

Appendix B: Infrastructural activity charges

Development Contribution Schedule of Charges

Activity	Catchment	2012 DC per HUE (excl GST)
Water Supply	Urban and Rural Catchments	\$3,190.80
	Kaharoa	N/A
Land Drainage & Stormwater	Urban Area	\$646.58
Transport	District Wide	\$2,905.76
Public Amenities	District Wide	\$3,123.78
Waste Water	Urban Area	\$3,967.46
	Duxton	\$7,016.59
	Mourea	\$14,984.03
	Okawa Bay	\$13,397.32
	Hinemoa Point	\$17,583.00
	Brunswick/Rotokawa gravity	\$7,252.00
	Brunswick St 4 and 6	\$4,770.00
	Rotokawa LPGP	\$19,832.00
	Okareka	\$20,680.00
	Hamurana	\$17,902.00
	Okere Falls/Otaramarae/ Whangamarino	\$19,052.00
	Gisborne Point/Hinehopu	\$23,143.00
	Rotoma	\$20,414.00
Mamaku	N/A	
Tarawera	N/A	

N/A – not applicable as charges yet to be finalised

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1. For rural wastewater schemes the property owner will pay rates and scheme capital contributions. This applies for properties up until the scheme completion.
 2. For additional lots or dwellings created after the completion of the scheme, Development Contributions will be payable instead of the scheme capital contributions.

Appendix C: Base units & HUE conversion factors

Residential

Table 1: Base Unit demands on an average household unit (HUE) for each activity

Table 1: Demands of HUE			
Activity	Base Unit	Demand per HUE	Comments
Transport	Vehicle trips per day	10	Assume all light vehicles
Water Supply	m ³ per day	0.9 m ³	District Engineering Standards
Wastewater	m ³ per day	0.66 m ³	District Engineering Standards
Land Drainage	m ² of Impervious surface area	350 m ²	Assessed average impervious area per household unit
Community Infrastructure	HUE		
Accommodation	Bed	1/(2.67 x 365)	Occupancy

Table 2.1: Wastewater Non-Residential HUE Conversions

Engineering Design Standards: HUE = 0.66m³/household/day (Refer also NZS 4404)

Land use description	Units	HUES/100m ²
Residential	0.66m ³ /day	1
Other Employment Categories	Ha	0.108
Accommodation	Bed	0.001

Note: Wet Industry to be defined and treated as a 'special' case.

Table 2.2: Water Non-Residential HUE Conversions

Engineering Design Standards: HUE = 0.9m³/household/day (Refer also NZS 4404)

Land use description	Units	HUES/100m ²
Residential	0.9m ³ /day	1
Other Employment Categories	Ha	0.162
Accommodation	Bed	0.001

Note: Wet Industry to be defined and treated as a 'special' case.

Table 2.3: Land Drainage Non-Residential HUE Conversions

District Plan Maximum Site Coverage Requirement (Impervious Surfaces) 350m²

Land use description	Units	HUES/100m ²
Residential	350m ²	1
Other Employment Categories	Ha	0.198
Accommodation	Bed	0.001

Table 2.4: Community Infrastructure HUE Conversions

Land use description	Units	HUES/100m ²
Residential	Dwellings	1
Other Employment Categories	Ha	0
Accommodation	Bed	0.001

Table 2.5: Transport non-residential HUE conversions (includes split trips)

Land Use ¹ Description	Category	VPD Per	% in Journey Type			VPD	HUES per
		100m ² GFA	50% ²	20% ³	5% ⁴	Equivalent	100m ²
Residential Base Equivalents	Dwelling					10.00	1.00
Commercial premises, offices and industrial	Commercial	20	50%	30%	20%	6.40	0.43
Retail shops and Shopping centres	Retail	100	30%	50%	20%	26.00	1.74
Supermarkets	Retail	130	20%	50%	30%	27.95	1.87
Service stations with retail facilities	Retail	600	5%	20%	75%	61.50	4.12
Markets	Retail	5	40%	50%	10%	1.53	0.10
Bulk goods/home improvement stores	Retail	40	60%	30%	10%	14.60	0.98
Drive in fast food restaurants	Retail	320	10%	20%	70%	40.00	2.68
Restaurants	Retail	66	60%	20%	20%	23.10	1.55
Hospitals	Health	10	60%	30%	10%	3.65	0.24
Medical services and health care centres	Health	58	50%	30%	20%	18.56	1.24
Gymnasiums	Recreation	35	70%	20%	10%	13.83	0.93

Notes:

1. Land Use applications not listed above e.g. new Dairy sheds, Marae expansion and Day Care facilities may default to the Commercial category.
2. Primary: That portion where the sole purpose of the trip is to visit that single business.
3. Secondary: That portion where the purpose of the trip is to visit a number of businesses.
4. Incidental: That portion where the visit to the business is incidental to other purposes.

