessment” is a requirement for most non-residential developments as well as residential developments larger than a few lots. It will usually be possible, therefore, to compare the vehicle trips per day reported from this source with the above table. In any case, any particularly traffic intensive land use will be deemed to fall into the special assessment category and the HEUs based on the impact assessment.

3.7 Cost Allocation Process and Funding Model

For each project either recently completed or planned the Council asset managers have determined the component of the project that is allocated to meeting the needs of the growth community. This allocation takes into account and deducts funds available from alternative funding sources (such as Transfund). Cost allocation sheets are

available for review at the Council offices. These projects are reported for each service type.

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. See Appendix C for further information on the funding model.

3.8 Calculation of Development Contributions

For each infrastructural (Roading, Water Supply, Wastewater and Stormwater) or community asset, Parks: Community Infrastructure, Community Facilities where Development Contributions are required, the Development Contribution payable by the developer will be calculated by multiplying the Development Contributions per Household Equivalent Unit by the number of Household Equivalent Units.

3.8.1 Residential Development

Terms used in the following flow chart are defined and explained on diagrams 1 to 4 in Section 3.8.4.

<p>STEP 1: AREA OF DEVELOPMENT Go to Section 3.1 and check what (geographical) Development Contribution area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the Development Contribution area.</p>
<p>EXISTING ENTITLEMENT Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title.</p> <p>For subdivisions (where the residual lot remains residential – see diagram 1 section 3.8.4) the existing title will have a full historic credit meaning no development contribution is payable on the residual title.</p> <p>Where a second (residential) dwelling is created on an existing title (see diagram 2 section 3.8.4) the existing dwelling will have a full historic credit meaning no development contribution is payable on the existing dwelling.</p> <p>Note, each dwelling (irrespective of size) is deemed to be one household equivalent unit. Therefore additions to existing residential dwellings (for residential purposes) will therefore attract no DC charge.</p>
<p>DCs PAYABLE FOR ADDITIONAL NEW TITLE(S) ON AN EXISTING TITLE There will be a development contribution on any additional titles created by subdivision or any additional dwelling(s) created in the absence of subdivision.</p>
<p>STEP 3: NUMBER OF HEUs Using the HEU conversion information in Section 3.4 establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 4: APPLICATION OF HEUs Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 3).</p>
<p>STEP 5: TOTAL (EXCL RESERVES) Calculate the total development contribution by summing the individual charges established in Step 4 and add GST of 12.5%.</p>
<p>STEP 6: RESERVES In addition, the development contribution for Parks: Reserve Land and Infrastructure will be calculated as a percentage of land value after development in accordance with the formula in Section 5.7.2. Land</p>

value is assumed to include GST.

STEP 7: TOTAL DC PAYABLE

Add together the results from Steps 5 and 6 to get the total development contributions for the proposed development.

3.8.2 Non-Residential Development

Terms used in the following flow chart are defined and explained on diagrams 1 to 4 in Section 3.8.4.

<p>STEP 1: AREA OF DEVELOPMENT Go to Section 3.1 and check what (geographical) Development Contribution area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the Development Contribution area.</p>
<p>EXISTING ENTITLEMENT Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title. (See diagrams 1 and 3, section 3.8.4)</p> <p>Historic credit will be given for the pre-existing status of the property. This credit will only apply to the residual title (see diagram 1 section 3.8.4) and cannot be transferred to other titles created as a part of the development.</p>
<p>STEP 3: NUMBER OF HEUs: EXISTING ENTITLEMENT Using the HEU conversion information in Section 3.4 establish how many HEUs the existing site has for each asset category as a result of historic credits.</p>
<p>STEP 4: APPLICATION OF HEUs: EXISTING ENTITLEMENT Apply the HEUs to the existing site (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 3).</p>
<p>STEP 5: TOTAL HISTORIC CREDIT Calculate the total historic credit by summing the individual charges established in Step 4 and add GST of 12.5%.</p>
<p>RESERVES (HISTORIC CREDIT) There will be no historic credit for Reserves, as Council has only historically imposed Reserves Contributions on Residential development.</p>
<p>STEP 6: PROPOSED DEVELOPMENT – RESIDUAL TITLE The residual title will be subject to a DC that is calculated in STEPS 7-10</p>
<p>STEP 7: NUMBER OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE Using the HEU conversion information in Section 3.4 establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 8: APPLICATION OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 7)</p>
<p>STEP 9: TOTAL PROPOSED DEVELOPMENT – RESIDUAL TITLE Calculate the total development contribution by summing the individual charges established in Step 8 and add GST of 12.5%</p>
<p>STEP 10: DEVELOPMENT CONTRIBUTIONS PAYABLE ON RESIDUAL TITLE Subtract the total in Step 5 from that in Step 9 to get the total development contribution payable on the existing title taking into account the credit for any existing entitlement. Note that there will be no refund associated with any excess historic credit.</p>
<p>STEP 11: DEVELOPMENT CONTRIBUTIONS PAYABLE FOR ADDITIONAL NEW TITLE(S) Repeat step 6 to 9 for the new titles to obtain the development contribution payable for these titles.</p>
<p>STEP 12: RESERVES DC FOR ADDITIONAL NEW TITLES The development contribution for Parks, Reserves & Community Infrastructure will be calculated as a percentage of land value after development in accordance with the formula in 5.7.2. Land Value is assumed to include GST.</p>
<p>STEP 13: TOTAL DC PAYABLE FOR ADDITIONAL NEW TITLES Add together the results from Steps 11 and 12 to get the total development contribution for the proposed development.</p>

3.8.3 Examples

In Appendix B worked examples are provided to help work out the development contribution payable.

