

DEVELOPMENT
CONTRIBUTIONS
POLICY

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1. Background

1.1 Introduction

This Development Contribution Policy establishes a consistent and equitable basis for requiring those undertaking development within the Rotorua District to pay a fair share of the community's capital expenditure for the provision of community and network infrastructure.

Under this policy, a Development Contribution is in the form of a money payment from developers to fund the additional demand for community facilities created as a result of growth. Although the policy could, by law be extended to include a contribution from developers of land, this policy does not do so. Rather, any investing of land in Council will be pursuant to its financial contributions policy as contained in the District Plan or proposed District Plan.

Community infrastructure includes public amenities such as; libraries, museums, event venues, sports grounds, aquatic centres, boat ramps, and playgrounds.

Network infrastructure includes water, wastewater, land drainage and transportation.

Definitions of those terms, and others included in this policy, are set out in Appendix J.

Under this policy most of the new infrastructure required for growth will be funded by a fee (Development Contribution) rather than as part of the general rates.

1.2 Supporting Legislation and Policies

Under the LGA 2002, Council must adopt funding and financial policies in order to provide predictability and certainty about the sources and levels of its funding. The policies may be

adopted by way of the Long-term Plan (LTP). Council is also obliged to adopt a policy on Development Contributions. Council has elected to have both a policy on Development Contributions and financial contributions. The Development Contributions policy is adopted pursuant to the LGA 2002, and the financial contributions policy is adopted pursuant to the RMA1991. Within this LTP community outcome are identified which are unique to Rotorua. These outcomes need to be supported by levels of service to be achieved in community infrastructure and network infrastructure to service the present and future community.

Council's existing Development Contribution Policy, originally adopted on the 26th June 2006, contributes to these community outcomes by ensuring the provision of appropriate infrastructure in order to meet the needs of growth. The Development Contribution Policy must be reviewed at least once every three years using the Special Consultative procedure. The Schedule of Costs is reviewed every year in the Annual Plan.

2. What is a Development Contribution?

2.1 In terms of the policy, this is a contribution towards the cost of providing the increase in capacity of the network infrastructure and the community infrastructure, which is external to the boundaries of the development site, that is required to service the increase in demand generated by growth.

2.2 A Development Contribution is to fund an increase in the overall demand for services across the district or a catchment area rather than to fund a specific development.

2.3 Council Use of Development Contributions

Council will use Development Contributions only on the activity, as opposed to any specific project, for which they are collected. Council may require a Development Contribution from any development for the following:

- Capital expenditure incurred as a result of growth and/or capital expenditure already incurred in anticipation of development.

Development Contributions will be collected to support the following activities:

Network Infrastructure

- Transportation (road, bus, pedestrian, cycle etc.)
- Water Supply
- Wastewater
- Land Drainage and stormwater

Community infrastructure

- Public Amenities

2.4 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 RMA 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the Council has received or will receive 100% funding from a third party for those works.

¹ This Development Contributions Policy has been prepared in accordance with Sections 102(4)(d) and 106 and Subpart 5 of Part 8 of the Local Government Act 2002.

2.5 Capital Expenditure Council Incurs as a Result of Growth

The estimated capital expenditure Council has identified, as a result of growth, to meet increased demand for transportation, water, wastewater, land drainage and public amenities, over the next 10 years, is summarised in Appendix D, Table 2.

The growth component, excluding funding from other sources, of the capital expenditure budgets will be funded by Development Contributions. The backlog and renewal portions of capital expenditure will be funded from sources other than Development Contributions.

Previously Council has incurred significant expenditure in anticipation of development. Council will recover the growth component of these projects implemented to support the future community (post 1 July 2006). A schedule of these "Past Projects with Residual Capacity" is included in Appendix D, Table 1.

2.6 Timing, Implementation and Application

Development Contributions will be assessed on the date when:

- a resource consent (subdivision or land use) is granted,
 - a building consent is granted,
 - a service connection is approved,
- whichever is the earliest.

See Appendix H for timing, collection, payment and enforcement details. Development Contribution charges will be based on the Development Contributions schedule of fees (Appendix B, Table 1) in force at the date the payment is made.

A developer may elect to pay Development Contributions once an assessment has been made. If a developer elects to defer payment, any increases in the charges payable under Appendix B will be payable by the developer.

2.7 Policy Transitional Arrangements

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 2003 and lodged after 18 December 2001.

2.8 Assessment and payment of Development Contributions

Table 1: Schedule of events that will give rise to a requirement for a Development Contribution

Action	Timing of Development Contributions Milestones - Residential and Non-Residential Applications
Assessment of the Development Contribution	On granting: <ol style="list-style-type: none"> 1. Subdivision Consent 2. Land Use Consent 3. Building Consent 4. Authority to make service connection
Payment of the Development Contribution	<ol style="list-style-type: none"> 1. Before issue of s224(c) Certificate, (RMA 1991); or 2. Within 180 days of issuance of Building Consent; or prior to issuance of code of compliance certificate (whichever is the earlier). 3. On granting of a land use consent (other than subdivision or building consent); 4. Before issue of authority to make service connection.

3. Method of Calculation and Growth Projections

3.1 Household Unit equivalents (HUEs)

Council is required, by the LGA 2002, to consider Development Contributions in terms of units of demand. The unit of demand in this policy will be a Household Unit Equivalent (HUE).

For each network infrastructural activity (transportation, water supply, wastewater and land drainage) or community infrastructure (public amenity) where Development Contributions are required, the amount payable will be calculated by multiplying the Development Contributions per HUE by the number of HUEs. Developers will, however, receive a historic credit (see Section 4) for any entitlement existing prior to the proposed development, reflecting existing demand on services.

3.2 Growth Projections

The District's growth projections have been developed in order to predict growth throughout the District in 'Household Unit Equivalents'. A HUE is defined as being equivalent to one 'average' household unit which means a self-contained home or residence which includes kitchen facilities and a bathroom.

It is recognised that Rotorua is experiencing growth. The Eastern, Northern and Hamurana planning units will have the most discernable increase in population. Growth and a strong economy will ensure that the current trend of negative net migration slows or stops due to an increase in population, which is attributed to an increased lifespan of the New Zealand population. Consequently, Rotorua will maintain an increasing population rather than a declining

population. Stable population numbers will incur gains in household units as a result of fewer persons per household. Visitor numbers are expected to increase during the planning period. Rotorua District Council will continually monitor growth and improve the growth forecasting techniques.

It is recognised that household units vary in size and occupancy rates throughout the District and that the demands they generate also cover a broad range. However, given the relatively large size of the development contribution catchments and the implied averaging, the approach is considered appropriate as well as being consistent with the level of detail recognised by the growth projections.

3.3 Financial Contributions and the RMA

A financial contribution is a contribution from developers of money or land or a combination of money and land. Financial contributions are provided for under the RMA 1991, and are used to offset or mitigate any adverse impacts on the natural and physical environment including utility services of a new development where the infrastructure works have not been identified in a Development Contribution policy.

Council already has a number of Financial Contribution provisions in place. Council will continue to impose as a condition of resource consent, financial contributions in accordance with the District Plan for works and services to supply the immediate proposed development that are not covered by the Development Contributions policy.

In accordance with the LGA 2002, Council cannot require a Development Contribution for an activity if a Financial Contribution has already been imposed as a condition of a resource

consent in relation to the same development for the same purpose.

The capital expenditure in Appendix D, Table 2 does not include any components of past projects funded by Financial Contributions.

3.3.1 On site works

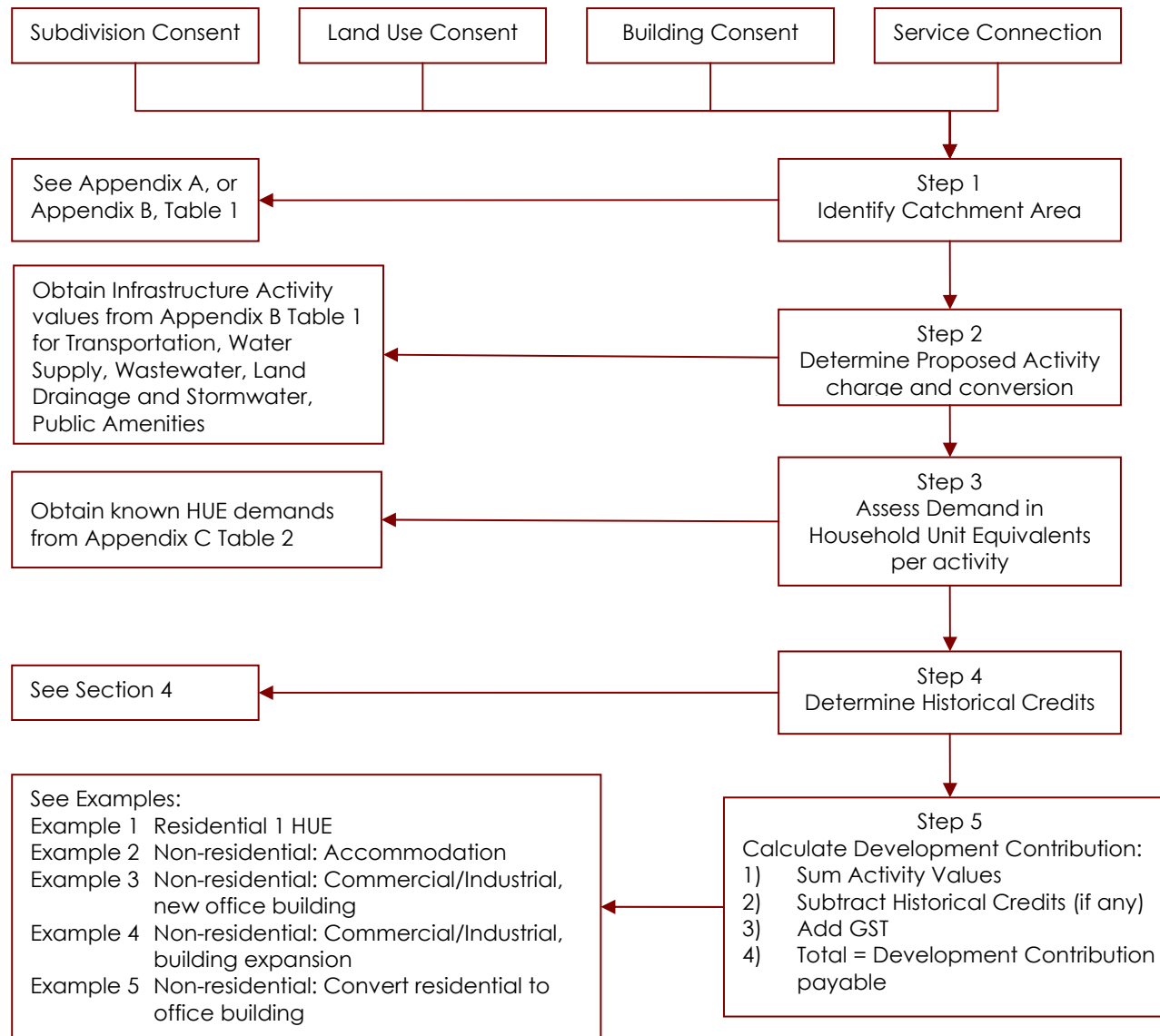
The developer shall provide the following, within the boundaries of the development site, as a consent requirement under the District Plan as a result of an RMA 1991 process:

- Road, transportation and car parking infrastructure and landscaping requirements
- Water supply network
- Wastewater network
- Land drainage collection and disposal infrastructure
- Other services as required in the District Plan
- All other utility services (not managed by Council)

The developer funding for reserve land purchase is carried out utilising the Financial Contribution provisions of the RMA 1991 through Council's District Plan or proposed District Plan, and not as part of this policy. The Community Infrastructure charge in the Development Contribution assessment relates to the provision of infrastructure and public amenities.

Under conditions of a resource consent issued under the RMA 1991, Council may still require a developer to mitigate specific adverse environmental effects relating to a development.

Diagram 1: Development Contribution Process



3.4 Additional Household Units

In general, Development Contributions will be assessed at subdivision consent stage. However additional demand is created by additional household or HUE equivalent units on land already subdivided. In such cases, Council will assess and seek the appropriate development contribution at the building consent stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage, Council will require a development contribution at service connection stage.

3.5 Changes in Activity or Land Use

If a subsequent land use changes the demand of activities previously approved, the development contribution will be assessed or reassessed at the first opportunity; i.e. land use consent, at the building consent stage, or at the service connection stage to consider if any additional Development Contribution is payable.

3.6 Development Contribution Calculation

The Development Contribution process is summarised in Diagram 1 and Table 2.

Residential

There will be a Development Contribution on any additional lots or titles created by subdivision or any additional dwelling(s) created in the absence of subdivision.

Non-residential

There will be a development contribution on any additional lots or titles created by subdivision or additional building gross floor area (GFA) created in the absence of subdivision or if there is a change in land use or activity; refer to section 3.5 above.

For Rural developments see Appendix E, section 4.4.

For Apartments, Household Units and Residential Villages refer to Appendix E, section 4.1.

Table 2: Process for Determining Development Contribution Charge for both Residential and Non-Residential Development

Steps	Residential or Non Residential
Step 1 – Identify Catchment	Go to Appendix A (or Appendix B, Table 1) to determine which catchment the development lies within.
Step 2 – Determine Proposed Activity	Go to the Development Contributions schedule (Appendix B, Table 1) and identify the charges payable per HUE and applicable conversion factor for the catchment for each activity.
Step 3 – Assess Demand in HUEs per Activity	<p>Residential In residential development there is 1 HUE per additional lot or additional dwelling created, per activity. Determine the number of HUEs.</p> <p>Non-residential Determine the number of HUE equivalents per activity using the appropriate method defined in Appendix E, and also referring to Appendix B and C.</p>
Step 4 – Determine Historical Credits	For each activity determine any credits applicable to the residual title. (See Section 4 Credits)
Step 5 – Calculate Development Contribution	For each activity: a) multiply the number of HUEs (Step 3) by the charges payable (Step 2) and b) subtract for each activity any applicable historic credits. Any residential activity credits can be transferred across to other activities for the development. Sum the results for each activity, to achieve the total charge and add GST.

4. Credits

4.1 Historic Credits

Credit will be given for the pre-existing status of properties (prior to 1 July 2006) even if no previous financial or Development Contributions were paid. Credits will be associated with the existing title and calculated and assigned on a per activity basis. Cross crediting between activities will be allowed. Note, however, if the property is not in an area of service it is not deemed to have any historic credit for that service.

4.2 General Principles

- Where Development Contributions or financial contributions for a particular property have previously been assessed and paid, credit (HUE) shall be given for the particular activity.
- Credit HUEs for all activities must be allocated to the same allotment or allotments and cannot be transferred or reimbursed.
- Credits relate only to lawfully established and permitted buildings and activities.
- Any excess historical credits as a result of amalgamation of titles will lapse if not utilised within a period of three years of the date of amalgamation. Allotments to be separated from amalgamated titles (s226 RMA 1991) will pay a Development Contribution, taking into account historic credits.
- For non-residential activities there will be a historic credit time limit where the activity has lapsed, or the buildings have been demolished, for more than three years preceding the re-development.
- Non-residential credits will relate to the existing lawfully established use of the property and buildings as at 1 July 2006 when the Development Contribution policy came into effect, unless the lapsed use is permitted under the current adopted District Plan.

- Any residual credit for an activity can be transferred to other activities for the development.
- If a building relating to an existing use is demolished after 1 July 2006 and not replaced, a Development Contribution credit assessment will be carried out at the time of the demolition building consent and a historic Development Contribution credit will be recorded on the Council file for the use of the property in the future.