Table 3: Summary of HUE Assessments

Category	Subdivision	Development
Residential	Per additional title: 1 HUE per activity	Per additional title or household unit including unit title type developments: 1 HUE per activity
Non-residential	Standard table of HUEs per activity in units of 100m ² GFA.	
Mixed Uses	To be assessed as above for the particular land use applied for.	
Special	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 / HUE conversions these estimates may then be converted into HUEs and charged accordingly.	

Appendix D: Net growth of projects

1. Schedule of Past Projects with Residual Capacity

Table 1 is a summary of the total cost and 'Net Growth' component of selected past projects with residual growth capacity that has been included in the calculation of the Development Contribution.

Table 1: Schedule of Past Projects with Residual Capacity						
Activity	Project	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
		\$000				
Wastewater	Okawa Bay – Total Cost				443	273
	- Growth Component				8	5
Wastewater	Mourea – Total Cost			435	2,445	1,505
	- Growth Component			45	251	154
Wastewater	Duxton – Total Cost				195	293
	- Growth Component				24	36

2. Capital Expenditure Related to Growth

Table 2 is a summary of the 'Net Growth' component of projects included in the LTP and planned for implementation in the funding period 2009/10 to 2018/19 that have been included in the calculation of the Development Contribution.

Schedule of Planned Projects with Capacity to Support Growth							
Activity	Project	Total Cost \$ 000	External Funding \$ 000	Backlog \$ 000	Renewal \$ 000	Unallocated \$ 000	Growth \$ 000
Public Amenities	Energy Events Centre	\$30,573	\$23,761	\$2,325			\$4,487
Public Amenities	Library Expansion	\$1,998		\$525	\$164		\$1,309
Public Amenities	Centennial Development Expansion – Rotorua Museum	\$18,432	\$17,570				\$862
Public Amenities	Boatramp and Jetty Upgrades	\$617		\$247			\$370
Public Amenities	Parklands Development – Kuirau Park	\$206		\$30			\$176
Public Amenities	Ngongotaha Reserves Development	\$963		\$376	\$31		\$556
Public Amenities	New Playgrounds	\$252		\$144			\$108
Public Amenities	Sportsfield Development – Westbrook	\$828			\$45		\$783
Public Amenities	Neighbourhood Reserve Development	\$80					\$80
Public Amenities	Aquatic Centre Expansion	\$3,288		\$2,279			\$1,009
Public Amenities	East Regional Sports Park	\$750		\$69	\$360		\$321
Land Drainage and Stormwater	Urban Stormwater Upgrading	\$6,790		\$1,750	\$2,580		\$2,460
Transportation	Development Assistance	\$850					\$850
Transportation	Victoria Street Arterial	\$49,678	\$27,820	\$5,426	\$154		\$16,278
Transportation	Lake Road 4-laning	\$11,342	\$6,352	\$735	\$720		\$3,535
Transportation	Malfroy/Ranolf Roundabout	\$1,366	\$765	\$283	\$20		\$298
Transportation	Malfroy/Old Taupo Intersection	\$2,000	\$1,140	\$318	\$129		\$413
Transportation	New Passenger Transport Terminal	\$2,214	\$1,240				\$974
Wastewater	Gravity Main Upgrades and Fenton Park	\$3,347			\$974		\$2,373
Wastewater	Treatment Process and Capacity Upgrades Urban	\$7,959		\$152	\$692		\$7,115
Wastewater	Brunswick Sewerage Scheme	\$7,166	\$3,583	\$1,343			\$2,240

