

17 March 2015

Memo To: Mayor and Councillors
Memo From: Administration Advisers
**Subject: COUNCIL – 19 MARCH 2015
LATE ITEM**

1. Draft Development Contributions Policy 2015

2-54

Document number A1306388

A report titled Draft Development Contributions Policy 2015 is attached to be considered as a major late item at this meeting. This report was listed as item 9 on the public agenda for the Council meeting on 19 March 2015 to ensure elected members were aware that it would be presented to this meeting.

Section 46A(1)-(6) of the Local Government Official Information and Meetings Act 1987 and Standing Order 2.15.8 require that agendas are distributed with the associated reports. As this report was not distributed with the agenda for this meeting, it must be treated as a major late item to be considered at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because legal advice was being sought by officers.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of Council to enable the alignment of consultation on the Draft Development Contributions Policy 2015 with consultation on the Long Term Plan 2015-25.

Recommendation

THAT the item regarding Draft Development Contributions Policy 2015 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the alignment of consultation on the Draft Development Contributions Policy 2015 with consultation on the Long Term Plan 2015-25.

Draft Development Contributions Policy 2015

1. Purpose of Report

- 1.1 To approve the Draft Development Contributions Policy for concurrent consultation with the Long Term Plan 2015-25 Consultation Document.

2. Delegations

- 2.1 The Governance Committee has delegated authority to consider matters in relation to development contributions. On 3 March 2015 the Governance Committee delegated the approval of the Draft Development Contributions Policy to Council.

3. Recommendation

THAT the report Draft Development Contributions Policy 2015 (A1306388) and its attachments (A1274615 and A1321239) be received;

AND THAT the Draft Development Contributions Policy (A1274615) be approved for concurrent consultation with the Long Term Plan 2015-25 Consultation Document.

4. Background

- 4.1 In 2014 the Government enacted amendments to the Local Government Act 2002 which included changes to how councils manage development contributions. Councils are required to have a revised development contributions policy ready for adoption by 30 June 2015.
- 4.2 There are a number of areas of change relating to development contributions including:
- New provisions relating to the purpose of development contributions and principles for their use;
 - Narrowing the range of infrastructure for which development contributions can be collected;
 - Improving the transparency of development contributions policies to enable developers and communities to see where contributions are to be applied;

- Encouraging greater private provision of infrastructure through use of private development agreements (PDAs);
 - Requiring councils to have a reconsideration process and an objections process, with decisions on objections to be determined by an independent commissioner.
- 4.3 External expertise has been provided throughout the process of reviewing the policy and calculating contributions by consulting firm Rationale Ltd. A Working Group comprising Councillors Barker, McGurk, Davy, Lawrey, and Noonan was established in September 2014 and has also provided guidance to officers throughout the review process. A legal review was carried out by Simpson Grierson Lawyers and changes made to the draft policy based on their advice.
- 4.4 Required changes to enable a process for the reconsideration of, or objection to, development contributions have already been incorporated into Nelson City Council's Development Contribution Policy, following a resolution of Council on 25 September 2014. This included provision for private development agreements. Council also approved information on proposed changes to development contributions, reflecting the new purpose and principles of development contributions, and made this publicly available by 1 December 2014 as required by the amended legislation.
- 4.5 A scoping document considered at the 20 November 2014 Council meeting, identified the following issues with the existing Development Contributions Policy:
- The basis of the calculations was not well understood, reducing confidence in the assessments for officers and developers;
 - The complexity of the existing policy resulted in confusion and frequent negotiation with developers;
 - Opportunities existed to better integrate land use planning, development and infrastructure provision;
 - Uncertainty about Council's preferences for development limited the policy's ability to drive outcomes.
- 4.6 Council's preferred approach for addressing these matters was to review and update the development contributions calculations and amend the policy with some incentives to support Council's strategic outcomes.
- 4.7 At its 4 December 2014 Council directed that a one catchment approach for the calculation of development contributions was the preferred approach, and approved the inclusion of incentives to support Council's strategic objectives including affordable housing and land use intensification.