4.2.1 Residential

- All existing vacant residential Lots have a credit of 1 HUE.
- Residential credits shall be granted on the basis of 1 HUE per relevant activity (eg transportation, water supply, wastewater, stormwater and land drainage) per existing allotment (or 1 HUE per activity per existing dwelling) before 1 July 2006.
- Where an additional dwelling has been erected on an existing title before 1 July 2006, one HUE credit will apply for the additional dwelling.
- Where an additional dwelling assessed at less than 1 HUE has been erected on the same site after 30 June 2006, the credit will be in accordance with the Development Contribution assessed and paid.
- For the calculation of residential credits there is no historical time limit and all previous credits shall be taken into account.

4.2.2 Non Residential

- Non-residential credits shall be granted on the basis of the number of HUE calculated at the time of application and according to the actual existing development, if any.
- Where additional floor area is created on an existing title the existing floor area (if any) will have historic credits based on the planned use at the time of application of the original

building consent. These credits are likely to be different for each activity.

- Historic credits shall be assigned upon subdivision to the new allotments on a pro rata GFA basis, except for credits for existing buildings which will stay with the new lot that the building occupies.
- No credit HUE equivalents will be allocated to undeveloped non-residential allotments except for credits from resource consents issued after 30 June 2006.
- Any previous consent which has been granted but not uplifted (e.g. s224 RMA 1991) and the development or financial contributions not paid, does not represent a historical credit.

5. Examples

A Development Contribution amount is always assessed on the information supplied by the applicant at the time. Should this information change between the assessment and invoicing, the Development Contribution amount may be recalculated.

The Development Contribution calculation is dependent on the locality and the catchment of the activities, and the land use specified in the consent, therefore the following examples are indicative only.

Example 1:

Residential 1 HUE central urban

Type of Development:

Subdividing 1 existing Lot into 2;
Adding an additional house;
Connecting to Council services

Consent Application:

Subdividing 1 existing Lot into 2;
Adding an additional house;
Connecting to Council services

Existing Lot:

The Development Contribution Charge only applies to the new lot, new home or service connection.

What is the floor area of the proposed new dwelling?

Refer to graduated scale of charges for Household Unit floor areas as outlined in Appendix E, Section 4.

If floor area of HUE is less than 40m² then no Development Contribution is payable, as it is considered as a Granny Flat.

If the existing lot is vacant, a credit of 1 HUE will apply.

The examples follow Steps 1-5 as described in Diagram 1 and Table 2 on previous pages

Note: Default calculations using gross floor area (GFA) factors can be applied to determine the development contribution fees. However where demand for activities such as water, wastewater and transport is known this information will instead be used to determine the fees.

From Table 1, Appendix B, select appropriate Catchment (see catchment Maps, Appendix A) and associated schedule of charges

Catchment	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Central Urban	\$2,905.78	\$3,190.80	\$3,967.48	\$646.58	\$3,123.78

Development Contribution for 1 HUE (excl GST) = \$13,834.40
 GST = \$1,729.30
Development Contribution for 1 HUE (incl GST) = \$15,563.70

Example 2:

Non-residential Accommodation, central urban area

Type of Development:

Expansion of an existing Motel of 21 beds and 1 residential unit
New development will have 46 beds and 1 residential unit

Consent Application:

Land use Consent
Building Consent

Development Details

Development Summary	New Model	Historic Credits
Beds	46	21*
Residential Unit	1	1

* Note that the accommodation bed numbers is based on the documented existing lawfully established bed numbers from the previous existing Land use or Building consent.

Note: Demand figures: Should a proposed traffic impact assessment be provided then these demand figures will be used to calculate development contribution amounts. Similarly where water demand figures are known then both water and wastewater charges will be calculated using this data.

Step 1

From Table 1, Appendix B, select appropriate Catchment (see catchment Maps, Appendix A) and associated schedule of charges

Catchment	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Central Urban	\$2,905.76	\$3,190.80	\$3,967.48	\$646.58	\$3,123.78

Step 2

From Tables 1 and 2, Appendix C, select appropriate non-residential HUE conversion factors

Catchment	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
	Bed nights	Bed nights	Bed nights	Bed nights	Bed nights
Central Urban	0.001	0.001	0.001	0.001	0.001

Step 3 New Development

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

No. of beds	46	from Development Details table above
Bed nights	365	Bed nights/year
Occupancy rate for Motel	50%	from Appendix E, Section 4.2.1
HUE/bed night/activity	0.001	from step 2 above
Activity Charge/1 HUE	\$	from step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Beds	46	46	46	46	46
Bed nights	365	365	365	365	365
Motel occupancy rate	0.5	0.5	0.5	0.5	0.5
HUE/bed night/activity	0.001	0.001	0.001	0.001	0.001
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.46	\$646.58	\$3,123.78
Development Contribution charge/Activity – new beds	\$24,393.86	\$26,786.77	\$33,306.83	\$5,428.04	\$26,224.13
Development Contribution charge/Activity – 1 HUE	\$2,905.76	\$3,190.80	\$3,967.46	\$646.58	\$3,123.78
Development Contribution (new beds + 1 HUE)	\$24,393.86	\$26,786.77	\$33,306.83	\$5,428.04	\$26,224.13

Step 4 Existing Development (Credits)

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

No. of beds	21	from Development Details table above
1 Residential Unit	1	from Development Details table above
Bed nights	365	Bed nights/year
Occupancy rate for Motel	50%	from Appendix E, Section 4.2.1
HUE/bed night/activity	0.001	from step 2 above
Activity Charge/1 HUE	\$	from step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Beds	21	21	21	21	21
Bed nights	365	365	365	365	365
Motel occupancy rate	0.5	0.5	0.5	0.5	0.5
HUE/bed night/activity	0.001	0.001	0.001	0.001	0.001
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.46	\$646.58	\$3,123.78
Development Contribution charge/Activity – existing beds	\$11,136.33	\$12,228.74	\$15,205.29	\$2,478.02	\$11,971.89
Development Contribution charge/Activity – Historic credits*	\$14,042.09	\$15,419.54	\$19,172.75	\$3,124.60	\$15,095.67

* (existing beds + 1 residential unit)

Development contributions policy

Step 5

Development Contribution payable (for each activity: subtract credits from the new beds total)

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
New Development Contribution – Step 3	\$24,393.86	\$26,786.77	\$33,306.83	\$5,428.04	\$26,224.13
Existing Historic Credits – Step 4	\$14,042.09	\$15,419.52	\$19,172.75	\$3,124.60	\$15,095.67
Development Contribution (Step 3–Step 4) (excl GST)	\$10,351.77	\$11,367.23	\$14,134.08	\$2,303.44	\$11,128.47

Development Contribution (excl GST) = \$49,284.98

GST = \$6,160.62

Development Contribution (incl GST) = \$55,445.60

Example 3:

Non-residential

Commercial/Industrial new office building, central urban

Type of Development:

New building

Consent Application:

Subdivision Consent
Land use Consent
Building Consent

Lot:

Existing use	Vacant
Planned use	Commercial Office building
Number of floor levels	One

Development Details

Development Summary	m2
Existing Gross Floor Area (GFA)	0
Existing Impervious Surface Area (ISA)	0
New Gross Floor Area (GFA)	570
New Impervious Surface Area (ISA)	650

Step 1 and 2

Activity Charges/HUE

Activity from Appendix C, Tables 1 & 2	Charge	HUE/100m ²
Transport (GFA) – Commercial and Industrial	\$2,905.76	0.43
Water (GFA)	\$3,190.80	0.162
Wastewater (GFA)	\$3,967.48	0.108
Land Drainage (ISA)	\$646.58	0.198
Public Amenities (not applicable to commercial)	0	0

Step 3

New Development

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

Determine GFA or ISA for appropriate activities from Development Details table above
Activity Charge/1 HUE from Step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
GFA or ISA (m ²)	570	570	570	570	0
GFA or ISA (100m ²)	5.7	5.7	5.7	6.5	0
HUE conversion/activity	0.43	0.162	0.108	0.198	0
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.48	\$646.58	0
Development Contribution charge/ Activity (excl GST)	\$7,122.02	\$2,946.30	\$2,442.37	\$832.15	\$0.00

Development contributions policy

Step 4

Historic Credits: No credits available as this site is vacant

Step 5

Development Contribution payable

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Development Contribution charge/ Activity (excl GST)	\$7,122.02	\$2,946.38	\$2,442.37	\$832.15	\$0.00

Development Contribution (excl GST) = \$13,342.92

GST = \$1,667.86

Development Contribution (incl GST) = \$15,010.78

Example 4:

**Non-residential
Commercial/Industrial Significant Commercial Building
Expansion**

Type of Development:

Expansion

Consent Application:

Land use Consent

Building Consent

Lot:

Existing use

Small commercial building

Planned use

Commercial/Industrial

Development Details

Development Summary	m2
Existing Gross Floor Area (GFA)	690
Existing Impervious Surface Area (ISA)	770
New Gross Floor Area (GFA)	8500
New Impervious Surface Area (ISA)	10200

Step 1 and 2

Activity Charges/HUE

Activity from Appendix C, Tables 1 & 2	Charge	HUE/100m ²
Transport (GFA) – Commercial and Industrial	\$2,905.76	0.43
Water (GFA)	\$3,190.80	0.162
Wastewater (GFA)	\$3,967.48	0.108
Land Drainage (ISA)	\$645.58	0.198
Public Amenities (not applicable to commercial)	0	0

Step 3

New Development

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

Determine GFA or ISA for appropriate activities from Development Details table above
 HUE/activity from Step 2 above
 Activity Charge/1 HUE from Step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
GFA or ISA (m ²)	8500	8500	8500	10200	0
GFA or ISA (100m ²)	85	85	85	102	0
HUE conversion/activity	0.43	0.162	0.108	0.198	0
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.48	\$645.58	0
Development Contribution charge/Activity (excl GST)	\$106,205.33	\$43,937.32	\$36,421.47	\$13,058.33	\$0.00

Development contributions policy

Step 4 Historic Credits

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

Determine GFA or ISA for appropriate activities from Development Details table above
 HUE/activity from Step 2 above
 Activity Charge/1 HUE from Step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
GFA or ISA (m ²)	690	690	690	770	0
GFA or ISA (100m ²)	6.9	6.9	6.9	7.7	0
HUE conversion/activity	0.43	0.162	0.108	0.198	0
Activity Charge/1 HUE	\$2,905.43	\$3,190.80	\$3,967.48	\$646.58	0
Development Contribution charge/Activity (excl GST)	\$8,621.39	\$3,566.68	\$2,956.57	\$985.78	\$0.00

The Development Contribution calculation is based on the full occupancy of the non-residential site. However under Appendix H Section 2, the amount payable can be reduced on the assumption that the normal industrial site coverage in Rotorua is 50% GFA. This applies to the Transport, Land Drainage and Stormwater, Water and Wastewater activities. Furthermore at time of issuance of the Subdivision or Land use consent, 25% of the estimated development contribution will be payable. Development Contribution charges will be further assessed on all future developments on the site and this initial 25% Development Contribution will be treated as a credit. For this example the initial amount payable would be \$22,936.58 excluding GST or \$25,803.60 including GST.

Step 5 Development Contribution payable

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Development Contribution charge/Activity – new development	\$106,205.53	\$43,937.32	\$36,421.47	\$13,058.33	\$0.00
Development Contribution charge/Activity – historic credits	\$8,621.39	\$3,566.68	\$2,956.57	\$985.78	\$0.00
Development Contribution charge/Activity (excl GST) (new – existing)	\$97,584.14	\$40,370.64	\$33,464.90	\$12,072.55	\$0.00

Development Contribution (excl GST) = \$183,492.23
 GST = \$22,936.53
Development Contribution (incl GST) = \$206,428.76
 Note: Application to Industrial Subdivision

Example 5:

Non-residential

Convert a residential unit to an office building, central urban

Available credits have been allocated across activities to offset development contribution payable.

Type of Development:

Office Conversion

Consent Application:

Land use Consent
Building Consent

Lot:

Existing use	Residential
Planned use	Commercial Office Building
Number of Storeys	One

Development Details

Development Summary	m2
Existing Gross Floor Area (GFA)	250
Existing Impervious Surface Area (ISA)	310
New Gross Floor Area (GFA)	250
New Impervious Surface Area (ISA)	310

Step 1 and 2 Activity Charges/HUE

Activity from Appendix C, Tables 1 & 2	Charge	HUE/100m ²
Transport (GFA) – Commercial and Industrial	\$2,905.76	0.43
Water (GFA)	\$3,190.80	0.162
Wastewater (GFA)	\$3,967.48	0.108
Land Drainage (ISA)	\$645.58	0.198
Public Amenities (not applicable to commercial)	0	0

Step 3 New Development

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

Determine GFA or ISA for appropriate activities	from Development Details table above
HUE/activity	from Step 2 above
Activity Charge/1 HUE	from Step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
GFA or ISA (m ²)	250	250	250	310	0
GFA or ISA (100m ²)	2.5	2.5	2.5	3.1	0
HUE conversion/activity	0.43	0.162	0.108	0.198	0
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.48	\$645.58	0
Development Contribution charge/Activity (excl GST)	\$3,123.69	\$1,292.27	\$1,071.22	\$396.26	\$0.00

Development contributions policy

Step 4 Historic Credits

Establish for each activity the appropriate HUE conversion and determine the charge for the number of HUEs.

Determine GFA or ISA for appropriate activities from Development Details table above
 HUE/activity from Step 2 above
 Activity Charge/1 HUE from Step 1 above

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Activity Charge/1 HUE	\$2,905.76	\$3,190.80	\$3,967.48	\$645.58	\$3,123.78
Development Contribution – Historic Credit (excl GST)	\$2,905.76	\$3,190.80	\$3,967.48	\$645.58	\$3,123.78

Step 5 Development Contribution payable

Non-residential HUE conversion factors	Transportation	Water	Wastewater	Land Drainage and Stormwater	Public Amenities
Development Contribution charge/Activity – new development	\$3,123.69	\$1,292.27	\$1,071.22	\$396.26	\$0.00
Development Contribution charge/Activity – historic credit	\$2,905.76	\$3,190.80	\$3,967.48	\$645.58	\$3,123.78
Development Contribution charge/Activity (excl GST) (new – historic)	\$217.93	- \$1,898.53	- \$2,896.26	- \$249.32	- \$3,123.78

Development Contribution (excl GST) = \$0.00
 GST = \$0.00
Development Contribution (incl GST) = \$0.00

The transfer of credits from other activities offsets the amount payable.

¹ For this example only the transport Development Contribution is payable. However, as the transfer of credits between activities is permitted, the transportation portion is offset by credits from other activities and a “nil” development contribution is payable. The remaining residual historic credits for any of the activities will remain with the property and be available for charge/credit against any future development.

Appendices

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Appendix A: Infrastructural Service Catchments

Catchments

Catchments have been determined for both wastewater and water services and the maps are defined in below.

Developments lying within a catchment will be charged a development contribution for that area. If for any reason a development falls outside the catchment, and is still served by the infrastructure associated with one of the activities, then the schedule of contributions for the serving catchment shall apply.