Schedule of Planned Projects with Capacity to Support Growth							
Activity	Project	Total Cost \$ 000	External Funding \$ 000	Backlog \$ 000	Renewal \$ 000	Unallocated \$ 000	Growth \$ 000
Wastewater	Duxton Sewerage Scheme	\$562	\$254	\$239			\$69
Wastewater	Mourea Sewerage Scheme	\$4,234	\$2,655	\$1,145			\$434
Wastewater	Mamaku Sewerage Scheme	\$6,000	\$3,000	\$2,700			\$300
Wastewater	Okawa Bay Sewerage Scheme	\$767	\$365	\$388			\$14
Wastewater	Hinemoa Point Sewerage Scheme	\$1,433	\$717	\$340			\$376
Wastewater	Okere Falls/Otaramarae/ Whangamarino Sewerage Scheme	\$10,520	\$7,623	\$1,722			\$1,175
Wastewater	Rotokawa Sewerage Scheme	\$6,355	\$3,177	\$1,500			\$1,678
Wastewater	Gisborne Point/Hinehopu	\$18,175	\$12,456	\$4,494			\$1,225
Wastewater	Hamurana Sewerage Scheme	\$16,622	\$10,015	\$4,335			\$2,272
Wastewater	Okareka Sewerage Scheme	\$10,237	\$5,000	\$5,065			\$172
Wastewater	Rotoma Sewerage Scheme	\$10,905	\$6,760	\$2,612			\$1,533
Wastewater	Tarawera Sewerage Scheme	\$13,800	\$6,900	\$6,461			\$439
Water Supply	Eastern Reservoir 3	\$2,200		\$316			\$1,884
Water Supply	Ngongotaha Rising/Delivery Main Upgrade	\$2,398					\$2,398
Water Supply	Eastern Mains Upgrade Coulter Rd to Airport	\$961		\$288			\$673
Water Supply	Eastern Trunk Upgrade from Reservoir 1 to Reservoir 3	\$3,006					\$3,006
Water Supply	Eastern Duplicate Rising Main Stage 2	\$400					\$400
Water Supply	Reporoa Mains Upsizing	\$500		\$168	\$220		\$112
Water Supply	Hamurana Treatment Upgrade	\$137		\$104			\$33
Water Supply	Mamaku Treatment Upgrade	\$325		\$165			\$160
Water Supply	Reporoa Treatment Upgrade	\$785		\$628			\$157
Water Supply	Urban Treatment Upgrade	\$2,085		\$1,514			\$571
Water Supply	Central Additional Storage	\$2,800		\$478			\$2,322
Water Supply	Rotoiti Treatment Upgrade	\$129		\$86			\$43
Water Supply	Rotoma Treatment Upgrade	\$96		\$54			\$42

Appendix E: Procedural items relating to policy

1. Determination of Development Contribution Charges

1.1 Level of Service

Council activity plans for each activity, linked to the LTP, define the relevant level of service (LoS) for that activity.

From these LoS statements a capital project list to meet projected growth has been identified and costed, based on sustaining these LoS.

In general the Development Contributions will be calculated based on the existing LoS across the District.

Any requirement to increase the LoS for existing users will not be funded by Development Contributions.

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 10 years of capital works expenditure in the LTP.

The Modified Shared Drivers approach takes the planned costs of a proposed project and assigns them to various drivers, which are:

- Renewal
- Backlog
- Growth
- Unallocated

A summary of the Cost Allocation Methodology is as follows:

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

3. Funding Model

The purpose of the funding model is to ensure an equitable assessment of the funding requirements to support the Development Contributions regime. The primary output of the funding model is an assessment of the required Development Contributions charges. These charges are listed in Appendix B, Table 1.

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.
- 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 infrastructure.
- Interest on contributions received in advance of provision of growth infrastructure.

4. Assessment of Development Contributions

4.1 Residential and Lifestyle Block Applications

The only information that is required to calculate the number of HUEs, and hence the development contribution that is chargeable, is the additional number of residential allotments or household units created by the proposed consent.

Any additional Household Unit, excluding garaging, on the same lot, will be assessed and charged a Development Contribution based on the following table:

Floor Area of Household Unit	% charge/HUE
Less than 40m ²	No Charge *
40m ² to less than 60m ²	50% HUE
60m ² to less than 70m ²	60% HUE
70m ² to less than 80m ²	70% HUE
80m ² to less than 90m ²	80% HUE
90m ² to less than 100m ²	90% HUE
100m ² or greater	100% HUE or 1 HUE

*The first additional household unit of less than 40m² will not attract a development contribution. Any further household units of less than 40m² will be levied a development contribution of 50% HUE

Retirement village self-contained units will be assessed at 0.5 HUE. This includes Kaumatua housing on maraes.