3.8.4 Definition and Explanation of Terms

DIAGRAM 1: SUBDIVISION TO CREATE ADDITIONAL TITLES (RESIDENTIAL OR NON-RESIDENTIAL)

Existing Title

The title before subdivision
Residential DC: Full historic credit
Non-residential DC: Section 3.8.2 Steps 1-5

Residual Title

Existing title minus any additional titles created
As a result of subdivision
Residential DC: No DC payable
Non-residential DC: Section 3.8.2 Steps 1-2
and Steps 6-9

New Title(s)

Those additional titles subdivided off from the
Existing title
Residential DC: Section 3.8.1 Steps 1-7

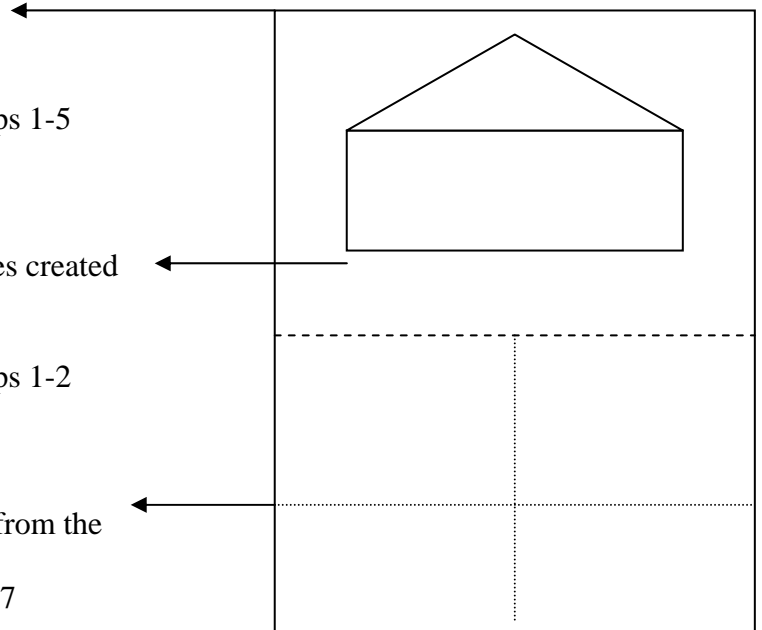


DIAGRAM 2: CONSTRUCTION OF A NEW DWELLING ON AN EXISTING RESIDENTIAL TITLE (NO SUBDIVISION)

Existing Title

Residential Dwelling
DC: No DC payable

New Dwelling(s)

DC: Section 3.8.1 Steps 1-7

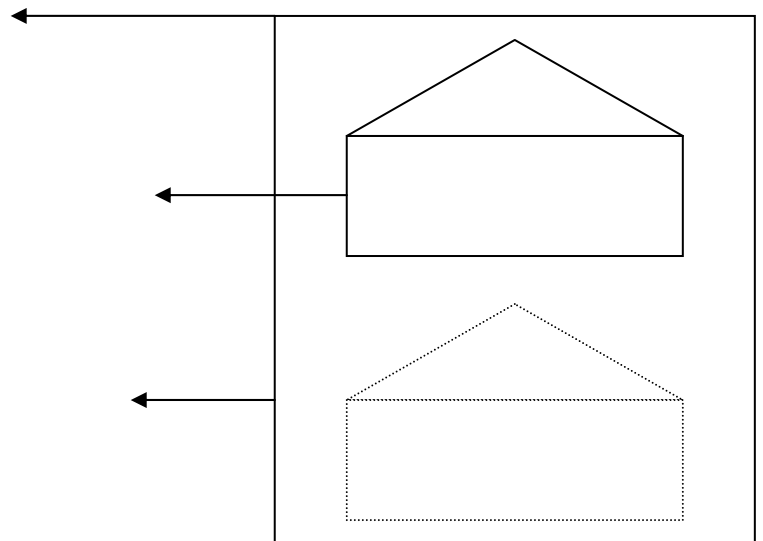


DIAGRAM 3: DEVELOPMENT OF A NON-RESIDENTIAL SITE – NO SUBDIVISION

Existing Title

The title before development
DC: Section 3.8.2 Steps 1-5

Residual Development

Existing development on site
DC: Section 3.8.2 Steps 1-2 and Steps 6-10

New Development

Proposed new development on site
DC: Section 3.8.2 Steps 11-13

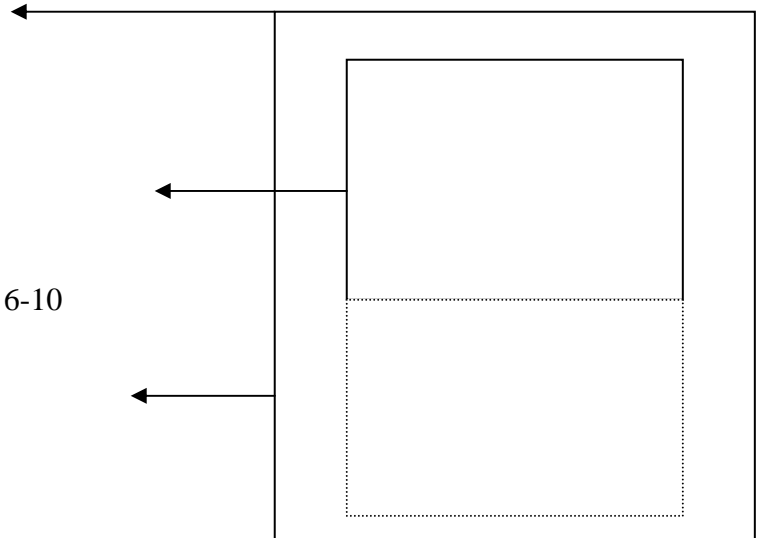


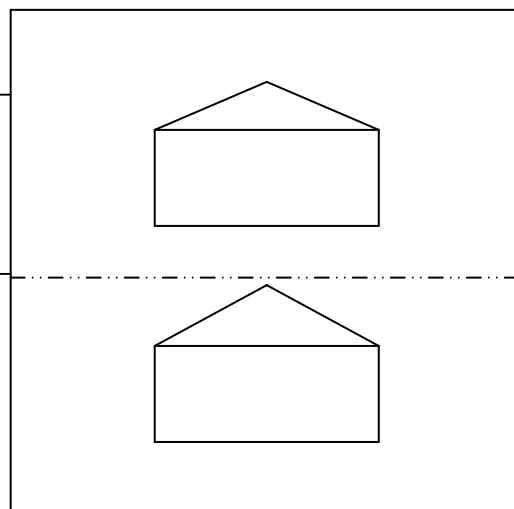
DIAGRAM 4: RESIDENTIAL SUBDIVISION OF LAND WHERE THERE IS MORE THAN ONE EXISTING DWELLING ON THE RESIDUAL TITLE.