5. Discussion

Purpose and Priorities

- 5.1 The draft policy covers both development contributions and financial contributions. Financial contributions are set out in the Nelson Resource Management Plan but as they also add to the amount developers need to pay the legislation requires that those charges be outlined in the Development Contributions Policy. The revised policy aims to provide sufficient information for developers to understand all the contributions they will incur when undertaking a development. It will be noted at the time of consultation that financial contribution provisions are not able to be changed through this process but will be reviewed as part of the Nelson Plan process.
- 5.2 The purpose of this policy is to:
- Provide predictability and certainty to stakeholders in how infrastructure for growth is to be provided and funded;
 - Provide transparency about what is to be funded and what has been delivered;
 - Provide for those who create the need for new or upgraded infrastructure to make fair and proportionate payments to Council which reflect the expected demand developments will have on Council infrastructure;
 - Support and facilitate the wider outcomes sought by Nelson City Council including as set out in its Long Term Plans and Asset Management Plans and in the objectives of the Nelson Plan.

Policy Development

- 5.3 To achieve the above aims, officers have been calculating and apportioning the costs of existing and potential infrastructure provision and assessing development sites against a range of criteria.
- 5.4 There may be projects which developers would like included in the Long Term Plan 2015/25 (LTP), but which are not in the draft Plan. Recent consultation with the development community has highlighted this, and staff are willing to work with those seeking assistance as they prepare submissions to the LTP.
- 5.5 Only those projects listed in the final LTP have development contributions collected for them. This does not mean that other projects will not proceed but that use of private development agreements may be made, allowing direct negotiation between Council and developers over costs.

Incentives

- 5.6 Following Council's direction at its meeting of 4 December 2014, that the policy include incentives to support Council's strategic objectives, officers have been investigating options to incentivise affordable housing and inner city living. Neither has proven straightforward. Affordable housing is affected by a range of matters including land supply market factors which will be considered through the Housing Accord that Council is negotiating. Analysis of the capacity of infrastructure in the central city to accommodate residential development and intensification has shown gaps in our condition assessments and a need for further modelling to investigate the impact of increased density. It is therefore proposed that the draft policy not include incentives and that this be revisited at the next policy review if desired.
- 5.7 The Policy will, however, have an impact that will support achievement of Council's strategic outcomes. The most significant factor is that the draft LTP now includes those capital works projects required to support growth in a coordinated manner (i.e. all services to one area in conjunction with each other and at the right time). This enables development in the areas that most achieve Council's strategic outcomes to occur first.
- 5.8 The exemption from development contributions for social housing developments also supports Council's affordable housing objectives.
- 5.9 The critical factor in making the Development Contributions Policy fair, reasonable and transparent is to ensure that the integrity of the catchment wide approach that Council has taken is maintained (i.e. not favour one area over another), and to ensure the application of any incentives is related to actual demand of development city-wide and, above all, is straightforward and efficient to understand and administer. Council may choose to incentivise strategic outcomes through other more appropriate mechanisms such as a streamlined resource and building consent process for inner city residential development.

Exemptions

- 5.10 The previous policy had a range of exemptions including early childhood centres, schools, various Crown entities, social housing developments and sites where Council is either not planning to provide or maintain infrastructure; or boundary adjustments, subdivisions or replacement buildings where it is deemed that no additional units of demand exist. In simplifying the policy some changes are proposed. Attachment 2 shows the list of exemptions in the previous policy and the proposed changes.
- 5.11 Crown entities are required to be exempt from development contributions so this heading has been added and references to separate entities such as Housing New Zealand and schools has been removed. For clarity, integrated schools are listed as a separate exemption. The exemptions for kindergartens, child care and day care centres remain.
- 5.12 The exemption for "lots created for reserve purposes" has been removed as this is considered redundant, it being clear that a reserve will not create additional demand.

Transportation

- 5.13 One of the aspects of the calculations that has received particular attention during the policy development is how to attribute a charge for transportation for non-residential activity. The approach in the draft policy is to use the number of car parks required in the NRMP as a proxy for intensity of development (as when development contributions are initially assessed the final activity that will operate out of the development is often unknown and may change over time), regardless of the actual parking requirements of a consent condition. This is consistent with the aim of providing a policy that is simple to understand and implement. An alternative would be to require a traffic assessment for each development and calculate development contributions from their expected trip generation. But this would mean a higher cost for developers and create an extra administrative burden.