4.1.1 Extensions to Existing Household Units

Where a Development Contribution assessment, made under previous policies, has resulted in a partial Development Contribution, due to the floor area of the dwelling and that dwelling is increased in size to that of a full HUE (100m² or more), the balance Development Contribution charge will apply according to the policy.

Where a nil development contribution has been assessed for a first additional household unit of less than 40m², and is increased to greater than 40m² but less than 60m², a development contribution of a half HUE will apply.

Note that for a (consented) household unit lawfully established prior to 1 July 2006 an historic credit of one HUE will apply or credits for existing household units of less than 100m² will be based on the table in 4.1.

4.2 Visitor Demand

The demand on community assets and networks by visitors is significant and attributable to network and community infrastructure. For engineering type assets such as roading, water and wastewater networks and infrastructure the extra demand can be calculated based on peak requirements in such periods as holidays, major conferences etc. The peak demand is taken as 100% occupancy of all accommodation and infrastructure and assets are sized accordingly. For community infrastructure more conservative HUE conversions are necessary, for instance few visitors may use the library but many will use the parks and museum. Visitor demand in these cases is taken on an activity and/or project basis using such information as is available at the time. (Refer to Tables in Appendix C).

4.2.1 Occupancy rates for Accommodation types

The percentage occupancy rates in the table below are based on accommodation data for Rotorua for June 2005 to May 2008, collected by the Statistics New Zealand Accommodation Survey, published in May 2008.

Table 2: Accommodation Occupancy Rates

Accommodation Type	% Occupancy Rate
Hotels	60
Motels and Backpackers	50

4.3 Non-Residential Applications

Non-Residential applications (e.g. business, accommodation, industrial and commercial) will include all activities except residential applications. For non-residential consent applications HUEs may be calculated for each activity using one of the following methodologies:

- If demand is known (e.g. traffic movements, volume of water usage) then use the base units in Appendix C, Table 1 to calculate the HUE. "Known demand will be provided by a suitably qualified and experienced professional in the activity field and the report will be peer reviewed by Council. If there is disagreement, Council's view will be used in the Development Contribution calculation.
- If demand is unknown, use the Gross Floor Area (GFA) conversions in Appendix C, to estimate the HUE.
- 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.

4.4 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 HUE per residential dwelling on the property. Each additional or new residential dwelling on a rural allotment will be assessed as for residential land, see section 4.1.

Farm sheds and 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 development contribution in accordance with either section 4.3 above or Appendix G, Section 1.

Where the property is not planned to be connected to the water supply or wastewater network infrastructure no charge will be made for that activity. However if at a future time the property is to be connected it will attract a development contribution at building consent or at service connection.

4.5 Crosslease

All completed residential cross-lease titles, prior to 1 July 2006, will be assessed as 1 HUE credit.

4.6 Partition of Maori Land

The Maori Land Court can effect an order to partition Maori land. There are generally two types of partition:

- Full Partition, where parcels will not be held by members of the same hapu and must be partitioned in accordance with the RMA subdivision requirements. A Development Contribution will be assessed at the subdivision stage.
- Hapu Partition, where freehold Maori land maybe partitioned for members of the same hapu without requiring subdivision consent. In this case the Development Contribution will be assessed at the building consent stage or at time of service connection.

4.7 Application to Council for a Certificate under s226 (RMA 1991)

No development contribution will apply at the time of an application to Council for a certificate under s226(1)(e)(ii)(RMA 1991). However a development contribution assessment will apply to future development at the time of an application for building consent on the additional titles issued.

Appendix F: Remissions, reductions and refunds

Any application for a Review, Remission or Reduction must be made in writing to Council within 20 working days of receiving the Development Contribution assessment associated with a Resource or Building Consent.

As a general rule, except in extraordinary circumstances, remissions, reductions and refunds will not be granted.

1. Remission

A remission is an adjustment to the scheduled charge for a particular activity within a development contribution area as a percentage or in dollar terms. Generally it is expected there will be few remissions. Remissions will only be invoked as a resolution of Council.