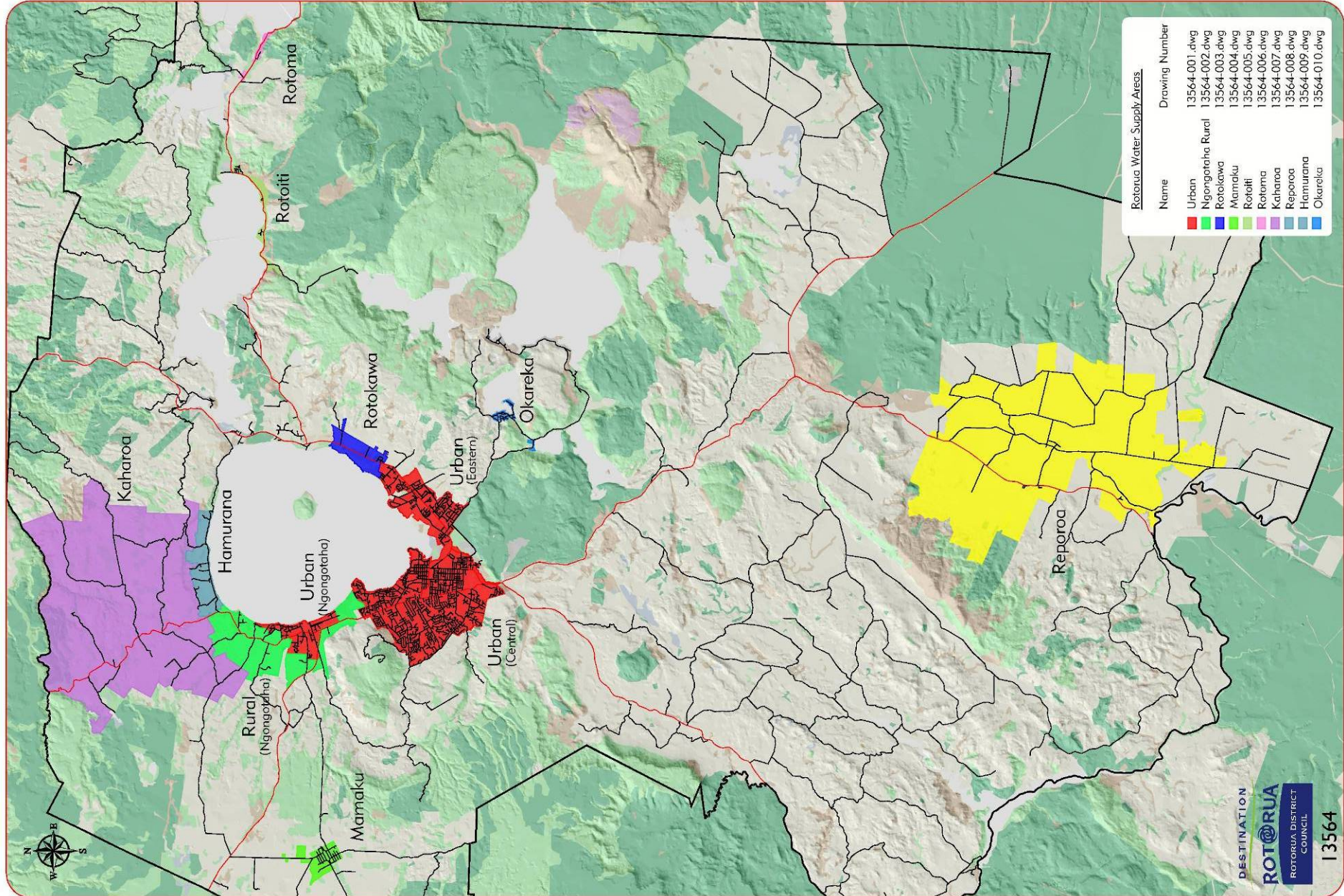
Map 1 Infrastructural Service Catchments: Water Supply

Map 1.1	Urban
Map 1.2	Ngongotaha Rural
Map 1.3	Rotokawa
Map 1.4	Mamaku
Map 1.5	Rotoiti
Map 1.6	Rotoma
Map 1.7	Kaharoa
Map 1.8	Reporoa
Map 1.9	Hamurana
Map 1.10	Okareka

Map 2 Infrastructural Service Catchments: Wastewater

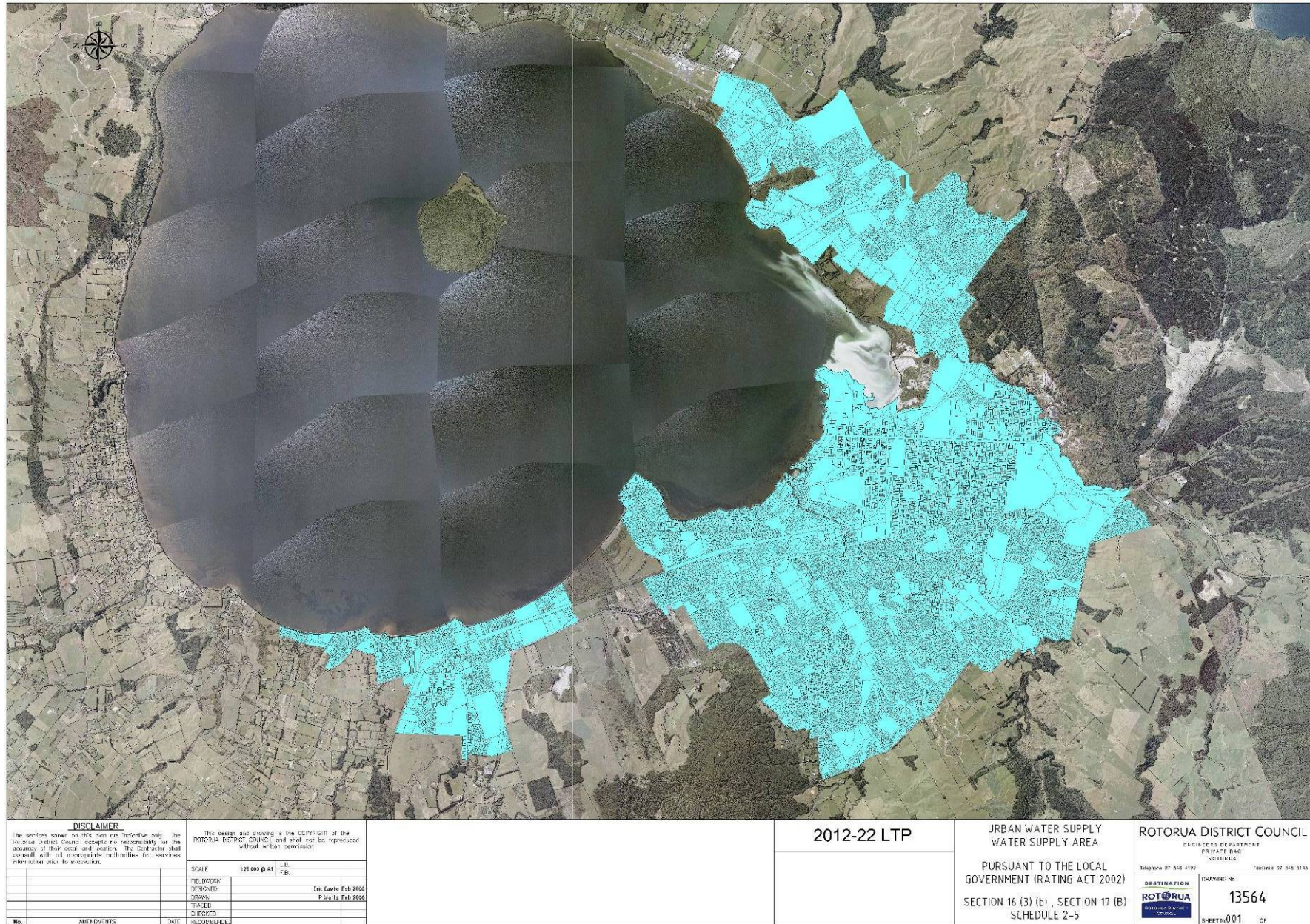
Map 2.1	Urban
Map 2.2	Brunswick
Map 2.3	Mourea
Map 2.4	Okawa Bay/Duxton
Map 2.5	Okere/Whangamarino/Otaramarae
Map 2.6	Okareka
Map 2.7	Tarawera
Map 2.8	Rotoiti/Gisborne Point/Hinehopu
Map 2.9	Rotoma
Map 2.10	Hamurana
Map 2.11	Rotokawa
Map 2.12	Hinemoa Point
Map 2.13	Brunswick Stage 4 & 6

Map 1 - Infrastructural Service Catchments: Water Supply



Development contributions policy

Map 1.1 - Urban



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		DRAWN	P. Smith Feb 2002
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		APPROVED	
No.	AMENDMENTS	DATE	REASON/REMARKS

2012-22 LTP

URBAN WATER SUPPLY
WATER SUPPLY AREA
PURSUANT TO THE LOCAL
GOVERNMENT (RATING ACT 2002)
SECTION 16 (3) (b), SECTION 17 (B)
SCHEDULE 2-5

ROTORUA DISTRICT COUNCIL
 ENGINEERS DEPARTMENT
 P.O. BOX 640
 ROTORUA
 Telephone 07 348 4190 Facsimile 07 348 3143

DRAWINGS NO: **13564**


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Map 1.2 – Ngongotaha Rural



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		CHECKED	
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NGONGOTAHA RURAL WATER SUPPLY
WATER SUPPLY AREA

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ENGINEERS DEPARTMENT
PRIVATE BAG
ROTORUA

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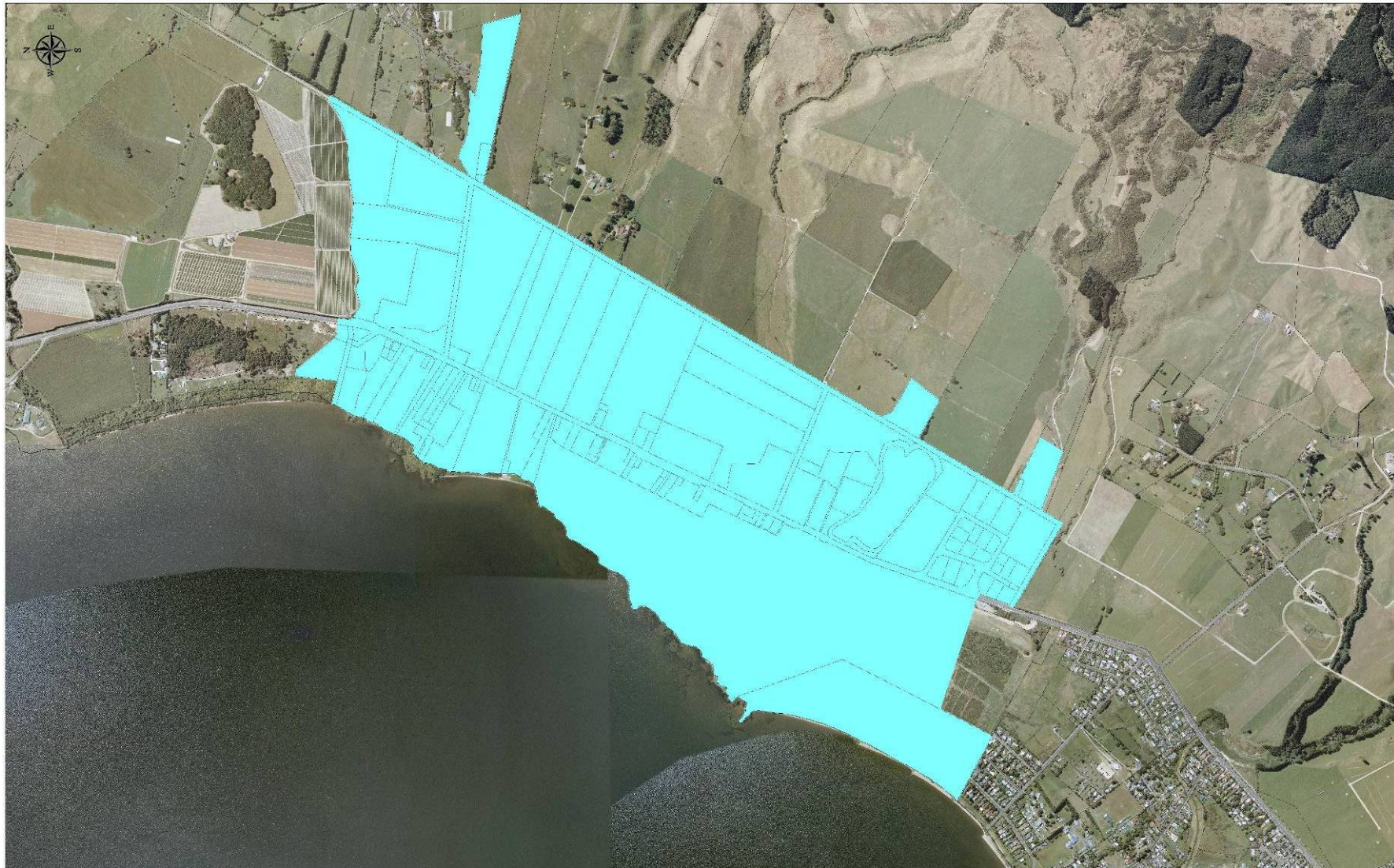
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Map 1.3 - Rotokawa



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DRAWN BY		DATE	P. Walsh Feb 2006
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APPROVED BY			
REVISIONS		DATE	

2012-22 LTP

ROTOKAWA WATER SUPPLY
WATER SUPPLY AREA

ROTORUA DISTRICT COUNCIL

PURSUANT TO THE LOCAL
GOVERNMENT (RATING ACT 2002)

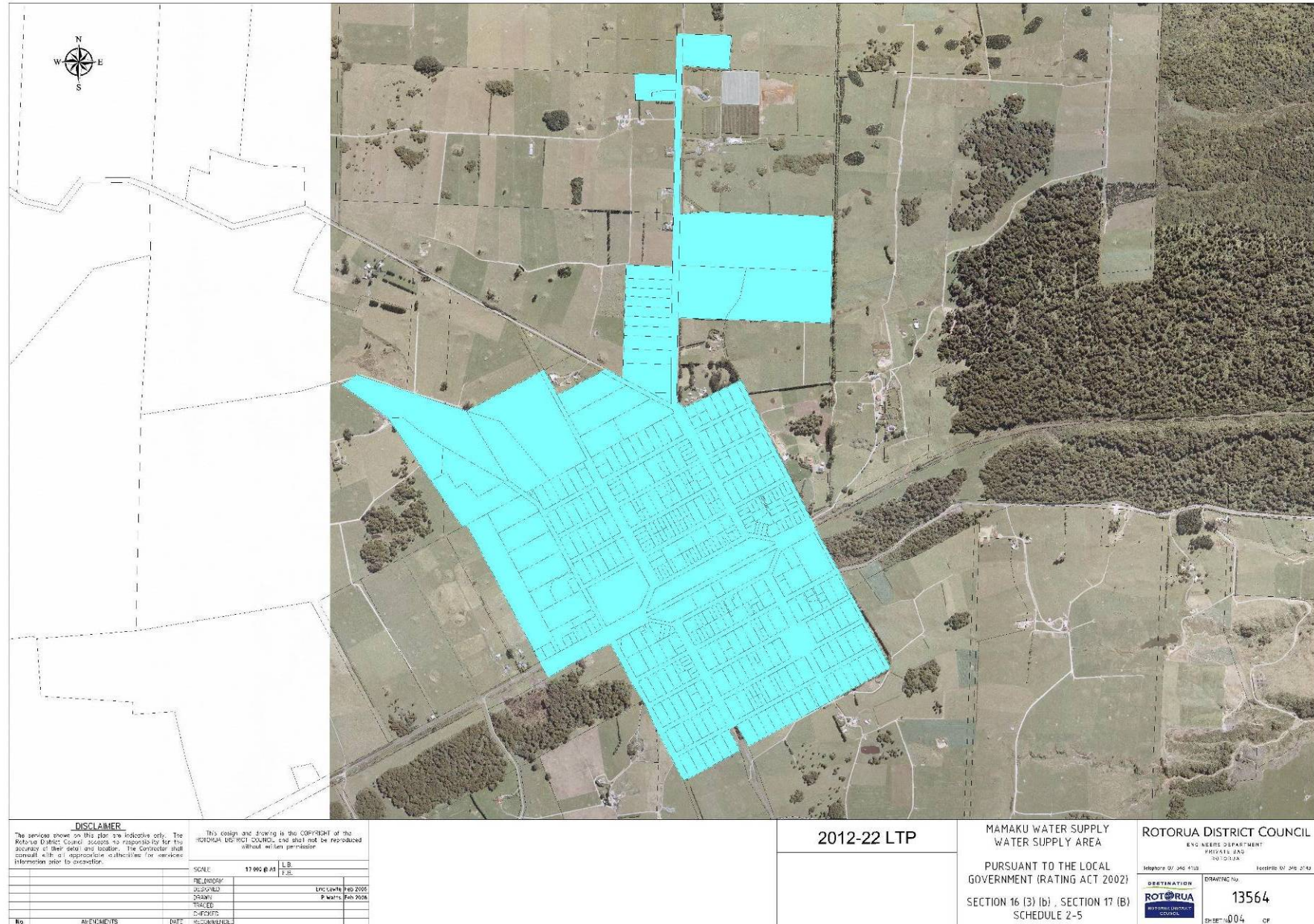
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PROJECT MANAGER
ROTORUA