6. Options

- 6.1 Council is amending its developments contributions policy to satisfy changes in legislation. Certain requirements are mandatory, but Council has options in other areas.
- 6.2 Council could simply update the policy to reflect the amended legislation however there are significant gains to be made in clarifying and improving the policy and its calculations. It could change the methods of calculating the development contributions but these have been carefully developed and are consistent with the legislation.
- 6.3 Council has the option to include incentives for types of development it wishes to promote. As discussed above (under Incentives) there is more work to be done to understand some of the areas which Council might wish to incentivise. It would be prudent to wait until there is a better understanding before introducing incentives that could have unintended consequences. There is also an argument that the main benefit Council can provide through the policy is clarity around application processes and infrastructure provision.
- 6.4 With regard to incentives, the Chief Executive will also be reviewing the consenting process to see what changes can equitably be made to improve the certainty and timeliness that the development community desires. When Council has clear policy direction as to which types of development best contribute to its strategic outcomes officers will be able to progress these aspects.
- 6.5 Council can choose a one catchment approach or have multiple catchments. One catchment is appropriate because Nelson is a small, compact city which means (noting that development contributions are not charged in the wider rural area such as north east of the Gentle Annie Saddle) that most development that takes place within the City has an impact on the wider community to some degree. Applying a one catchment approach also simplifies administration of development contributions as the calculations are more easily made, applied, and implemented.

- 6.6 Council has the option to change the projects which are included. The projects have been considered through preparation of the Long Term Plan 2015-25 Consultation Document and, based on available information, constitute a balanced package of work able to meet the future needs of the city.
- 6.7 Council may consider changing the level of charges through ratepayer subsidisation. However this would not sit well with the principle that those who create the need for new or upgraded infrastructure should make fair and proportionate payments to Council which reflect the expected demand developments will have on Council infrastructure.
- 6.8 Council could consider removing some exemptions from the policy or adding others. The underlying principle in the review of the policy has been to simplify, so the list of exemptions has been kept as short and straightforward as possible. It is also important that appropriate income streams are not foregone at a cost to ratepayers. Crown entities are required to be given exemptions. The policy includes an exemption for social housing developments. This is seen as appropriate because of the role social housing providers play in contributing to Council objectives around affordable housing.
- 6.9 Submissions and comments have been received in the past from landowners and their advisors requesting Council consider delaying the payment of development contributions. It is recommended that the status quo remain because Council has to plan and fund projects ahead of development and these costs cannot be delayed even though income from developers is not available. Interest costs would increase if delayed payment was allowed and the net effect would be that the cost of projects would increase. This would either need to be accommodated by a change in the calculation model, leading to increased development contribution costs for all developers, or the increase would be a cost to rates. There would also be an extra administrative burden trying to implement and manage a system for recovering subdivision levies at building consent stage or at time of lot sale.

7. Assessment of Significance against the Council's Significance Policy

- 7.1 This is not a significant decision as changes proposed to the Development Contributions Policy are mainly to comply with legislation changes and to streamline operation of the policy.

8. Alignment with relevant Council Policy

- 8.1 The objectives of the draft Development Contributions Policy align with the Nelson 2060 goal 7: our economy thrives and contributes to a vibrant and sustainable Nelson. They also support Nelson Plan strategic outcomes on city development, growth and infrastructure. A conservative estimate for income from development contributions has been included in the draft Long Term Plan 2015-25 budget and the content of the draft Policy creates no issues in that regard.

9. Consultation

- 9.1 Discussions have been undertaken with representatives of the development community to identify issues that exist within the current policy and to listen to their comments, needs and intentions. The first meeting with industry professionals was held in October 2014. A more focussed meeting with key landowners and their advisors held in January 2015 allowed developers to discuss their intentions and relate them to infrastructure projects in the draft LTP and growth areas work by officers. The meeting was well attended and feedback after the meeting showed that transparency on process and projects was appreciated by attendees.
- 9.2 The next step in the process is for the draft Development Contributions Policy to be approved for consultation with the community. It is proposed that the consultation take place concurrently with the Consultation Document of the Long Term Plan 2015-25 process and that hearings and deliberations relating to the LTP also encompass the Development Contributions Policy review. A revised policy would thus be able to be adopted at the meeting to adopt the LTP, on 23 June 2015, meeting statutory timeframes.
- 9.3 A Special Consultative Procedure is no longer mandatory for a review of the Development Contributions Policy however it is still necessary to consult in accordance with the principles of section 82 of the Local Government Act 2002. This means the public need to be provided with an analysis of the reasonably practicable options considered by Council. It is intended that a copy of this report be available along with copies of the draft policy, to inform members of the public with an interest in the consultation.