Where there are more than one house (or dwelling) already on a title, and that title is subject to a subdivision *to provide for each dwelling to occupy an individual title*, it is deemed that the subdivision is not creating growth, and therefore no development contributions are payable.

By example:

The existing title

Following subdivision



This is due to interpretation of 3.8.1, Residential Development, where, in the section dealing with calculating the existing entitlement, each dwelling is deemed to be one household equivalent unit.

Therefore, in the example shown in diagram 4, there are two HEUs for the existing credit, and upon completion of the subdivision there are still only two HEUs.

However, should the subdivision also become subject to a land use consent or building consent to provide for some purpose other than its original use, development contributions may be triggered at that point.

3.9 Trigger for Taking a Development Contribution

3.9.1 Invoicing and Payment of Development Contributions

The initial calculation of the development contribution may occur if requested by the applicant prior to the lodgement of application for:

- Subdivision consent; or
- In the absence of subdivision consent, on land use consent; or
- In the absence of subdivision consent and land use consent, on project information memorandum
- In the absence of the above three, on building consent.

An interim calculation of the development contribution shall occur at the same time as the issuing of the consents that triggered the initial calculation.

Final calculation, invoicing, and payment of a development contribution shall occur prior to the earlier of:

1. the issue of the section 224 completion certificate under the Resource Management Act 1991;
2. the issue of necessary building consents under the Building Act 1991; or
3. an authorisation for a service connection.

A valuation must be provided for Parks, Reserves and Community Infrastructure development contributions to be assessed and invoiced at this point.

Note: Further recalculation of the Development Contribution payable will occur if payment is not received within twelve months of the issuing of invoice.

Action	When
1. Initial calculation of Development Contribution	Lodgement of application for: <ol style="list-style-type: none"> 1. Subdivision Consent 2. Land Use Consent 3. PIM 4. Building Consent
2. Interim calculation of Development Contribution	On issue of: <ol style="list-style-type: none"> 1. Subdivision Consent 2. Land Use Consent 3. PIM 4. Building Consent
3. Final Assessment, Invoicing and Payment of Development Contribution	<ol style="list-style-type: none"> 1. Before issue of 224C Certificate; or 2. On issue of Building Consent (which ever is the earlier) or 3. An authorisation for a service connection

3.9.2 Enforcement Powers

If payment of development contribution is not received as per 3.9.1, Council will enforce powers outlined in Section 208 LGA02. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may:

- (a) In the case of a development contribution required under Section 198(1)(a), -
 - (i) Withhold a certificate under section 224c 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 of compliance certificate under section 43 of the Building Act 1991.
- (c) In the case of development contribution 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.

3.9.3 Service Connections

Council will continue to collect service connection fees in accordance with current practice and the LGA 2002 for the following assets:

- Water supply connection
- Wastewater connection
- Vehicle Crossing

4. Remission, Reductions and Refund

At the request of an applicant, the development contributions required on a development may be considered for remission, review or refund.

4.1 Remissions

A remission is an adjustment to the schedule charged for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council, or a resolution of a committee of the Council delegated to do so.

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

- (a) The development creates no additional Household Equivalent Units.
- (b) A contribution has already been paid for the same service.
- (c) Development contributions applicable to a particular development are deemed by Council to be excessive for any other reason. This catchall is inserted because Council recognises that there may be situations not envisaged at the time this policy was established that justify remission. However, where units of demand are created it would only be in exceptional circumstances that Council would accept that a remission is justified.

Remissions must be applied for before a development contribution payment is made to Council. Council will not allow remissions retrospectively.

Any request for remission of development contributions shall be made by notice in writing, from the applicant, before development contributions required on the development are paid. Any request for remission shall set out reasons for the request.

4.2 Reductions

A reduction is an adjustment to the HEUs assessed for a consent application. A reduction will only be considered as part of a review requested by an applicant.

Any claim for a reduction would have to be adequately motivated and justified by the applicant and the agreed outcome recorded in a private development agreement.

Any such request shall be made by notice in writing to Council within 15 working days after Council has advised in writing development contributions required on the development, setting out the reasons for the request.

4.3 Refunds

The refund of money and/or return of land will occur in accordance with Sections 209 and 210 of the LGA02, if Council does not provide any reserve network infrastructure, community infrastructure or community facilities for which a contribution has been collected within 10 years of that contribution being received. For the avoidance of doubt, Council will not refund a contribution where a specific project does not proceed only where the service provided by that project is not provided.

Any refunds will be issued to the current consent holder for the development to which they apply. The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund would exclude any costs already incurred by Council, but may include any interest earned depending on the circumstances of the case.

4.4 How the Review of Remissions, Reductions, and Refunds will be undertaken

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request.
- Council may determine whether to hold a hearing for the purposes of the review, and if so, give at least 5 working days notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, reduce, postpone or cancel the original amount of development contributions required on the development and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.
- Council may delegate this role to a Council committee or Officers.

Where Council decides to consider a request for remission the following matters will be taken into account:

- The Development Contributions Policy.
- The Contributions Model.
- Council's Financial Policies.
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
- The level of existing development on the site. Where multiple existing and pre-existing uses can be established Council will have regard to the most intensive use(s).
- Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - Development Contributions.
 - Agreements with Council.

- Financial Contributions under the RMA.
- Any other matters Council considers relevant.