SECTION 16 (3) (b), SECTION 17 (B)
SCHEDULE 2-5

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FAX 07 346 3143
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Map 1.4 - Mamaku



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Map 1.5 - Rotoiti



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CHECKED			
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2012-22 LTP

ROTOITI WATER SUPPLY
WATER SUPPLY AREA
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GOVERNMENT (RATING ACT 2002)
SECTION 16 (3) (b), SECTION 17 (B)
SCHEDULE 2-5

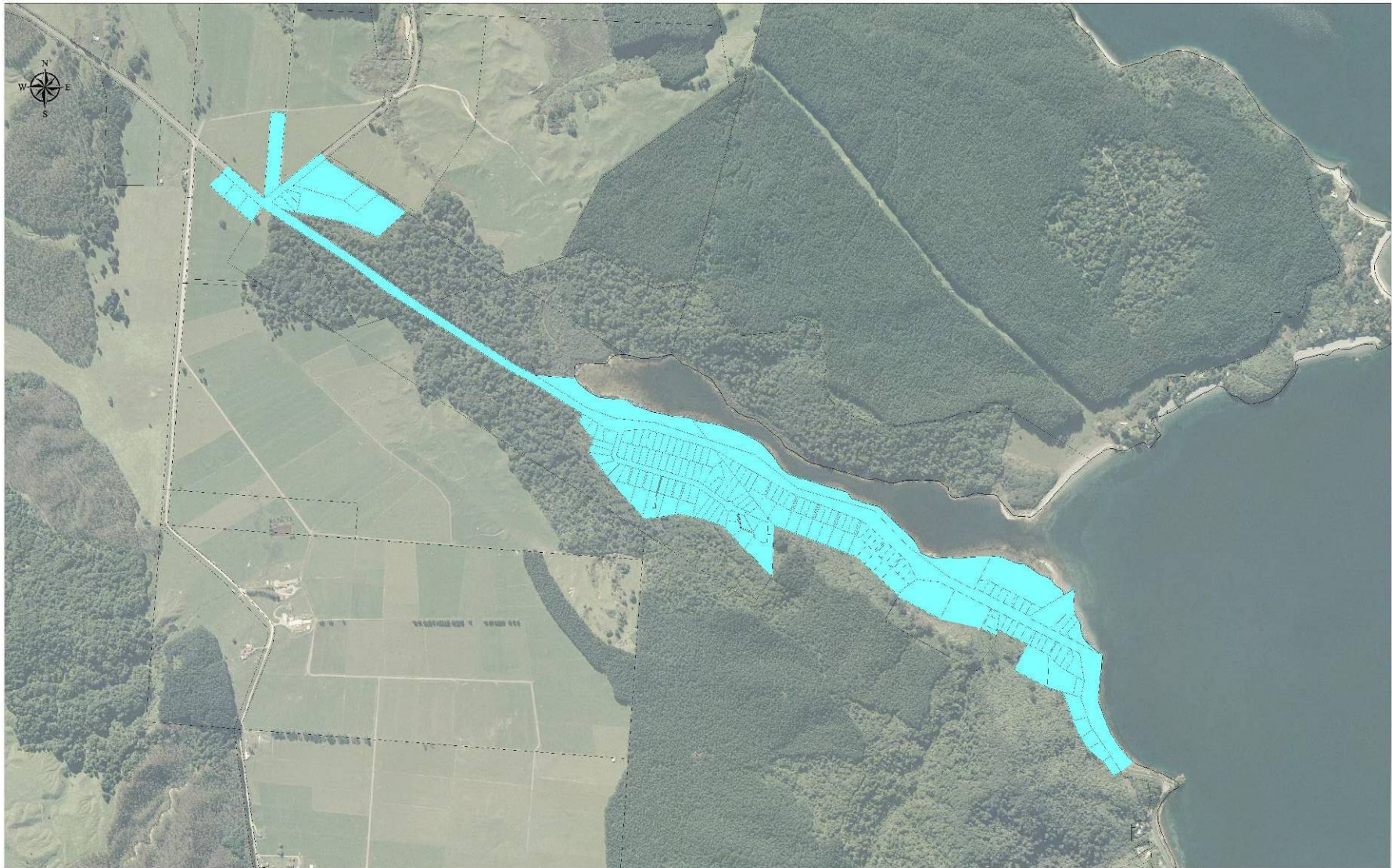
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PRIVILEGE ROAD
ROTOIUA

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Map 1.6 - Rotoma



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		DATE SUBMITTED	
No.	REVISIONS	DATE	DESCRIPTION

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GOVERNMENT (RATING ACT 2002)
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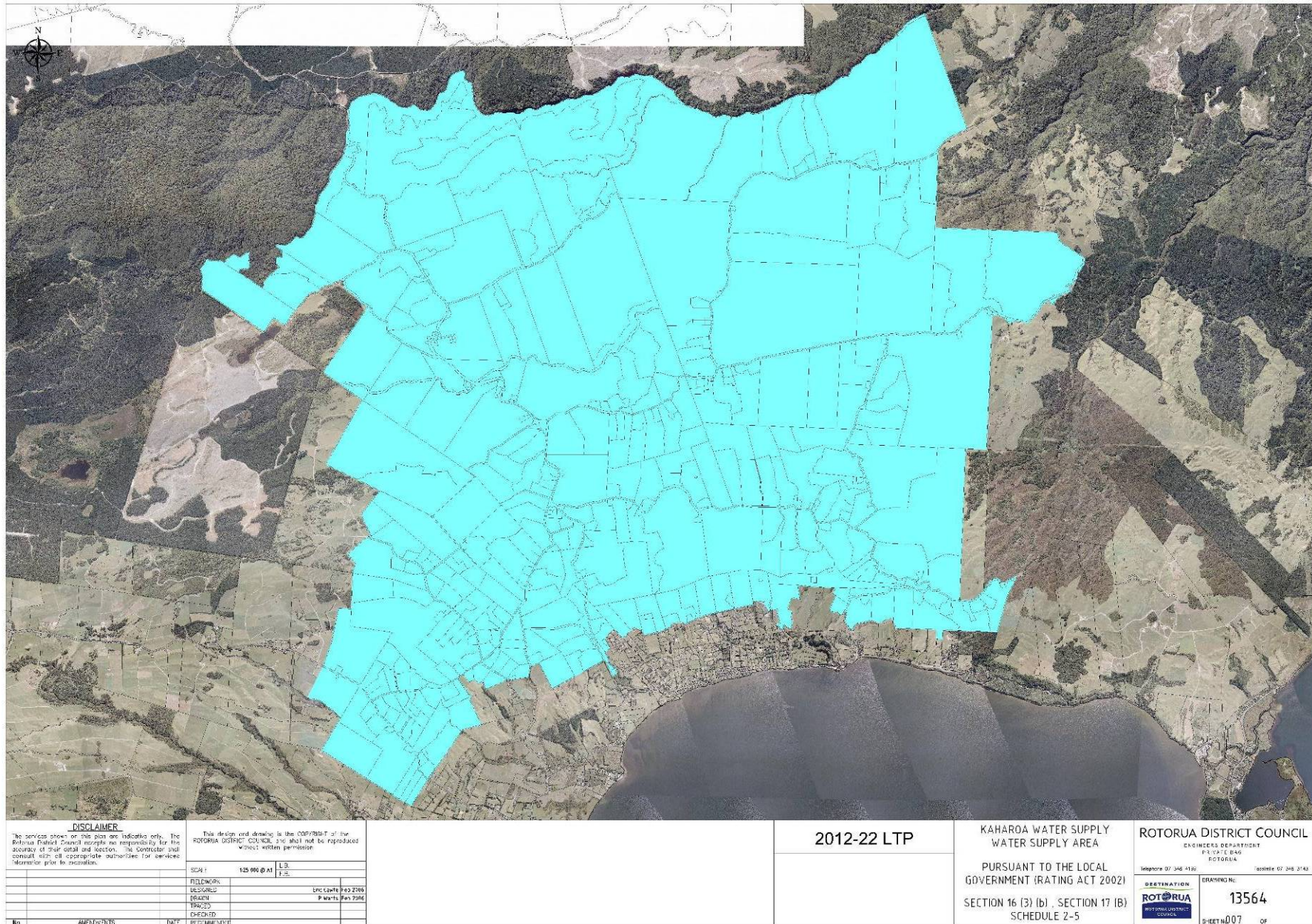
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Map 1.7 - Kaharoa



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2012-22 LTP

KAHAROA WATER SUPPLY
WATER SUPPLY AREA

ROTORUA DISTRICT COUNCIL

ENGINEERS DEPARTMENT

P.O. BOX 100

ROTORUA

TELEPHONE 07 348 4100

FAX 07 348 2143

PURSUANT TO THE LOCAL
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SECTION 16 (3) (b), SECTION 17 (B)
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ROTORUA DISTRICT COUNCIL

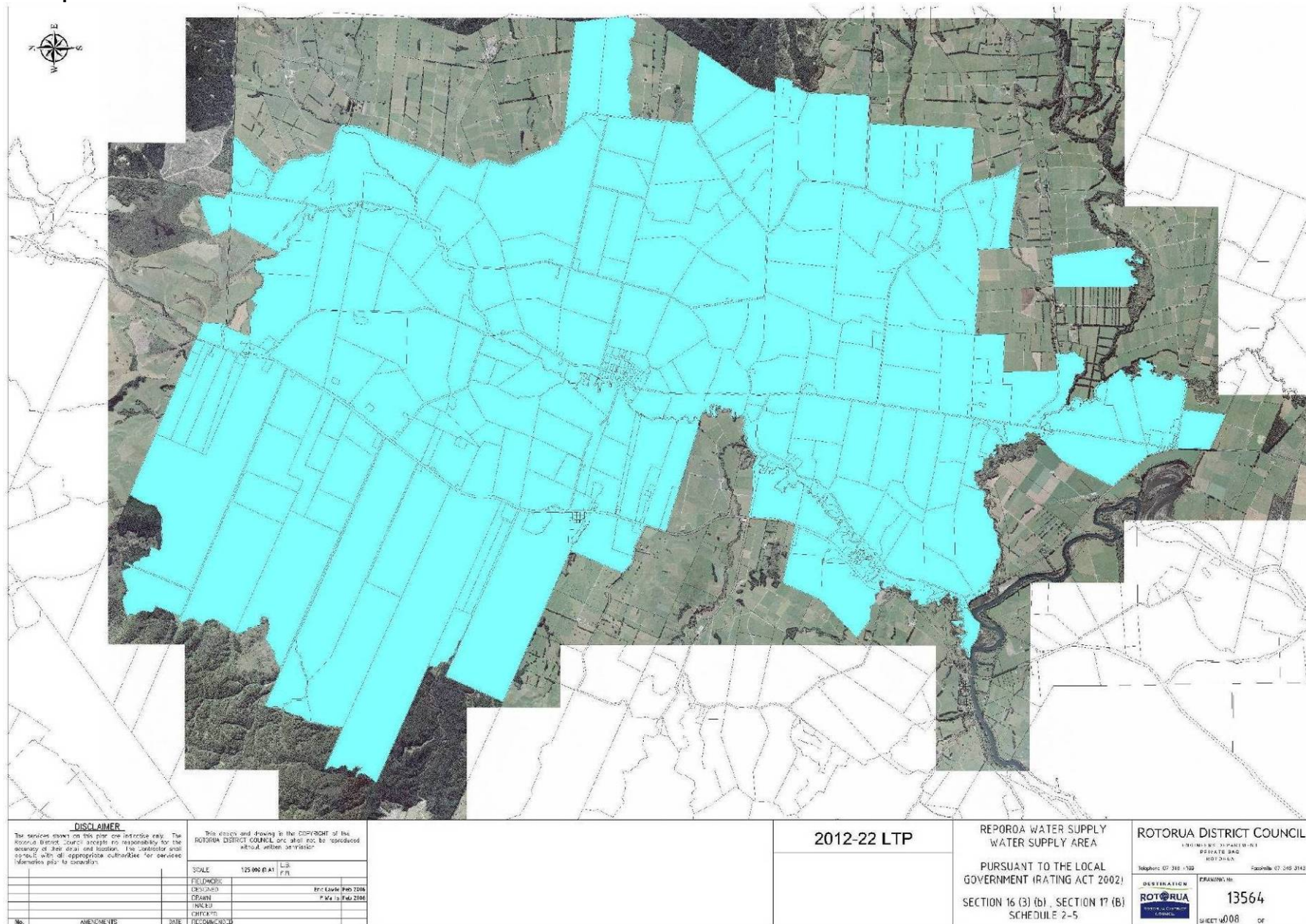
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Map 1.8 - Reporoa