Remission (in whole or in part) of Development Contributions may be allowed in the following circumstance:

- Development Contributions applicable to a particular development are deemed by Council to be excessive for any 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. An example where remission applications may be appropriate is as follows:
 - Strategic economic development projects that address selected high priority strategic actions developed by the Council from time to time.

2. Reduction

A reduction is an adjustment to the HUEs assessed for a consent application.

A reduction will only be considered as part of a request by an applicant.

3. Procedures for Remission and Reduction)

At the request of an applicant, the Development Contributions required on a development may be considered for remission or reduction.

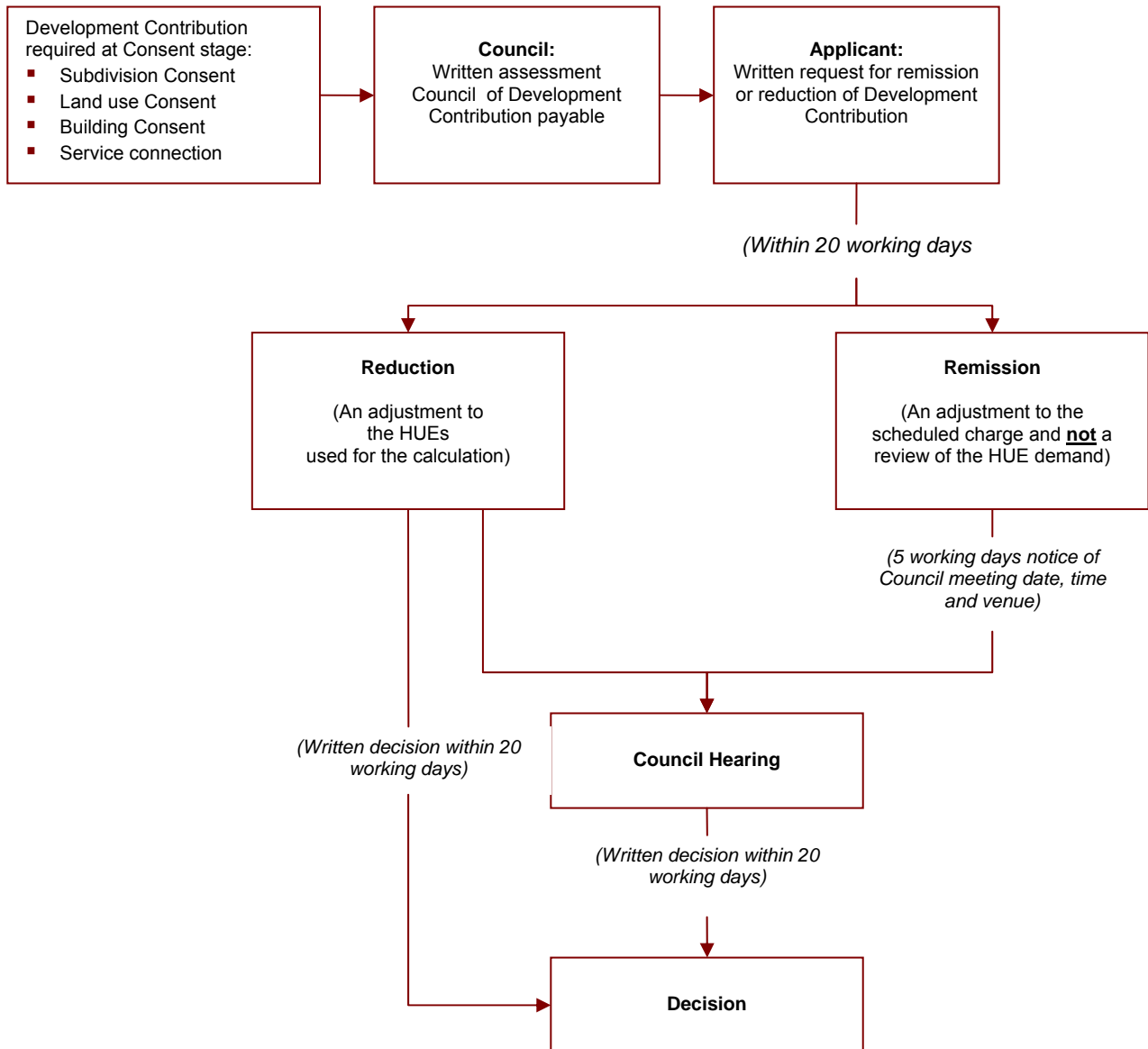
Once Council has advised in writing the development contribution assessment required, a request for remission or reduction must be made by notice in writing to Council within 20 working days and before the Development Contributions required on the development is invoiced. Council will not allow remissions retrospectively after payment. However requests for reductions may be made at any time if there are significant changes to the project.