In any case, Council retains the right too uphold the original amount of development contributions levied on any particular development.

Note that until contributions are paid, whether or not the application for remissions was successful, Council will use its enforcement powers per 3.9.2.

5. Development Contribution Calculations

5.1 Introduction

The application of the funding model to the total growth cost and predicted growth in the HEUs for all the combinations of activity and catchment results in the schedule of development contribution charges in \$/HEU for each activity (see Appendix A).

This section outlines the specific contribution required for each of the following assets:

- Roothing
- Water and Wastewater
- Stormwater
- Parks: Reserve Land and Community Infrastructure
- Community Facilities
- Footpaths
- Refuse/Recycling

Future versions of this policy may capture Development Contributions for asset classes not included in this version.

5.2 GST Exclusive

Development contributions specified in Tables 1 to 7 of Schedule A are exclusive of Goods and Services Tax (GST). The Parks: Reserves contribution is assessed as a percentage of land value which is assumed to include GST.

5.3 Construction Cost Index

Note that all figures are expressed in 2005 dollars, and will be amended as appropriate in accordance with the Construction Cost Index.

5.4 Roothing, Access and Parking

5.4.1 Internal Roothing and Access

Any new development will be subject to a development contribution to provide for the internal rooothing and access infrastructure in accordance with the requirements of the Kaikoura District Council Proposed District Plan.

The provision of rooothing and access internal to the development will be the sole responsibility of the developer, and development contributions will be required in the form of completed works and services.

5.4.2 Internal Parking

Any new development must provide internal parking (on-site parking) in accordance with the Kaikoura District Council Proposed District Plan. The full actual cost of

providing any on-site parking facilities as provided for in the Kaikoura District Council Proposed District Plan lies with the developer.

5.4.3 External Roding – District Wide

All new developments will be subject to a development contribution for the broader roading network to cover the value of future identified capital development works.

The anticipated future growth capital development works are identified in the Council's Roding Asset Management Plan. The development contributions for the roading network are based on the proportion of these works that have been assessed as the result of increased demand generated by new residential, rural and non-residential development.

Council will require a contribution toward:

- A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development. The share will be calculated on the proportion of the additional capacity necessary to serve the activity or development. See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

At this stage no contribution will be required toward:

- A share of the cost of the existing roads and access where additional capacity has been increased in anticipation of future subdivision or development.

This may, however, be addressed in subsequent amendments to the Development Contributions Policy.

5.4.4 External Parking – District Wide

This will be addressed in subsequent amendments to the Development Contributions Policy.

5.5 Sewerage and Water

Developers will meet the full actual cost of the water supply or wastewater disposal system to the development.

The developer will be responsible for the full actual costs of all necessary water supply or wastewater disposal reticulation within the development for each allotment or building.

A contribution will also be imposed for each new service connection to cover:

- The full actual cost of connections between the water supply or wastewater disposal system reticulation in the development and the water supply and wastewater disposal system, and
- The full actual costs of upgrading of any existing water supply or wastewater disposal system to the extent that it is necessary to service the development, and

- A share of the costs of the existing water supply and wastewater disposal system where additional capacity has been created in anticipation of future development.
- A share of the cost of new water supply or wastewater disposal system or upgraded water supply or wastewater disposal system where additional capacity is required by the cumulative effects of the development of an area.

See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

The contribution may, at the Council's discretion, be required in the form of cash, land, works, services or any combination of these. In assessing the level of contribution, regard shall be had to the level of works and services to be provided by the applicant to address any increase in demand on infrastructure.

The payment is subject to whether the new activity or development is able to connect to the service system.

Any development outside a constituted water supply or sewerage drainage area has not been anticipated as part of the existing reticulation network. Any request to extend a constituted water supply or sewerage drainage area to incorporate a development, or any request to create a new development contribution area will need to be specifically assessed through a separate "Development Agreement".

5.6 Stormwater

There is only one distinct stormwater development contribution area in Kaikoura District, being the Kaikoura Urban Area. In other areas (outside this catchment) developers are responsible for disposing of all stormwater onsite.

A contribution will be imposed upon the area of the land, to cover:

- The full actual cost of connection to the stormwater network, and/or
- The full actual costs of upgrading of the existing stormwater disposal system to the extent that it is necessary to service the development, and/or urban area
- A share of the cost of new stormwater infrastructure where additional capacity is required by the cumulative effects of the development of an area.

See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

5.6.1 Other Areas

The developer will be responsible for the full actual costs of detaining and disposing of all stormwater within the confined of the development area. Subsequent owners will be responsible for the full actual costs of disposing of all stormwater for each allotment or building.

5.7 Community Facilities

The existing community facilities are nearing the end of their economic life and the community is requesting that not only should these facilities be replaced to a similar standard to which they are now but should be substantially improved and enlarged to cater for the growth in Kaikoura as a place of which to live, work and play, but also to visit as a holiday destination in its own right.

The community facilities for which development contributions are levied will go toward the construction of a new library and meeting room, museum, art gallery, circulation space, indoor swimming pool, gymnasium, and multi-sport hall. These facilities will be built along with Council offices and a café in a new multi-purpose building on Council administered land on Scarborough Terrace. It is envisaged that Council will raise in the vicinity of \$7 million over the term of this plan towards the construction costs and loan repayment costs of this facility. The balance will be funded by way of property sales, loans and other fund-raising activities.

The current proposed concept has been designed so that it could be built in stages as funds become available but the long term aim is to construct a facility that the community can feel justifiably proud of for many years to come.

The contribution levied will be based on a per Household Equivalent Unit (HEU) with the fees set out in Appendix of this policy.

5.8 Refuse

There is only one landfill to service the whole district. Population and visitor growth is placing additional pressures on this site through increased household waste and demolition waste as a result of ongoing development within the community.