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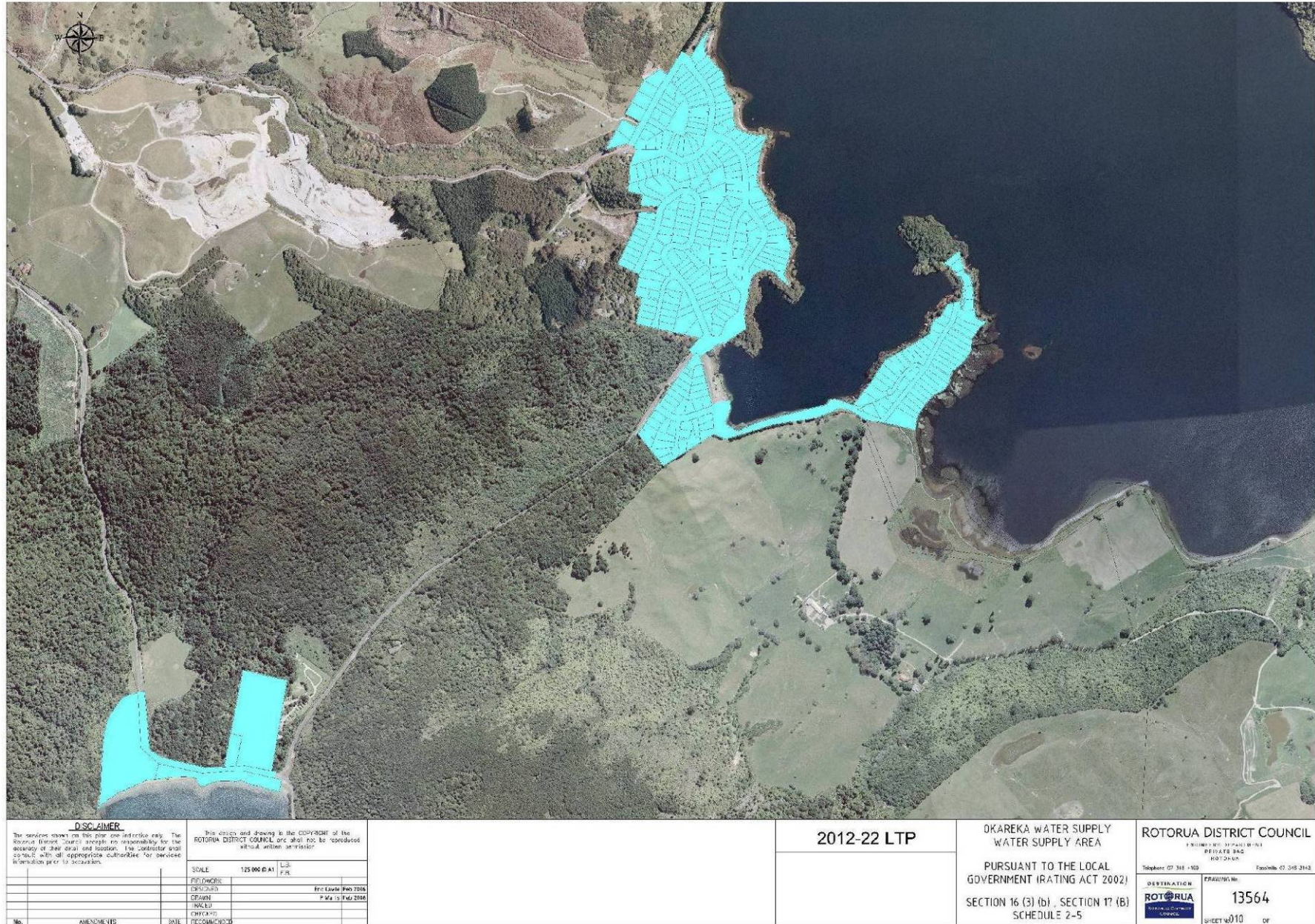
Map 1.9 - Hamurana



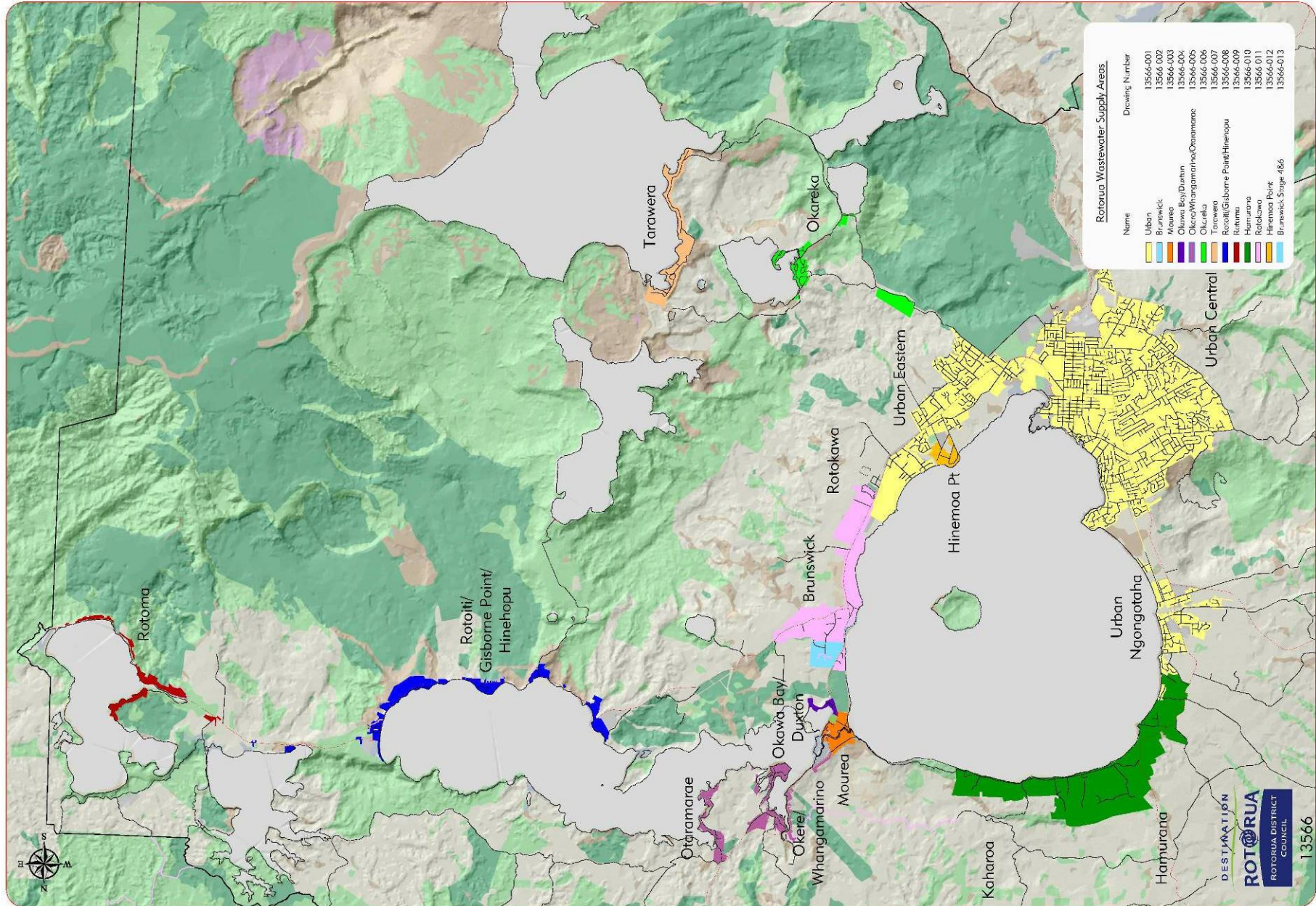
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No.	AMENDMENTS	DATE	RECOMMENDATIONS			

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Map 1.10 - Okareka

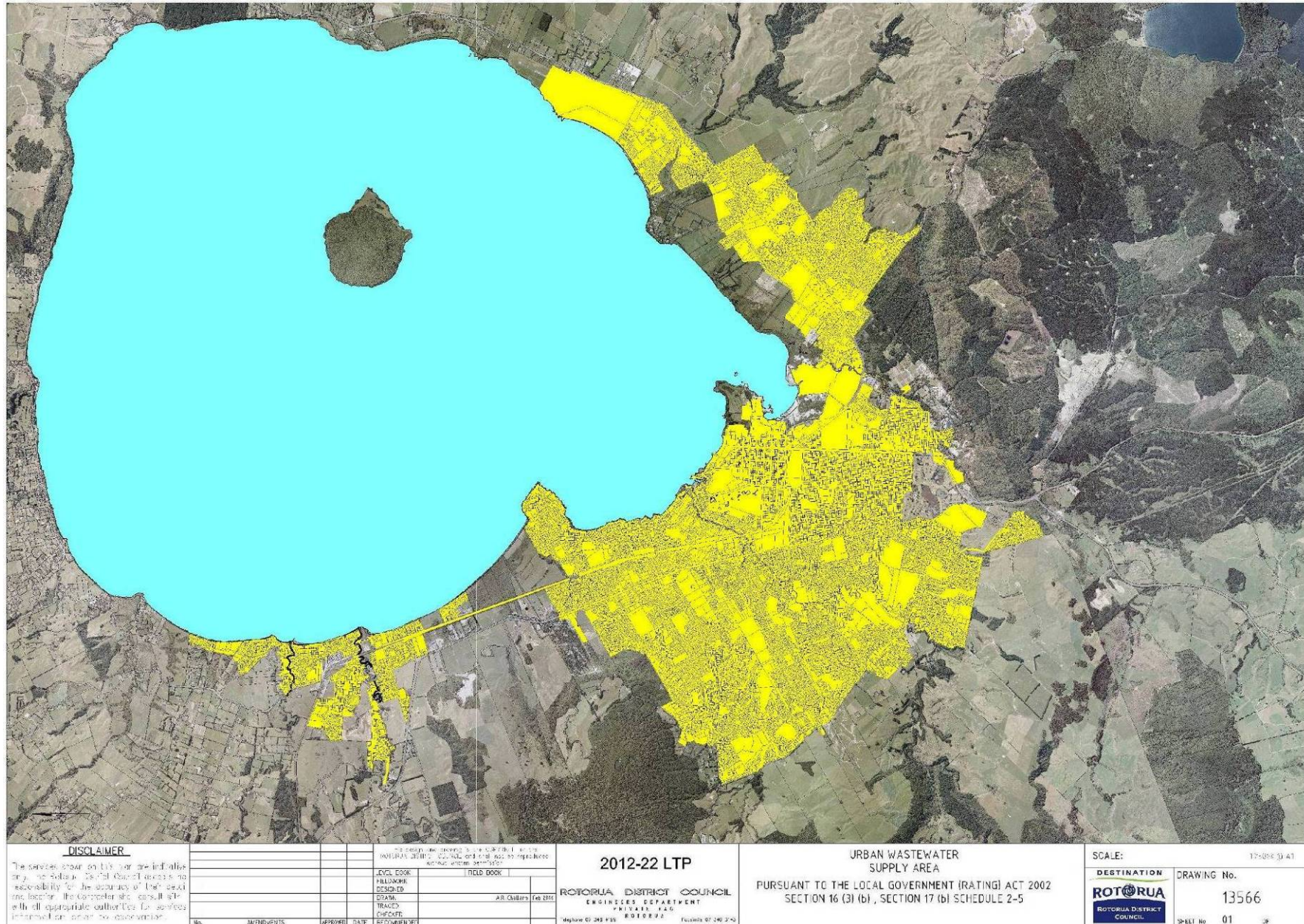


Map 2 Infrastructural Service Catchments: Wastewater



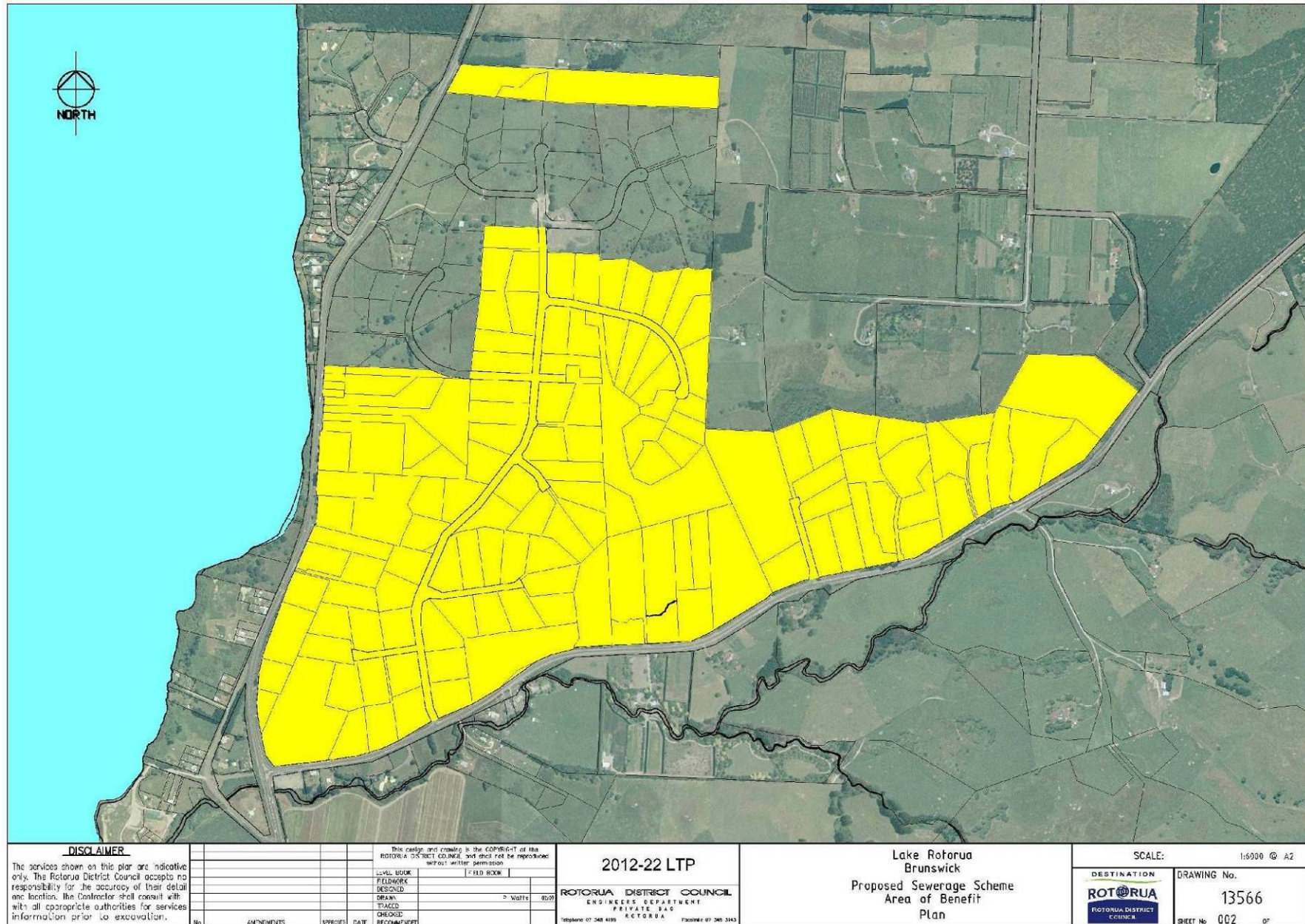
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Map 2.1 - Urban