Sufficient opportunities exist for any developer to discuss all matters relating to this with Council staff, to outline any extraordinary circumstances and for matters to be brought before them for a decision. Upon receipt by Council of a written request for a review, the applicant will be advised within 20 working days the result of the review. As a result of the staff review the request may be referred to a Council committee for further consideration, and in any such case, the applicant will be given 5 working days notice of the date, time and venue of that committee meeting. The committee will make a determination within 20 working days of the referral.

It is important to note that this review process is similar to that for remission of rates and there is no right to a hearing similar to that for the review of a condition of a resource consent.

Any claim for a reduction or remission would have to be justified by the applicant and shall set out reasons for the request.

Diagram 2 - Development Contribution Review Process¹



¹ For a Development Contribution to be considered for a remission or reduction, supporting evidence must be submitted with the request outlining the reasons why it is justified.

Council may, at its discretion, uphold, reduce, postpone or remit 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.

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

- The Development Contributions policy
- The contributions model
- Council’s funding and 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.
- 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 1991
- Any other matters Council considers relevant.

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

Any agreed outcome will be recorded in a private development agreement.

4. Postponements

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

5. Refunds

The Development Contribution policy provides for projects which have an extensive funding period and construction phase for many years and extend beyond the current LTP. However all development contribution projects have to be identified in the LTP.

The refund of money will occur in accordance with Sections 209 and 210 of the LGA 2002, in the following circumstances:

- if a resource consent lapses or is surrendered
- if a building consent lapses
- if the development or a building in respect of which a resource consent or building consent was granted does not proceed
- if Council does not provide any network infrastructure, or community infrastructure for which a Development Contribution was required.

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.

Appendix G: Other matters

1. 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 HUEs.

If, at development stage, an application clearly has a significantly greater or lesser 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 transport, water supply and wastewater demands in units of demand (HUE conversion).

Using the standard base unit/HUE conversions these estimates may then be converted to HUEs and charged accordingly.

For example, a 'traffic impact assessment' is a requirement for non-residential developments which may result in significant traffic effects, as well as larger residential developments. It will usually be possible to compare the vehicle trips per day reported from this source with the Appendix C, Table 2.5. Any particular land use, such as but not limited to the following, may be deemed to fall into the special assessment category and the HUEs based on the impact assessment. For example:

- Learning institutes (with or without accommodation)
- Tourist industries and facilities
- Conference Centres

2. Private Development Agreements

Where it is in the best interests of all parties (Council, the community and the developers), the Council may enter into a private development agreement with a developer. This agreement must clearly state the Development Contributions policy departures from the standard process and calculation, and the reasons for entering into the agreement.

Private developer agreements can also be used to formalise deferred development contribution payment agreements provided appropriate security is provided to Council's satisfaction.

3. Council Developments and Development Contributions

Council will pay Development Contributions on any Council commercial activity, except for activities that are listed in Appendix D, Table 2 "Schedule of Planned Projects with Capacity to Support Growth"

4. 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 legislation and/or regulations of the day.

5. Exemption - Boundary Adjustments

Where a consent is granted for a boundary adjustment, and no new titles are created, and no additional demand on services is created, Development Contributions will not be assessed.

6. Applications to Vary Consents or the Conditions of a Consent

Where applications are granted to vary consents or the conditions of consents which would result in change to household unit equivalents, gross floor area or impervious surface area (to the extent of the variation), then these will be considered, to be the granting of new consents and a revised Development Contribution assessment will be issued.

7. 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
- Stormwater and land drainage connection
- Wastewater connection
- Vehicle crossing

These fees are separate charges to any applicable Development Contribution.

8. Development Contribution Policy Review

The Development Contributions policy will be reviewed at least every three years in parallel with the LTP cycle, or at shorter intervals if Council deems necessary, taking account of any changes:

- to the significant assumptions to the Development Contributions policy
- in policy as Council continues to develop and implement structure plans for the District.
- to the District Plan
- in the capital works programme for growth
- in the pattern and distribution of development in the District
- as a result of the regular reviews of the LTP
- in the cost indices used
- or addition of other activities supporting growth
- or other matters Council considers relevant
- in the growth projection data or development.