While the Council has a policy of zero waste to landfill and while great efforts are being made in increasing the volume of refuse diverted from land filling, increased total quantities are being deposited at the site. Over time this will lead to the site potentially filling rapidly and a new transfer station needing to be developed to move waste from the district to a regional land filling site at Kate Valley.

Development contributions are therefore being levied towards the future after-care programme which will be used to re-develop the site to a recreation reserve and also for the construction of a transfer station to sort and remove waste to go outside of the district. It is envisaged that two thirds of the funds required for this work will be raised through development contributions.

Development contribution will be based on a per Household Equivalent Unit (HEU) and is set out in the schedule of fees and charges in Appendix A of this policy.

5.9 Footpaths

Since 2005 the Council has been both developing new footpaths and upgrading existing footpaths throughout the township. It is anticipated that this work will be ongoing and that the increasing number of visitors and new home owners will continue to place pressure not only on the existing infrastructure but will continue to demand an increased level of service.

Developers will be required to fund the total costs of footpaths within their development and this policy provides for a contribution of 10% towards the upgrading of the existing footwork network within the township. The development contribution for this will be on an Household Equivalent Unit (HEU) and is set out in the development contributions schedule of fees and charges in Appendix A of this policy.

5.10 Parks

A district network of public amenity and recreational reserve land and infrastructure will help ensure Kaikoura District is an attractive place to live, with good opportunities for passive and active recreation within a high quality environment.

Population growth places additional pressure on existing reserve land and community infrastructure, through increased use and reduction of environmental quality. Unless additional amenity and recreational reserve land and infrastructure are provided, paid for by growth, the existing population will suffer a reduced level of amenity and recreational opportunity or an increased rate burden.

For the purposes of this policy section, Kaikoura District Council amenity and recreational reserve assets have been grouped into one class:

- Parks: Reserve Land and Community Infrastructure

5.10.1 Parks: Reserve Land and Community Infrastructure

Community Infrastructure refers to the cost of providing additional improvements necessary to turn basic Parks: Reserve Land into a particular form or standard of reserve. Possible improvements include: playgrounds; public toilets; furniture; sports ground development (including higher standard earthworks, grassing, drainage, irrigation and changing facilities); gardens; trees; recreational paths and car parking.

See Development Contributions Schedule of Fees and Charges in Appendix A and D of this policy.

Parks: Reserves Land 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 earthworks and grassing.

Contributions will be taken in the form of a cash contribution and will be used to purchase land and to undertake enhancements. Within the development, the Council may allow the developer to provide land to meet recreation and conservation needs which will be credited against the required cash contribution.

For Parks: Reserve Land, the Local Government Act 2002 Section 203(1) states that development contributions shall not exceed the greater of:

- (a) 7.5 percent of the value of the additional allotments created by the subdivision; and
- (b) the value equivalent of 20m² of land for each additional household unit created by the development.

There are two distinct methodologies for determining the Parks: Reserves Contribution for developments as recognised in the Local Government Act. One methodology deals with development where there is subdivision [S203(1)(a)] and the other where there is residential development where there is no subdivision [S203(1)(b)].

Development Contributions will be levied on non-residential development for Parks – Reserves. Council has determined that non-residential developments do increase demand on reserve infrastructure, this demand does translate into the need for additional land purchase.

See Development Contributions Schedule of Fees and Charges in Appendix A and D of this policy.

Subdivision (Residential only)

Four contribution categories have been identified:

- Residential
- Rural Residential
- Rural

- Commercial/Industrial

These categories recognise the different demand for recreation and amenity reserves.

Recognising the difference in demand for these areas Council has adopted different contribution rates for each of the categories:

Contribution Category	Description	Development Contribution Rate
1	Residential	2.5% of the value of each additional lot of subdivision.
2	Rural Residential	1% of the value of each additional lot of subdivision.
3	Rural	0.5% of the value of each additional lot of subdivision.
4	Commercial/Industrial	0.5% of the value of each additional lot of subdivision.

The value of each allotment will be assessed up to the following maximum site areas:

- Rural: 40,000m²
- Rural Residential: 6,000m²

2. Applications that change rural areas into urban developments with reticulated services will end up as future service catchments, and consequently will be considered under the provisions of Contribution Category 1.

Residential non-subdivision:

The Development Contribution for Parks where there is no subdivision will be assessed as the value equivalent of 20m² of land for each additional HEU created. This will be applied up to a maximum contribution, equivalent to 2.5% of the value of the allotment.

As explained in Section 3.3, for commercial accommodation the number of HEUs is calculated by using a Household conversion factor of 0.22.

5.10.2 Valuing of Land

Development Contributions will be payable in cash. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. Council may use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.

Council may, by resolution, accept or require a contribution to the equivalent value in the form of land or infrastructure. In some cases, for example, it may be appropriate

to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve network requirements, and to credit them against the Development Contribution required.

Where the Development Contribution is to be in cash, the amount will be established by registered valuer's report on the anticipated sale value of the additional lots created by a subdivision, or on the basis of 20 square metres of land (within the development) for each additional household units created (with final calculation of the contribution to occur at the time the consent is issued – see Section 3.9.2).

Where the Development Contribution is to be in land or infrastructure, the value of the land and infrastructure to be vested will be established on the basis of a registered valuer's report and substantiated prices prior to purchase and installation.

Registered valuer's reports shall be no older than 3 months and produced at the developers cost.