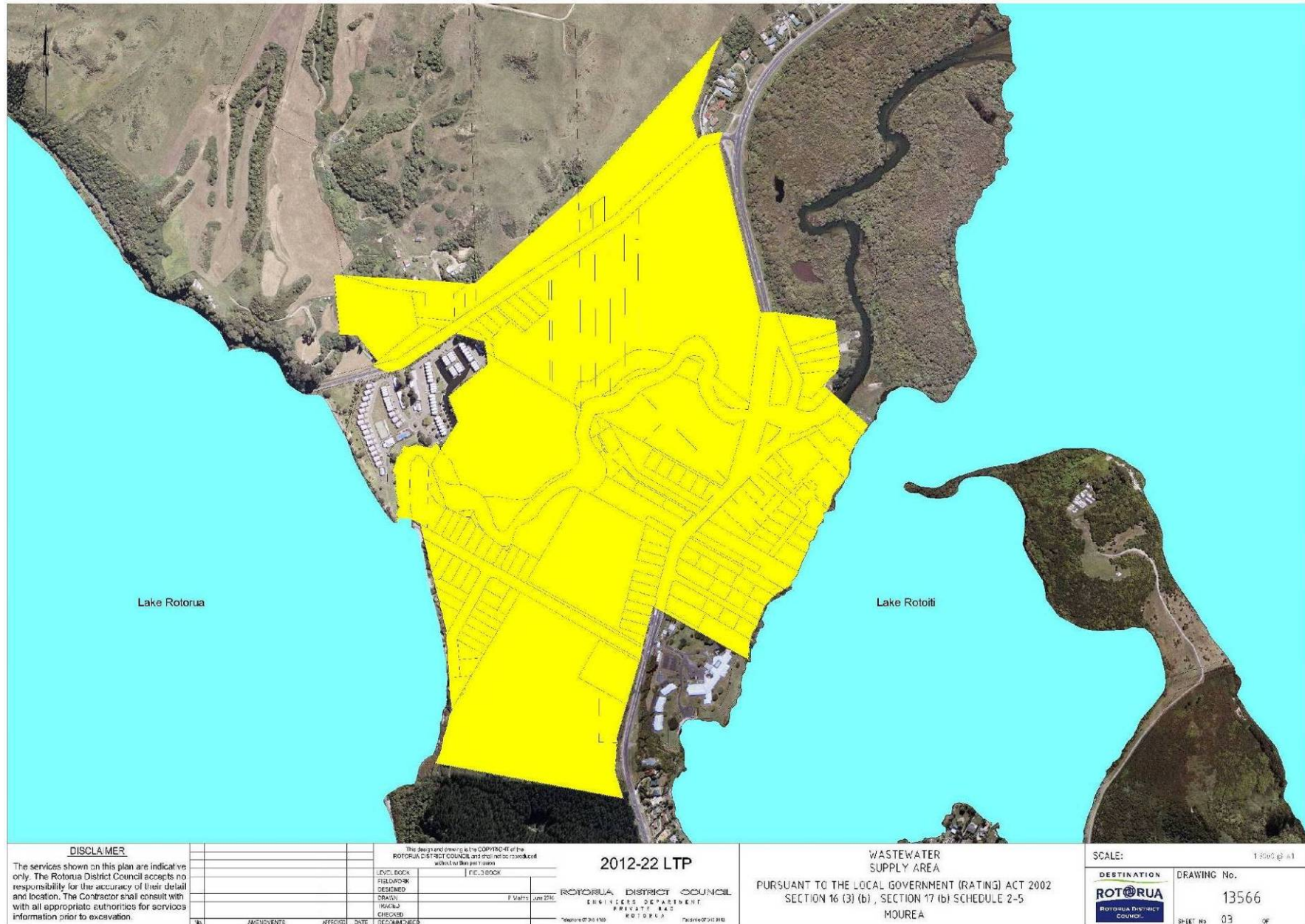
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Map 2.2 - Brunswick



