



Development and Financial Contributions

The Development and Financial Contributions Policy describes what contributions Council require from developers when their property developments impose increased demand on Council services.

- [Who Pays](#)
- [When did this start?](#)
- [Why do we have to pay](#)
- [A word on Infrastructure](#)
- [Development Contributions v Financial Contributions](#)
- [Calculation](#)
- [Household Equivalent Unit'](#)
- [Calculation for non-residential developments](#)
- [Credits](#)
- [When are they paid](#)
- [Examples](#)

Who Pays	<p>Development Contributions are paid by anybody who:</p> <ul style="list-style-type: none">• creates a new residential allotment by subdivision;• builds an additional dwelling;• builds or extends commercial or industrial premises;• changes the use of commercial or industrial premises;• requires an upgraded service connection. <p>The rule of thumb is that Development Contributions are payable when additional demand for infrastructural services is created by the activities above.</p> <p>They do not apply to house alterations or extensions that do not create a new additional dwelling.</p>
When did this start?	They apply to all consents granted or approved on or after 1 July 2006 , even if the actual application was made prior to this date.

<p>Why do we have to pay</p>	<p>Development Contributions are for developments which add to the demand of infrastructure. They are for funding growth related capital expenditure, specifically, funding projects to prepare infrastructure for the growth of our city. Any fund money used for these council projects must be specified in the Community Plan.</p> <p>Council is required by the Local Government Act 2002 to have a policy on development contributions and financial contributions taken under the Resource Management Act 1991.</p>
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<p>A word on Infrastructure</p>	<p>By infrastructure, we mean the basic facilities, services and installations needed for the functioning of the community</p> <p>The projects that are currently listed in the Council's Community Plan as to be partially funded by development contributions include:</p> <ol style="list-style-type: none"> 1. the wastewater treatment plant – recovery of historic capital expenditure in anticipation of growth 2. roading network improvements 3. water reservoir upgrades 4. stormwater and drainage improvements 5. CBD and suburban shopping centre improvements <p>New and additional developments put pressure on the existing infrastructure, therefore Council needs to provide for the future demand.</p>
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<p>Development Contributions v Financial Contributions</p>	<p>Financial Contributions are for the purpose of avoiding, remedying or mitigating any potential adverse environmental effects generated by activities. They are also taken to provide for community facilities, such as reserves and to provide for the immediate increased demand placed on infrastructure.</p> <p>New developments are required to pay both development and financial contributions. Financial contributions are required in relation to:</p> <ul style="list-style-type: none"> • The enhancement of the City’s reserves • Services within the boundary of a subdivision and the cost of any necessary upgrades to services on adjoining land • The cost of any upgrading and modification of surrounding roads, intersections and footpaths <p>In contrast, Development Contributions are required to fund Projects that ensure Council’s city-wide infrastructure networks remain sufficient to cope with the growth of our community.</p>
<p>Calculation</p>	<p>Development Contributions are calculated in terms of usage of resources compared to an average household unit. This unit of demand is termed the “Household Equivalent Unit” or “HEU”.</p> <p>Residential development contributions depend on the number of additional lots or additional dwellings on the subdivision.</p> <p>Non-Residential development contributions are calculated by converting the demand for services into Household Equivalent Units. These are based on the assumed demand created by one new dwelling in comparison to broad categories of non-residential development.</p>

<p>Household Equivalent Unit'</p>	<p>So now we apply this Household Equivalent Unit concept to the infrastructure projects mentioned earlier.</p> <p>We have determined the average household's resource usage and calculated that a new household should contribute the following amounts towards Council's growth related infrastructure projects:</p> <table border="1" data-bbox="565 485 1279 793"> <tr> <td>Roading and Traffic</td> <td>\$ 355</td> </tr> <tr> <td>Wastewater – historic expenditure</td> <td>\$ 1,127</td> </tr> <tr> <td>Wastewater – Community Plan projects</td> <td>\$ 270</td> </tr> <tr> <td>Water Supply</td> <td>\$ 122</td> </tr> <tr> <td>Stormwater</td> <td>\$ 598</td> </tr> <tr> <td>Local Urban Design</td> <td>\$ 64</td> </tr> <tr> <td>Total</td> <td>\$ 2,536</td> </tr> </table> <p>So for every additional Household Equivalent Unit the amount payable is \$2,536.</p> <p><i>All of these figures exclude GST although GST is payable.</i></p>	Roading and Traffic	\$ 355	Wastewater – historic expenditure	\$ 1,127	Wastewater – Community Plan projects	\$ 270	Water Supply	\$ 122	Stormwater	\$ 598	Local Urban Design	\$ 64	Total	\$ 2,536
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<p>Calculation for non-residential developments</p>	<p>Non-residential developments are converted to Household Units based on:</p> <ul style="list-style-type: none"> • What the development is for (retail, industrial, commercial) • What the gross floor area (GFA) is, as the charge for all projects except stormwater is calculated based on GFA • For stormwater, it is calculated based on new impervious surface area (new ISA) <p>The conversion table is as follows:</p>														