**APPENDIX A: Development Contribution Schedule of Fees & Charges
(Exclusive of GST)**

Table 1: External Roding District Wide

Area	Development Contributions (per HEU)
District Wide	\$1,258
Commercial Accommodation	\$277 per single bed

Table 2: Water and Wastewater

Development Contribution Area	Water Contribution	Wastewater Contribution
Kaikoura Urban	\$2,786 Per HEU	\$3,376 Per HEU
Kaikoura Suburban	\$1,195 Per unit of water	
Kincaid Scheme	\$800 Per unit of water	
Fernleigh Scheme	\$1,000 Per unit of water	
East Coast Scheme	\$1,000 Per unit of water	
Oaro Scheme	Per HEU	
Peketa Scheme	Per HEU	
Commercial Accommodation	\$613 per single bed	\$743 per single bed

Table 3: Stormwater

Area	Development Contribution
Kaikoura Urban	\$98 per HEU
Commercial Accommodation	\$22 per single bed

Table 4: Parks, Reserves & Community Infrastructure

Contributing Category	Development Contributions % of Land Value
Residential	2.5%
Rural	0.5%
Industrial/Commercial	0.5%
Rural Residential	1%

Table 5: Community Facilities

Contributing Category	Development Contribution per HEU
Residential	\$7,142 per HEU
Commercial/Industrial	As per roading HEU equivalent
Rural Residential	\$7,142 per HEU
Rural	\$7,142 per HEU
Commercial Accommodation	\$1,571 per single bed

Table 6: Footpaths

Area	Development Contribution per HEU
Kaikoura Urban	\$72
Commercial/Industrial	As per roading HEU equivalent
Commercial Accommodation	\$16 per single bed

Table 7: Refuse/Recycling

Area	Development Contribution per HEU
Kaikoura Urban	\$243
Rural Residential	\$243
Rural	\$243
Commercial Industrial	As per roading HEU equivalent
Commercial Accommodation	\$53 per single bed

APPENDIX B: Development Contributions Calculation – Examples

Example 1 – Residential Subdivision

Proposal: One residential lot subdivided into 2 new sections.
Location: Kaikoura Urban.

Value of additional allotment \$100,000 (Including GST).

As per section 2.3.1, a full credit is given for the existing household unit (residual title) and the Development Contribution is only calculated on the additional household unit (on the new title).

Household Equivalent Units	Activity/Service	Contribution
1	Roading	\$1,258
1	Water	\$2,786
1	Wastewater	\$3,376
1	Stormwater	\$98
1	Footpaths	\$72
1	Community Facilities	\$7,142
1	Refuse	\$243
	Sub-Total (ex GST)	\$14,975
	GST	\$1,872
	Sub-Total (inc GST)	\$16,847
1 (Valuation \$100,000)	Parks: Reserves using LGA 2002 S203(1)(a) (Inc GST)	\$2,500
	TOTAL (inc GST)	\$19,347

Total development contribution payable by developer is \$19,347 (incl GST)

Example 2 – Residential Unit Title Development – Land Use Consent

Proposal: A unit title apartment complex (4 units) developed on an existing residential section.

Location: Kaikoura Urban.

Value of each Apartment unit \$350,000

Size of existing Section 1500m²

Valuation of Land: \$135m²

As per section 2.3.1, a full credit is given for the existing household unit (residual title) and the Development Contribution is only calculated on the additional three household units (on the new titles).

Household Equivalent Units (min of 1 HEU for each Activity or Service)	Activity / Service	Contribution
3	Roading	\$3,774
3	Water	\$8,358
3	Wastewater	\$10,128
3	Stormwater	\$294
3	Footpaths	\$216
3	Community Facilities	\$21,426
3	Refuse	\$729
	Sub-Total (excl GST)	\$44,925
	GST	\$5,616
	Sub-Total (incl GST)	\$50,541
1 (Valuation – 20m2 x \$135m2 x 3 units)	Parks: Reserves (using LGA2002 S203 (1)(b) (incl GST)	\$8,100
	TOTAL (incl GST)	\$58,641

Total development contribution therefore payable by developer is \$58,641 (incl GST).

APPENDIX C: Development Contributions Funding Model

Purpose

The purpose of the funding model is to provide an equitable assessment of the funding requirements to support the Development Contributions regime. The primary output of the funding model is an assessment of the required development contributions charges.

The model takes account of:

- The funding requirements to support the cost of growth infrastructure.
- Equitable application of those funding requirements to the incoming growth community.
- Recognition that the backlog components of the growth infrastructure are funded by the existing community. The rating charges applied to the existing community will also be applied to the incoming community as there is no differential rating process to exclude the incoming community from those rates charges. Therefore the resultant rating charge on the incoming community is offset against the development contribution charge.
- Interest on funds raised to implement growth infrastructure.
- Interest on contributions received in advance of provision of growth infrastructure.
- Recognition that money raised must meet the financial requirements of projects, therefore consideration is given to the effects of inflation on both the costs and the income. (Note, currently the inflation is set to zero in the model as CCI is to be added separately to the contribution rates each year.)

Background Information

For each project planned Council officers have determined the components of the project that are allocated to meeting the needs of the growth community. This allocation takes into account and deducts funds available from alternate funding sources such as Transfund. These projects are reported in development contribution areas for each service type.

For each Development Contribution Council officers have determined the anticipated number of new lots as the district expands. These are reported as Household Equivalent Units (HEU's).

Development Contributions

The development contribution will be assessed for each service type and each Development Contribution will be charged based on the number of HEUs demanded by each incoming activity.

Modelling Principles

A project cannot be considered for development contributions unless it is an approved project in the LTCCP. The LTCCP includes schedules of planned projects and in the future will include schedules of past projects with remaining capacity intended to support the new and future incoming community.

Terms and Definitions

Current year	Planning is underway to implement adjustments to the development contributions on 1 July in the next year. That is 1 July 2006 after planning though the year 2005/2006. Therefore the current year is 2005/2006 (called 2005) and year 1 of the analysis is 2006.
Past growth Past expenditure	Relates to the 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. (Note: Council is not proposing to recover Development Contributions for capital expenditure incurred prior to 1 July 2005.)
New growth New expenditure	Relates to the growth demand and planned costs in the ten years from the current year. Starting in year 1 – 2005 and ending in year 10 – 2015 (30 June 2015).
Future growth Future expenditure	Relates to the growth demand and planned costs in the years beyond the new growth period. Starting in year 11 – 2015. Potentially there is no end point to future growth but in practical terms it will end with the end of the funding period.
Funding period	Not less than 10 years. Otherwise lesser of asset capacity life, asset useful life, or 30 years.