Appendix H: Timing, collection, payment and enforcement of the Development Contribution

1. General

Development Contributions will be calculated and invoiced at the earliest opportunity. Council recognises however that large subdivisions are likely to develop in stages. Council will, therefore, generally assess contributions at the subdivision consent stage.

1.1 Determination of Land use

When Council assesses a development contribution at subdivision consent stage, the expected dominant nature of activities authorised by any existing land use consent for the site and/or, in the underlying environment or zone, will determine the type of development contribution payable.

2. Payment of Development Contributions

Further recalculation of the development contribution payable will occur if payment is not received within twelve months of the issuing of the Development Contribution assessment.

Non-Residential Applications

Where an application for subdivision or land use consent is lodged with accurate information on the proposed GFA and demand (in HUEs) for Council services, the development contribution payable will be calculated and invoiced using the processes described in Section 4, Appendix E.

Where an application for subdivision consent is lodged in the absence of a land use consent, or where no information on the GFA proposed for each site is provided with an application for either subdivision or land use consent, it is difficult and impractical to calculate the demand created by the development in terms of HUEs. In this circumstance Council will make an estimate of the likely GFA for calculation purposes, based on the maximum likely building coverage, e.g. normal industrial site coverage in Rotorua is 50%. Council recognises that it would be inequitable to charge the entire development contribution based on estimates. However, Council is also conscious that development contribution charges should not be unfairly passed on to future potential purchasers of subdivided sites.

The components of the development contribution charges applying are based on the maximum GFA potential of the site(s). At the time the subdivision or land use consent is issued 25% of the estimated development contribution payable will be assessed with a minimum payable of 1 HUE per activity. This 25%, or minimum 1 HUE assessment, will be payable prior to issuance of a s.224(c) certificate (RMA 1991).

Note the Development Contribution charges will be further assessed on all future developments on that site. The initial 25% Development Contribution will be treated as a credit.

3. Bonds

Bonding is available for Development Contributions over \$50,000 at the discretion of Council.

Bonds will:

- Only be accepted where the bond is guaranteed by a registered bank
- Be for a maximum period of 24 months, subject to later extension as agreed by Council.
- Have an interest component added, at an interest rate of 2 per cent per annum above the Reserve Bank official cash rate on the day the bond document is prepared. The bonded sum will include interest, calculated on the basis of the maximum term set out in the bond document.
- Be based on the GST inclusive amount of the contribution.

If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.

4. Enforcement Powers

If payment of a development contribution is not received Council will use the powers outlined in Section 208 LGA 2002. 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):
 - Withhold a certificate under Section 224(c) of the RMA 1991.
 - Prevent the commencement of a resource consent under the RMA 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 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.

In addition, if an invoice remains unpaid, Council will follow its standard debt collection process.

Appendix I: Significant assumptions

Significant Assumptions

Throughout the entire process of determining Development Contributions the Council has used the best available information. As more accurate or up-to-date information becomes available it will be used.

Any significant updates that would cause a change to the contribution will be held over until the next review of the Development Contributions policy or Schedule at annual plan time. If the effect of the update would be to reduce the maximum contribution it may be introduced by simple notification.

1. Planning

A 10 year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with Council's activity management planning horizons. Note however planning horizons for infrastructure may be beyond this period and influence the capital projected during the 10 year time frame.

2. Growth

Council has had to make the best assumptions it can regarding the anticipated growth of the District and these are still within the tolerance expected by the growth projections at the current level of available growth data.

3. Capital Works

In order to support the anticipated growth Council has assumed that a reasonable capital works programme will be necessary. If the growth rates alter it is most likely that the capital works programme will be re-sequenced rather than dramatically changed in some other way.

4. Third Party Funding

While these are subject to change over time, Council has assumed that the funding policies of agencies such as New Zealand Transport Agency will remain the same for the period of the LTP.

5. Interest Rates

The interest rates used within the Development Contributions Funding Model are those defined in the budget assumptions for the LTP. While interest rates are subject to fluctuation and are reviewed annually, these are reasonable assumptions over the periods of the LTP.