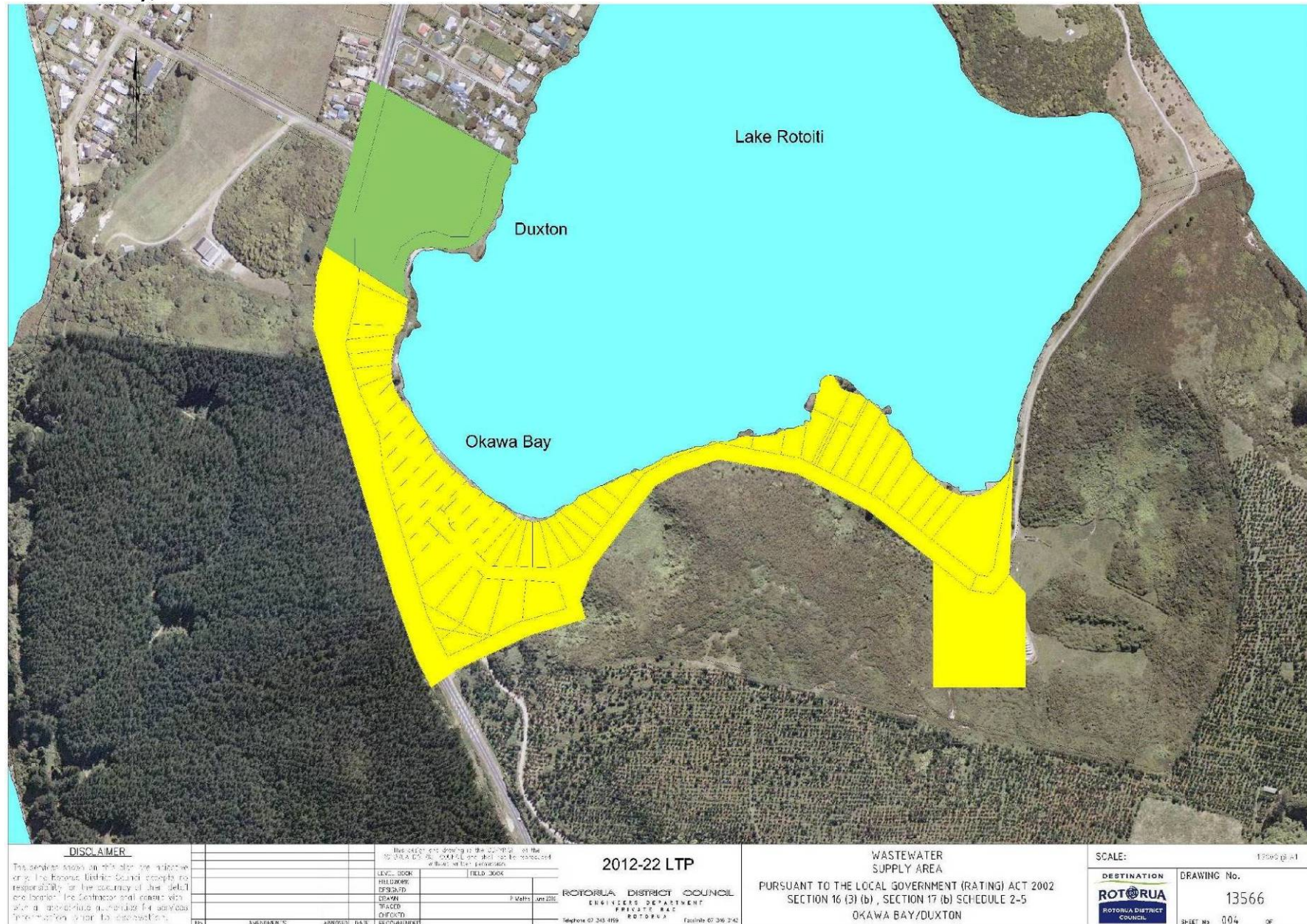
Development contributions policy

Map 2.3 - Mourea



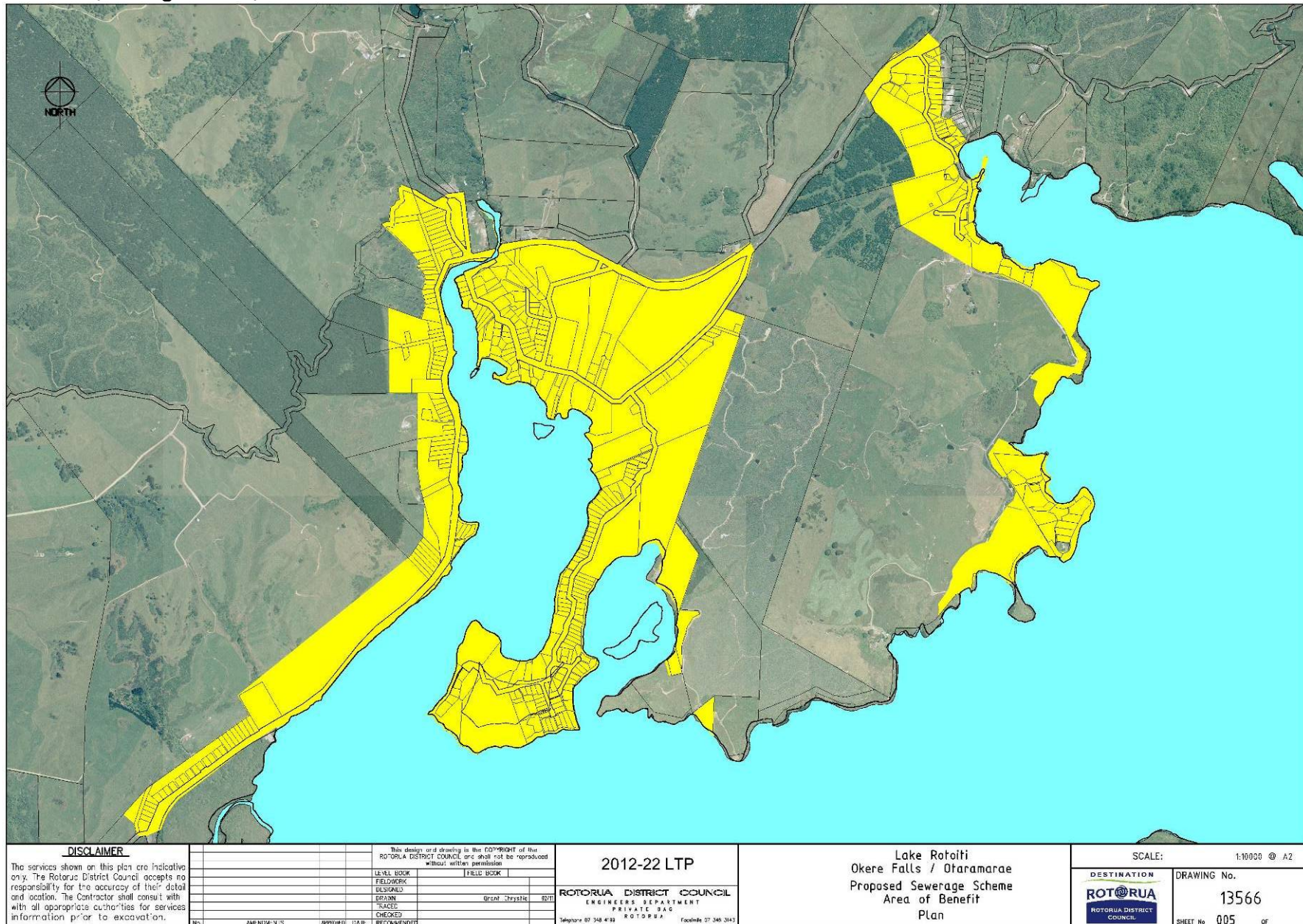
Development contributions policy

Map 2.4 – Okawa Bay/Duxton



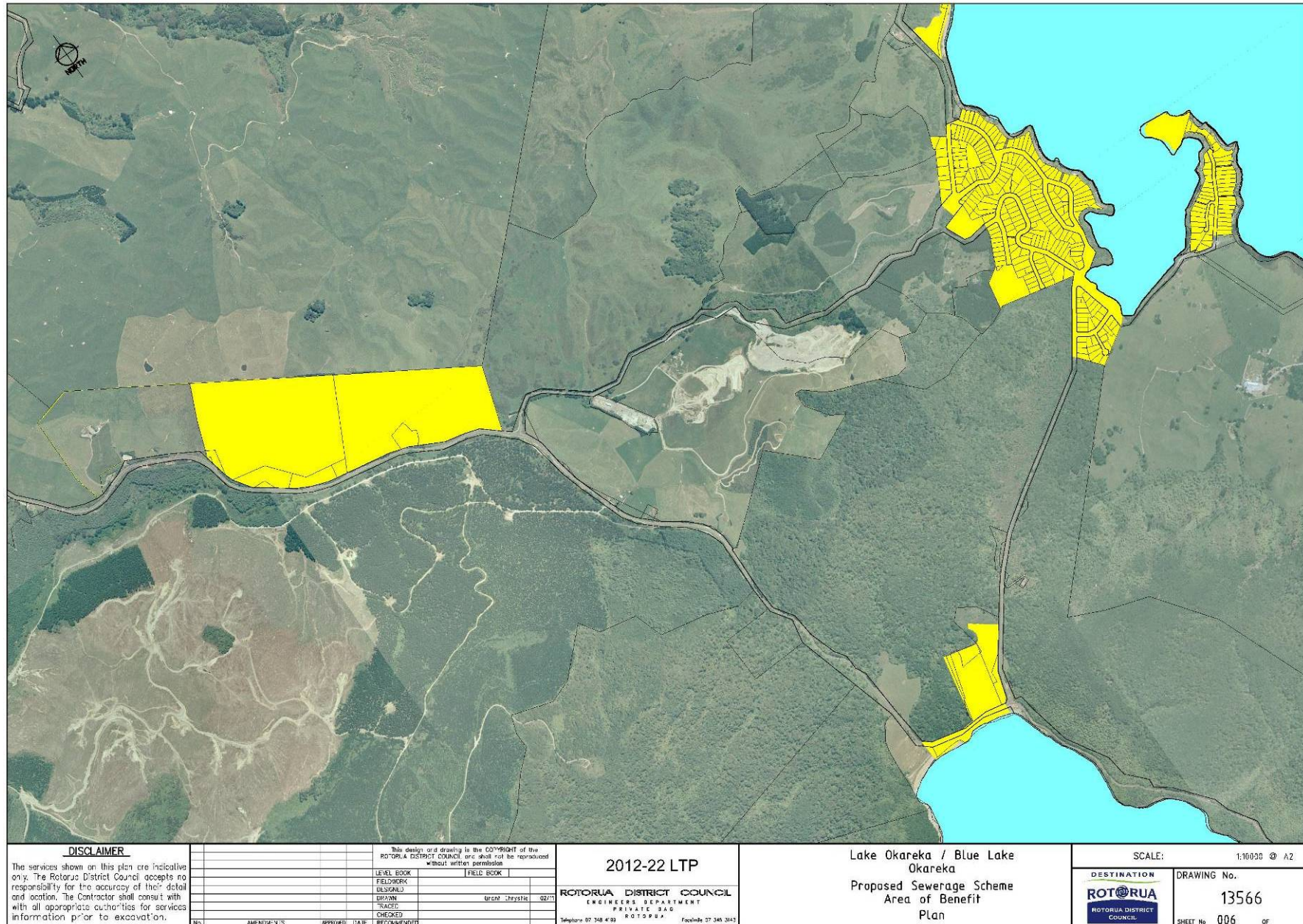
Development contributions policy

Map 2.5 – Okere/Whangamarino/Otaramarae



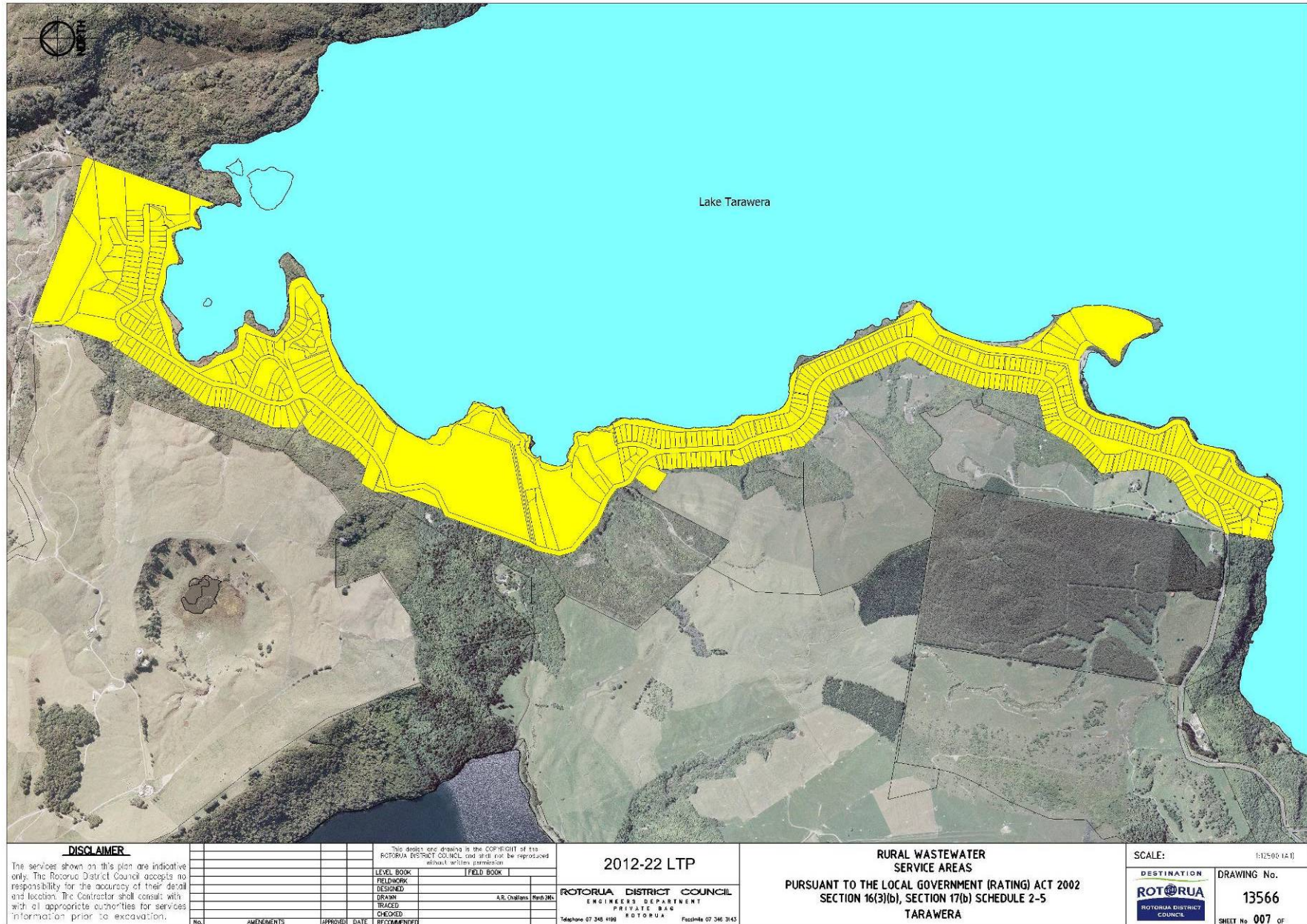
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Map 2.6 - Okareka



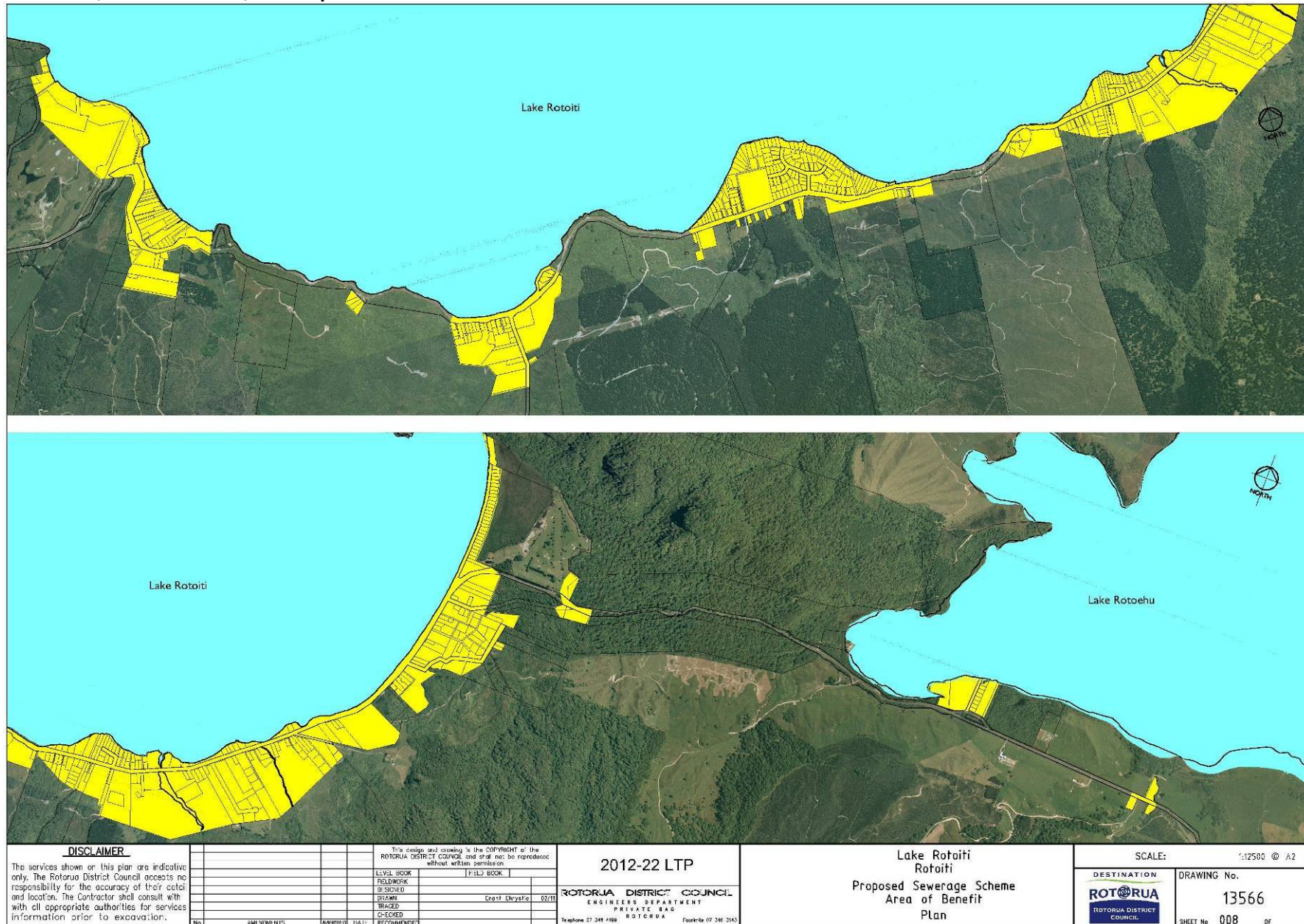
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Map 2.7 - Tarawera



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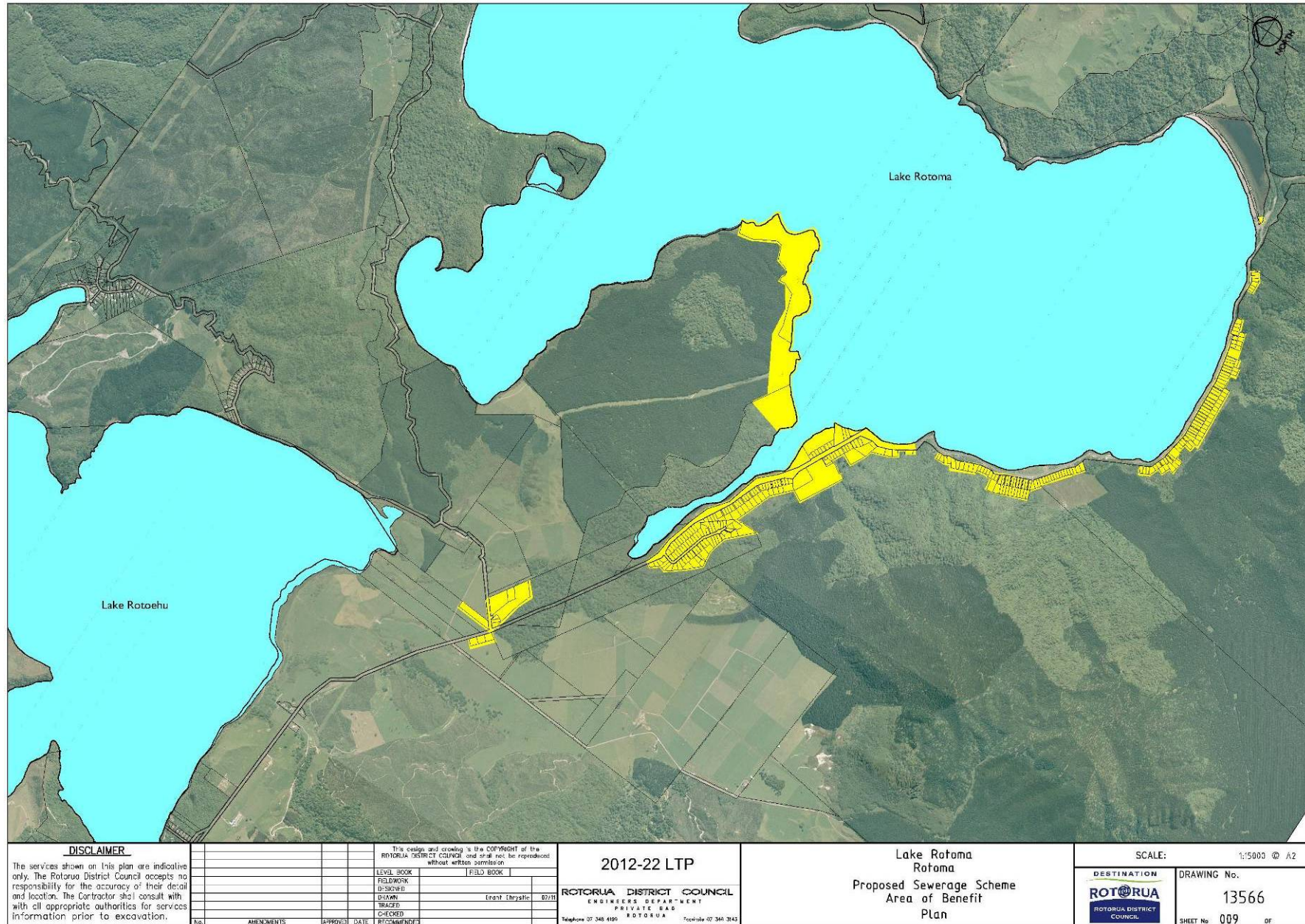
Map 2.8 – Rotoiti/Gisborne Point/Hinehopu



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		DESIGNED		Grant Christie 02/11		DRAWING No.		ROTORUA DISTRICT COUNCIL	
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		APPROVED							
		DATE							

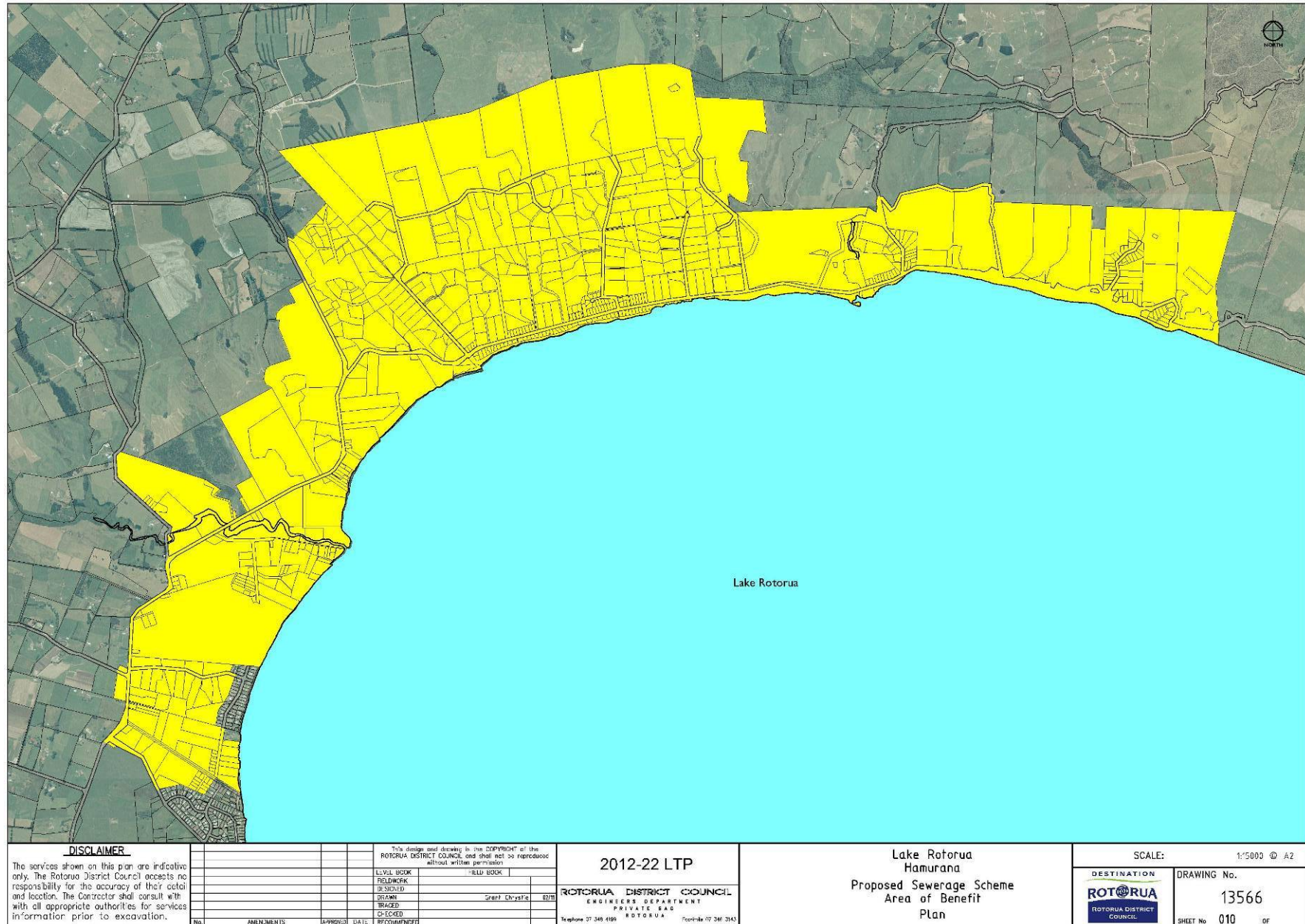
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Map 2.9 - Rotoma