Notes

- Year will be end year; i.e. 2005/2006 will be listed as 2006.
- Past expenditure will be actual cost of the project. These costs will not be inflation adjusted.
- Interest on past expenditure will be based on the typical average interest rate for either borrowing or lending in each year since the past expenditure was incurred.

Expenditure

Expenditure will be assumed to occur in the year identified in the LTCCP or its amendments.

Development Contribution

For each project the development contribution capital charge for each incoming HEU is assessed as the gross cost of growth (including allowance for interest, inflation, rate income, incoming population trends, etc.) divided by the number of HEUs incoming from year 1 to the end of the funding period for that project.

The gross cost of growth is determined based on the assumption that at the end of the funding period the remaining debt will be zero.

The development contribution for each service group and each Development Contribution area is the sum of the development contributions for each project in the service group and Development Contribution area.

APPENDIX D: Non-Residential HEU Conversions

Wastewater Non-Residential HEU Conversions

Kaikoura District Council District Subdivision Code of Practice Design Standard:
1000 litres/household/day (1m³/lot/day)

Land use Description	District Design Std(Litres/Day)	Units	HEUs
Commercial	200	100m² GFA	0.2
Industrial	200	100m² GFA	0.2
Retail	266	100m² GFA	0.26

Water Non-Residential HEU Conversions

Kaikoura District Council Urban Water Supply Upgrade Officers Report 2000: 1930
litres/household/day – 1.9m³/lot/day

Land use Description	District Design Std (Litres/Day)	Units	HEUs
Commercial	210	100m² GFA	0.1
Industrial	210	100m² GFA	0.1
Retail	280	100m² GFA	0.13

Roading Non-Residential HEU Conversions

Land Use	Category	VPD	(1) %	(2) %	(3) %	=	HEU
			100	25	5		10
Commercial premises/offices	Commercial	20	60	30	10	13.6	1.36
Shopping Centres	Retail	47	40	40	20	24.0	2.4
Supermarkets	Retail	130	20	50	30	44.2	4.42
Service Stations with retail facilities	Retail	600	5	20	75	82.5	8.25
Markets	Retail	5	40	50	10	2.70	0.27
Bulk good/home improvement stores	Retail	40	60	30	10	27.2	2.72
Drive in fast food restaurants	Retail	320	70	20	10	241.6	24.16
Restaurants	Retail	66	80	20	0	56.1	5.61
Manufacturing industries	Industrial	30	60	30	10	20.4	2.04
Hospitals	Health	10	60	30	10	6.8	0.68
Medical services and health care centres	Health	58	60	30	10	39.4	3.94
Gymnasiums	Recreation	35	80	20	0	29.8	2.98

VPD – Vehicles per day

Vehicles per Day

- (1) The end destination and sole purpose of the trip is to that activity. E.g. Home to work not stopping at school or any other destination
- (2) Trip is made as one of a number of linked trips
- (3) Trip is made but only because the route goes past that location

Land Use	VPD	HEUs
Commercial	13.6	1.36
Industrial	13.6	1.36
Retail	24.0	2.40

Notes

- Minimum of 1 HEU per additional allotment
- All units per 100m² GFA

Parks: Reserve Land and Community Infrastructure HEU Conversions

Development Contributions will be levied on commercial, industrial, retail and non-residential development. This will be levied as a percentage of the capital value of the project. The levy rate shall be half of one percent, for both Parks Reserve Land, and Parks Community Infrastructure.

APPENDIX E: Kaikoura District Growth

It is considered in the order of 900 new residential dwellings will be built in the district over the next 10 years. This compares to less than 200 new residential dwellings constructed in the last 5 years.

These predictions are based on both known land development proposals and probable developments as a result of continued growth in the tourism sector. It is estimated that 350 new jobs will be created in that sector over the next 5 years with an additional 50 in the industrial sector. The increase in popularity of coastal towns in general and Kaikoura in particular as a destination to retire to or as a change in lifestyle should see the 900 being achievable.

Planning Timeframe

The Development Contributions Funding Model has been built up from a capital works project component level, and calculates over a 10-year period the contributions that will be required from new development to meet the proportion of capital expenditure anticipated to be funded for reserves, and for network and community infrastructure. These assumptions will be reviewed as part of the review of the LTCCP for 2006.

Residential Development

The growth proposed is based on a combination of historic development patterns, overlaid with projections for significant greenfields developments, for example, Ocean Ridge and Seaview.

These Greenfield development proposals are in some cases either already known to Council, or are the subject of ongoing discussions with the developers and land owners concerned. Council has evaluated these proposals (including considering the commitment and capabilities of those developers), and is satisfied that they represent the best available growth information for those areas.

Greenfield development is seen as the predominant form of future development. This is because there is limited scope for infill within the existing urban area. There is the potential for approximately 100 sections in South Bay and 100 within the existing township. The balance will therefore have to come from Greenfield sites.

Two other possible approaches were considered (but disregarded) for modelling future residential growth:

- Statistics NZ population projects; and
- Extrapolations from existing building and subdivision consent data.

Statistics NZ data shows that the Kaikoura District was home to approximately 3483 people in 2001. Statistics NZ population projections for the area over the 20-year

period from 2001-2021 show only a minor population increase is anticipated. However, the census provides only a partial picture of the 'usually resident' population of the district, and does not take account of the number of people staying in the district during the peak tourism season, or the projected future demand for land and infrastructure services. This means that the land/building "footprint" in urban areas is outstripping population growth.

Building activity and subdivision data presents an alternative picture of land demand, and relates more closely to the increased demand for Council services. However, the discussions with developers have signalled significant future growth in residential greenfield developments. These subdivisions are being planned to address significant land shortages in the existing Kaikoura urban area, and are not reflected in existing building consent data.