Activity	Residential Demand (1 HEU)	Non Residential Demand
Roading and Traffic	10 light vehicle movements per day	Retail 4 HEU/100m ² GFA
		Commercial 2 HEU/100m ² GFA
		Industrial 0.3 HEU/100m ² GFA
Local Urban Design	As for Roading and Traffic	As for Roading and Traffic
Water Supply	957 litres per day	0.26 HEU/100m ² GFA
Wastewater	675 litres per day	0.26 HEU/100m ² GFA
Stormwater	200m ² ISA	0.5 HEU/100m ² new ISA

Credits

Credits are available where a development is on an allotment that existed on or before 1 July 2006. They are considered to have a credit of one HEU.

If one house is built on an existing vacant allotment, no development contribution fee is payable. However, the fee is payable for any additional houses built on that allotment.

For non-residential developments, credits will depend on what the allotment was previously used for. Developments on a vacant allotment will carry a credit of one HEU. Otherwise credits will be calculated on the same basis as the contribution for the new development.

This is the same if there is a change of use (e.g. from industrial to retail).

The prior use of the site must have been within two years prior to the application. Credits from a prior use can not be transferred to or from another site.

Credits can not reduce the units of demand for the new development to less than zero.

When are they paid	<p>For subdivisions, development contributions must be paid when a 224(c) certificate is applied for. Council can withhold the section 224(c) certificate until the contribution is paid.</p> <p>For other resource consents, building consents, or new service connections, development contributions should be paid at the time of application for consent or connection. Council may prevent the commencement of a resource consent, withhold the code compliance certificate in respect of a building consent, or withhold the service connection as appropriate until payment is made.</p>
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Example 1- Residential

Apartment building on 1,000 m² site, currently bare land. 20 apartments, 100% of site to be covered.

	Per-HEU factor	Number of HEUs	Fee Per HEU	TOTAL FEE
Road and Transport	1	20	355	7,100.00
Local Urban Design	1	20	64	1,280.00
Water	1	20	122	2,440.00
Wastewater	1	20	1397	27,940.00
Stormwater	1	5	598	2,990.00
TOTAL excluding GST				41,750.00
GST				5,218.75
TOTAL FEE PAYABLE				46,968.75

Note that only 5 HEUs are charged for stormwater, as this equates to 1,000 m² of new ISA.

Example 2- Retail

3000 m² supermarket on 10,000 m² site, site currently 100% asphalted.

	Per-HEU factor	Number of HEUs	Fee Per HEU	TOTAL FEE
Road and Transport	4	120	355	42,600.00
Local Urban Design	4	120	64	7,680.00
Water	0.26	7.8	122	951.60
Wastewater	0.26	7.8	1397	10,896.60

Stormwater	0	0	598	0.00
TOTAL excluding GST				62,128.20
GST				7,766.03
TOTAL FEE PAYABLE				69,894.23

Example 3- Industrial

1000 m² industrial building on 2,000 m² site, currently no impervious surface, entire yard to be asphalted.

	Per-HEU factor	Number of HEUs	Fee Per HEU	TOTAL FEE
Road and Transport	0.3	3	355	1,065.00
Local Urban Design	0.3	3	64	192.00
Water	0.26	2.6	122	317.20
Wastewater	0.26	2.6	1397	3,632.20
Stormwater	0.5	10	598	5,980.00
TOTAL excluding GST				11,186.40
GST				1,398.30
TOTAL FEE PAYABLE				12,584.70

Example 4- Retail

4000 m² office building on 1,000 m² site, currently 100% covered.

	Per-HEU factor	Number of HEUs	Fee Per HEU	TOTAL FEE
Road and Transport	2	80	355	28,400.00
Local Urban Design	2	80	64	5,120.00
Water	0.26	10.4	122	1,268.80
Wastewater	0.26	10.4	1397	14,528.80
Stormwater		0	598	0.00
TOTAL excluding GST				49,317.60
GST				6,164.70
TOTAL FEE PAYABLE				55,482.30