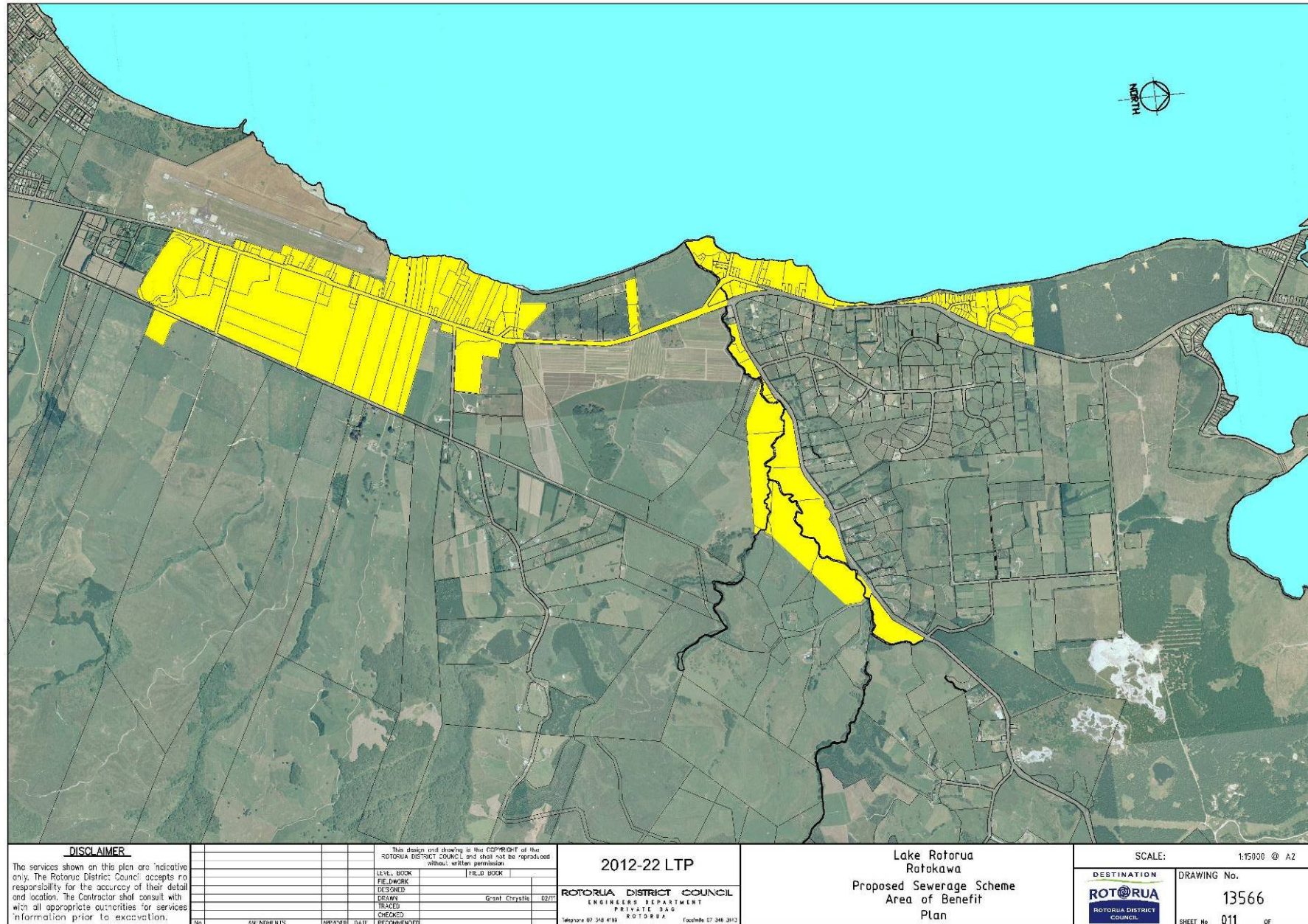
Development contributions policy

Map 2.10 - Hamurana



Development contributions policy

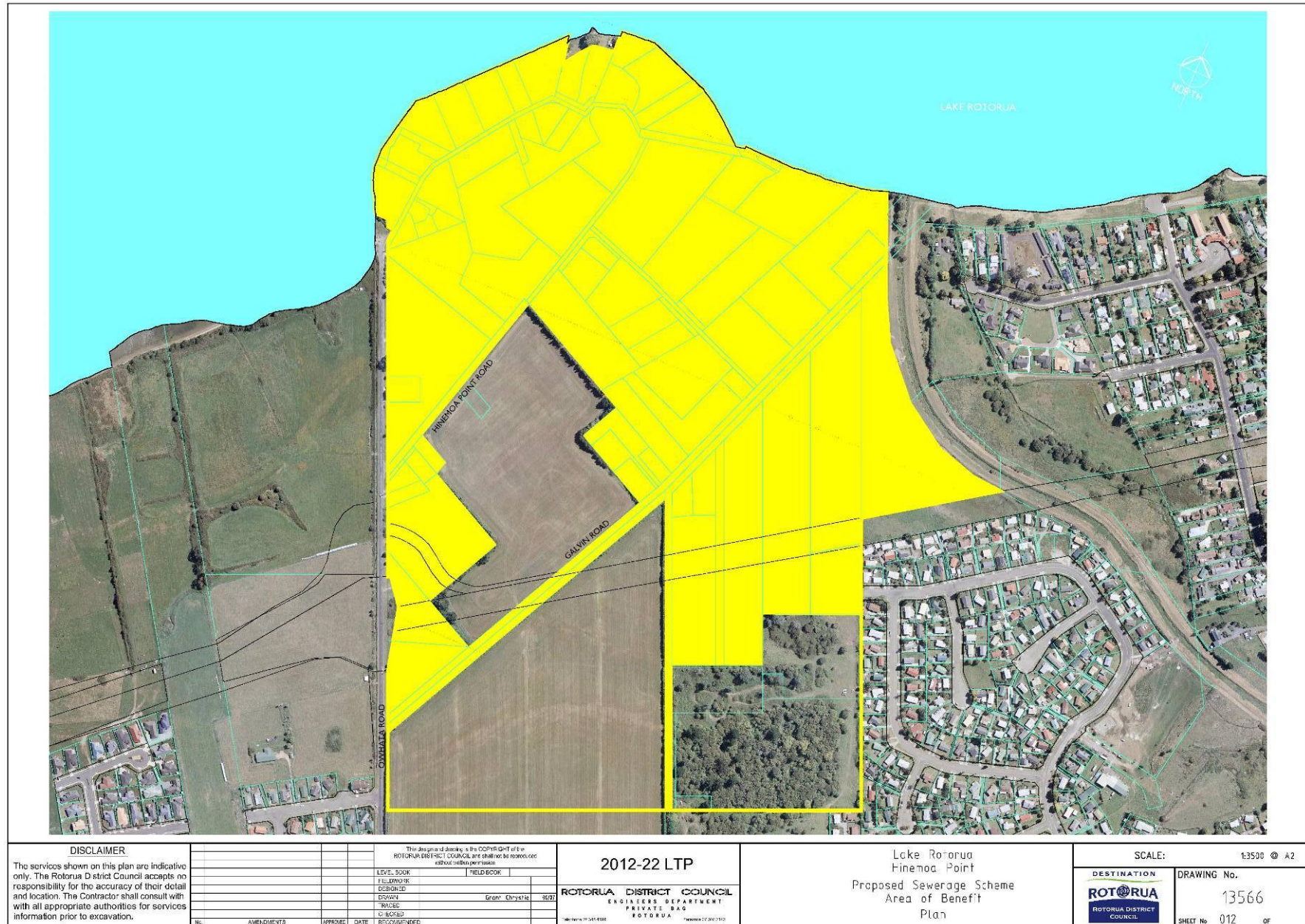
Map 2.11 - Rotokawa



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		<p>DESIGNED</p> <p>DRAWN</p> <p>TRACED</p> <p>CHECKED</p>		<p>Telephone 07 348 4166 ROTOKAWA Facsimile 07 348 3812</p>		<p>DRAWING No. 13566</p>		<p>SHEET No 011 OF</p>	
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Development contributions policy

Map 2.12 – Hinemoa Point



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2012-22 LTP
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ENGINEERS DEPARTMENT
PRIVATE BAG
ROTORUA
Telephone 07 347 0100

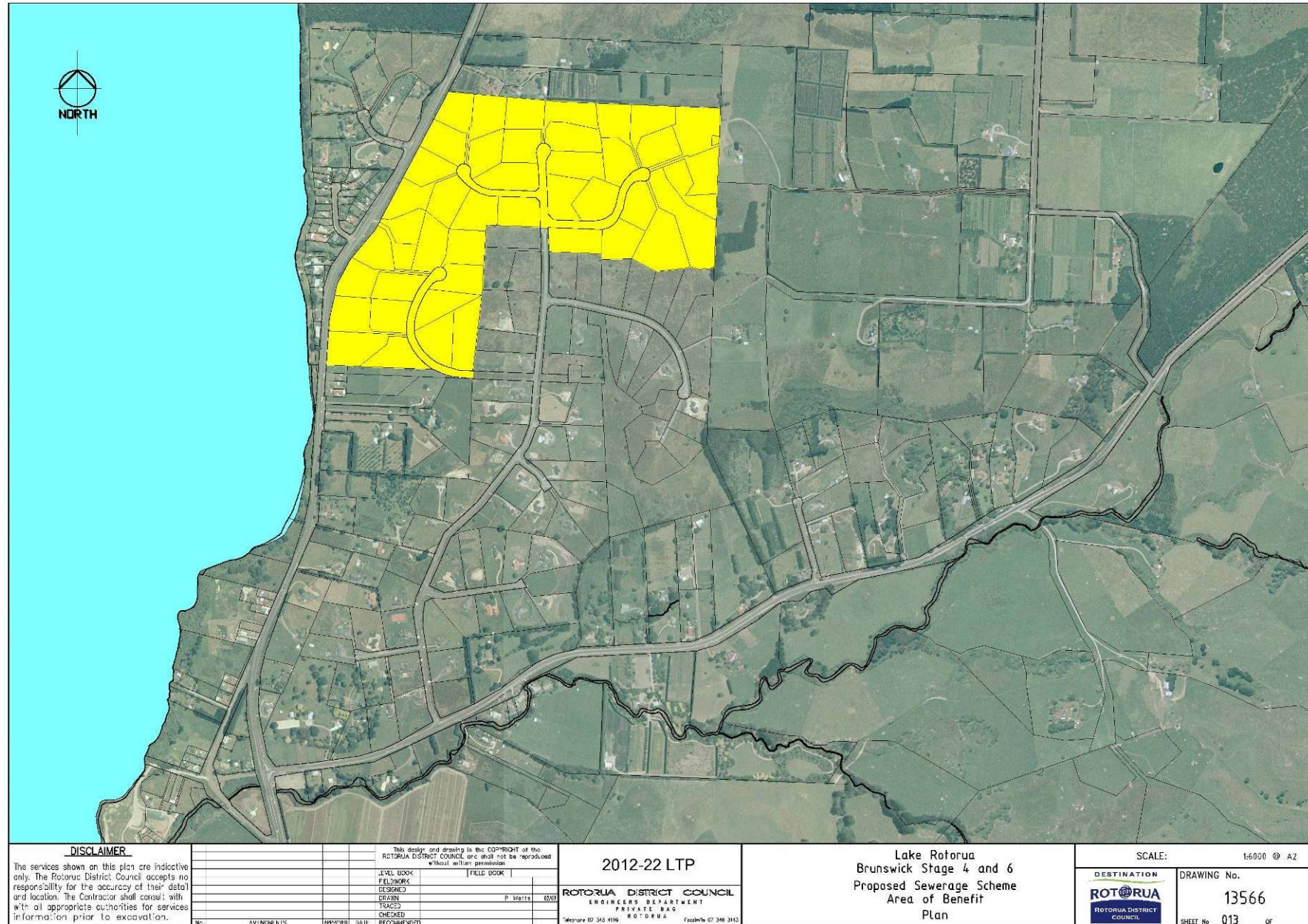
Lake Rotorua
Hinemoa Point
Proposed Sewerage Scheme
Area of Benefit
Plan

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ROTORUA DISTRICT COUNCIL

Development contributions policy

Map 2.13 – Brunswick Stage 4 & 6



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

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 100m ² GFA	% in Journey Type			VPD Equivalent	HUES per 100m ²
			50% ²	20% ³	5% ⁴		
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.

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.

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

Development contributions policy

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	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
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

Development contributions policy

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
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.

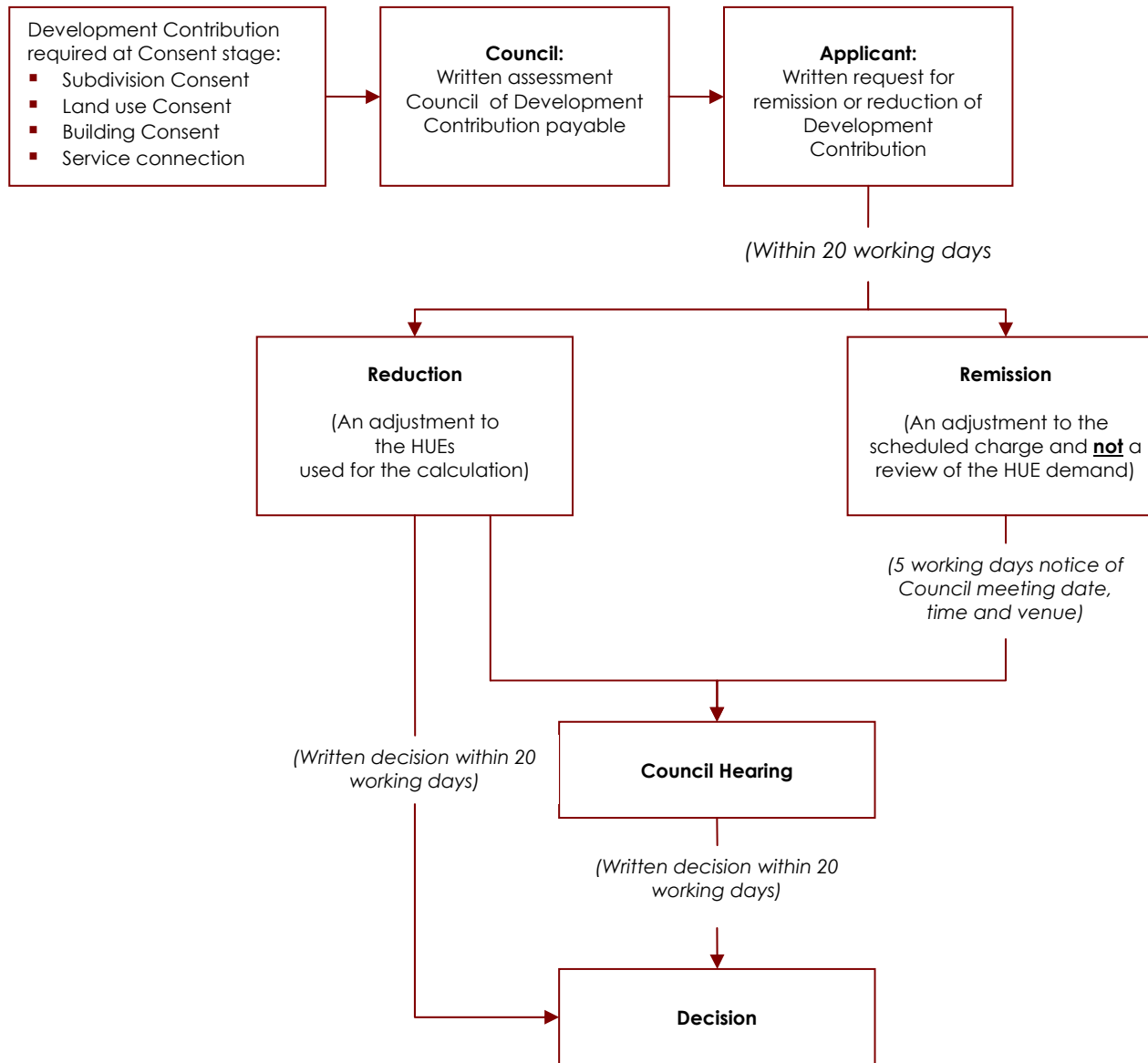
Once Council has advised in writing the development contribution assessment required, a request for remission or reduction must be made by notice in writing to Council within 20 working days and before the Development Contributions required on the development is invoiced. Council will not allow remissions 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.

Term	Meaning
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.

Development contributions policy

Term	Meaning
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.
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	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: <ol style="list-style-type: none"> any premises used for any industrial or trade purposes; or 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 any other premises from which containment is discharged in connection with any other industrial or trade process. 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).

Term	Meaning
Impervious Surface Area (ISA)	Area of impervious surfaces to be drained to the reticulated Land Drainage network. 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: <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

Term	Meaning
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
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.