There is currently the equivalent of 250 new sections going through the resource consent process at present and the demand for new sections appears to be unabated. Nine hundred new sections over 10 years is therefore seen as very attainable.

APPENDIX F: Capital Expenditure

The following table summarises the capital expenditure identified in the Long Term Council Community Plan 2006-2016 that Council expects to incur to meet the increased demand for community facilities resulting from growth.

Council has determined to use the funding sources stated as the most appropriate source of funds for each of these capital projects, to most equitably match the distribution of benefits to groups and/or individuals, and to make the optimum use of alternative sources of funding such as subsidies, grant funding, and development contributions where appropriate.

Council's Development Contributions Policy was first adopted in June 2004, and provided for several other capital projects, such as footpath and street light upgrading, and oxidation pond upgrading. This work has subsequently been completed, so does not appear on the table of capital expenditure. However, loans have been raised to complete that work, and development contributions are collected to meet the cost of loan servicing.

	Total Estimated Cost \$	Funding Sources		
		Subsidies	Development Contributions	Grants & Other
Roading				
Seal Extensions	717,756		50%	50%
Truck Bypass	1,200,000		50%	50%
Mt Fyffe Extension	400,000		70%	30%
Footpaths	634,908		10%	90%
Water Services				
Ground Water Bore	425,000		50%	50%
New Reticulation	409,000		50%	50%
Water Treatment	400,000		50%	50%
New Main Line	665,000		80%	20%
Alternate Bore	26,000		50%	50%
Reservoirs	1,565,000		80%	20%
Pump Stations	10,000		100%	
Booster Pump	140,000		30%	70%
Kincaid rural water	428,265		70%	30%
Sewerage & Stormwater				
Oxidation Ponds 1a	551,229		100%	
Oxidation Ponds 1b	400,000	40%	60%	
Oxidation Ponds 1c	150,000		100%	
Oxidation Ponds 2	325,200	40%	60%	
Mainline Churchill	1,172,000	50%	50%	
Mainline Hawthorn	867,200	20%	80%	
Mainline Mill	1,143,000	50%	50%	
Stormwater	86,770		100%	
Refuse & Recycling				
Collection Point	228,600		60%	40%
Aftercare	170,000		60%	40%

	Total Estimated Cost \$	Funding Sources		
		Subsidies	Development Contributions	Grants & Other
Community Facilities				
Playgrounds	180,000		80%	20%
Public Toilets	196,000		100%	
Siteworks	550,000		100%	
Coastal Strategy	2,047,000		100%	
Coastal Area 9	191,640		80%	20%
Library/Meeting	1,250,000		70%	30%
Museum	825,000		10%	90%
Art Gallery/Foyer	1,125,000		60%	40%
Swimming Pool	5,000,000	10%	50%	40%
Gymnasium	1,050,000		80%	20%
Multi Sports Hall	2,750,000		75%	25%

Glossary of Terms

Backlog	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.
Base Units	The demand of an average household unit for each service.
CCI	Construction Cost Index.
Commercial	Any activity, whether temporary or permanent, involving payment, exchange or other consideration.
Community Facilities	Libraries, Halls, Community Centres, Swimming Pools, Sports Complexes, Gymnasiums for which Development Contributions may be required.
Community Infrastructure	Land, or development assets on land, owned or controlled by Kaikoura District Council to provide public and community facilities and amenities, including land that the Council will acquire for that purpose.
Cost Allocation	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, credit to that amount will be given for the particular activity.
Current Year	The current year is 2004/2005 (called 2005) and year 1 of the Development Contributions Policy is 2005/2006, called 2006.
DC	Development Contribution.
Development	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.
Development Agreement	Any private agreement signed between a Developer and Kaikoura District Council.
Development Contribution Area	Separate development contribution areas exist for each asset category. For some assets, e.g. roading the development contribution area is district wide, for asset categories such as stormwater, water and waste water development contribution areas are based upon existing “constituted service catchment” areas as identified on the maps appended.
Financial Contributions	These are provided for by the Resource Management Act (RMA) and Council’s policy is set out in section 5 of the Proposed 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.
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.
Funding Period	Not less than 10 years. Otherwise lesser of asset capacity life, asset useful life, or 30 years.
GFA	Gross Floor Area
Growth	Growth means the increase in capacity of network and community infrastructure external to the boundaries of the development site required to service that development.
Growth Model	For each Development Contribution area the Council has determined the population changes anticipated as the district expands. These are reported as “Household Equivalent Units” (HEUs).
GST	Goods and Services Tax
HEU	Household Equivalent Unit. A type of “unit of demand” that relates to the typical demand for infrastructure by an average household.
IFA	Area of impervious surfaces to be drained to the reticulated stormwater network.
Industrial	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.
Level of Service (LOS)	The standard of service provision for assets.
LGA	Local Government Act 2002.
Lot	Lot 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
New Expenditure	Relates to the growth demand and planned costs in the ten years from the current year. Starting in year 1 – 2006 and ending in year 10 – 2015 (30 June 2005).
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:
Amenity Reserves	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 scenic or recreation reserve that are intended primarily to preserve natural

	features or 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	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 earthworks and grassing.
Reductions	A reduction is an adjustment to the HEUs 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 charges for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council.
Renewal	That portion of project expenditure that has already been funded through depreciation of the existing asset.
Residential	The use of land and buildings by people for accommodation purposes, including unit/strata title development and commercial accommodation.
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	Rural is deemed to have the same definition as Rural in the Kaikoura District Councils rating policy.
Rural Residential	Properties outside of the Urban Area of less than 5ha containing, or intending to contain, a dwelling
Service Connection	A physical connection to a service provided by, or on behalf of Kaikoura District Council.
Sports grounds	Larger recreation reserves intended primarily to provide for formal sporting activities and events.
Subdivision	Subdivision is deemed to have the same meaning as “Subdivision” under the Resource Management Act 1991.
Urban Area	The urban area within the Kaikoura township as defined by Council’s Rating Information Database
VPD	Vehicles Per Day.