6. Key Risks/Effects

There is a risk that the growth and uptake predictions in the growth projections 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 would be minor.

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 are greater than expected. This would result in an increased debt servicing cost and could also result in increased depreciation costs for future ratepayers.

Council will continue to monitor the rate of growth and will update assumptions in the growth and funding projections as required.

Appendix J: Glossary of terms

Term	Meaning
Allotment	has the same meaning as 'Allotment' under both the Local Government Act 2002, and the Resource Management Act 1991, Section 2.
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 measure used for the demand of an average household unit for each service - refer to Appendix C
Catchment	Separate development contribution areas exist for each asset category. For some assets, e.g. transport, the development contribution area is District wide, for asset categories such as land drainage, water and wastewater development contribution areas are based upon existing service catchment areas as identified on the maps appended.
Commercial	Any activity, whether temporary or permanent, involving payment, exchange or other consideration. Means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.
Community Facilities	Network infrastructure, or community infrastructure for which Development Contributions may be required.
Community Infrastructure	Development of assets on land, owned or controlled by Rotorua District Council to provide public amenities.
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.
Credits	Where Development Contributions or financial contributions for a particular property have previously been assessed and paid, credit will be given for the particular activity
Current Year	The current year is 2012 / 13
Development	A 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). Includes activities that change the scale, character or intensity of any use of land.
Development Agreement	Any private agreement signed between a developer and Rotorua District Council.
Development Contribution	A Development Contribution is a payment from developers of money to fund the additional demand for community facilities created as a result of growth.
Financial Contributions	Financial contributions are provided for by the RMA and Council's Financial policy is set out in 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.
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 25 years.
Gross Floor Area (GFA)	Gross Floor Area means the floor area of a building measured from the exterior faces of the outer walls and includes storage and processing areas, and roofed decks.
Growth Model	For each development contribution area the Council has determined the population changes anticipated as the District expands. These are reported as 'Household Unit Equivalents' (HUEs).
GST	Goods and Services Tax at the rate then applicable.

Term	Meaning
Household Unit Equivalent (HUE)	A type of 'unit of demand' that relates to the typical demand for Community Facilities by an average household/residential unit.
Industrial	<p>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. Also means:</p> <ul style="list-style-type: none"> a) any premises used for any industrial or trade purposes; or b) any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or c) any other premises from which containment is discharged in connection with any other industrial or trade process. d) any activity where people use materials and physical effort to: <ul style="list-style-type: none"> ▪ Extract or convert natural resources ▪ Produce goods or energy from natural or converted resources ▪ Repair goods ▪ Store goods (ensuing from an industrial process).
Impervious Surface Area (ISA)	<p>Area of impervious surfaces to be drained to the reticulated Land Drainage network.</p> <p>For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which:</p> <ul style="list-style-type: none"> ▪ Falls within roofed area ▪ Is covered by decks ▪ Is occupied by swimming pools ▪ Is paved with a hard continuous surface with a run-off coefficient of greater than 0.45.
Level of Service (LoS)	The standard of service provision for each asset.
LGA 2002	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.
LTP	Long Term Plan (also referred to as the Ten Year Plan)
Network Infrastructure	The provision of roads and other transport, water, wastewater and stormwater collection and management.
New Growth / New Expenditure	Relates to the growth demand and planned costs in the ten years from the current year.
Non-residential Development	Any development that falls outside the definition of residential development in this policy.
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.
RMA 1991	Resource Management Act 1991
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.
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.
Renewals	That portion of project expenditure that has already been funded through depreciation of the existing asset.
Residential Unit	A dwelling or residential unit is defined as a self-contained building which has a bathroom and kitchen. The bathroom will include a toilet, bathing facilities (shower or bath). A kitchen will have a sink (includes any dwelling house, apartment, flat, home unit or townhouse or papakaianga housing on ancestral land or residential village unit).
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

Term	Meaning
Rural	Rural is deemed to have the same definition as rural environment in the District Plan.
Service Connection	A physical connection to a service provided by, or on behalf of Rotorua District Council.
Subdivision	Subdivision is deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991.
Working Day	Any day that trading banks are open for business in the city of Rotorua.
Wet Industry	A water intensive industry that uses significant volumes of water which exceeds average design units, both water and wastewater, as part of the industrial process.