10. Inclusion of Māori in the decision making process

- 10.1 Informal consultation has taken place with all iwi in advance of the release of the draft policy. Iwi and Maori will have the opportunity to submit views as part of the submission process on the draft policy.

11. Conclusion

- 11.1 The changes to the Local Government Act 2002 require Council to amend its Development Contributions Policy and this work now requires direction from the Governance Committee.

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Attachments

Attachment 1: Draft Development Contributions Policy [A1274615](#)

Attachment 2: Exemptions list [A1321239](#)

NELSON CITY COUNCIL

DRAFT POLICY ON DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS 2015

1 July 2015



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1 PURPOSE OF THIS POLICY

This policy covers both development contributions and financial contributions. This policy has been revised to provide sufficient information for all developers to understand the contributions they will incur when undertaking a development.

The purpose of this policy is to:

- provide predictability and certainty to stakeholders in how infrastructure for growth is to be provided and funded;
- provide transparency about what is to be funded and what has been delivered;
- provide for those who create the need for new or upgraded infrastructure to make fair and proportionate payments to Council which reflect the expected demand developments will have on council infrastructure;
- support and facilitate the wider outcomes sought by Nelson City Council.

Although both development and financial contributions can be used to fund costs associated with development, Council cannot charge a development both contributions for the same purpose as outlined in Section 200 of the Local Government Act 2002 (LGA 2002).

While the draft policy also covers financial contributions those provision are not able to be changed through this process but will be reviewed as part of the Nelson Plan process.

1.1 Development contributions

The purpose of Development Contributions are to enable Council to recover from those persons undertaking development, a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

They are one funding mechanism for delivering council's objectives set out and consulted on in the Long Term Plan (LTP). These are levied in accordance with the purpose and principles outlined in Section 197AA and 197AB of the LGA 2002. All other relevant sections of the LGA 2002 have been considered in preparing this policy.

1.2 Financial contributions

Financial contributions are imposed as conditions on resource consents under Section 108(2)(a) of the Resource Management Act 1991 (RMA) and in accordance with Chapter 6 of the NRMP.

The objective of financial contributions is to ensure that costs of avoiding, remedying, and mitigating actual and potential adverse effects of development are recognised and included in the cost to the developer.

Chapter 6 of the NRMP sets out the purposes of Financial Contributions and the manner in which the level of those contributions are assessed. The NRMP is available for inspection at Civic House, Council public libraries, and on the Council's website.

- Council will continue to collect financial contributions where agreements are already in place for consents that have been granted. The payment conditions will remain unchanged. This is consistent with the requirements of Section 198 (2A) of the LGA 2002.
- Council will continue to assess applications under this policy for financial contributions for reserves.
- Financial contributions for infrastructure (roads, solid waste, sewerage, water supply, stormwater and flood protection) may also be used to address special localised effects generated by specific developments. Financial contributions may be a cash payment or provision of land.

2 HOW DO THE CONTRIBUTIONS APPLY?

2.1 Who is assessed?

A development that creates additional demand will be assessed for development and/or financial contributions. A development can be any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure or community infrastructure.

Any application for a resource consent, building consent, or service connection will be assessed. This policy is the fourth iteration following the 2006, 2009 and 2012 policy. This policy shall come into force from 1 July 2015. The policy that was in force at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information, shall be used to assess each development. For the purpose of this definition, Council must accept the application under Section 88 of the RMA for it to be deemed to have been submitted with all required information.

2.2 What contributions are payable?

Council may assess development contributions for network infrastructure (stormwater, wastewater and water supply and the provision of roads and other transport). For the stormwater activity in urban Nelson, Council considers that stormwater and certain aspects of flood protection are both part of the integrated network and therefore can be included under network infrastructure.

Financial contributions will be assessed for reserves and may be assessed for infrastructure.

Aside from historical contributions required under existing consents, developments considered under this policy will be assessed for the following:

Table 1 : Applicable contributions

Location	Development Contributions				Financial Contributions	
	Water Supply	Wastewater	Stormwater	Transport	Infrastructure	Reserves
In the citywide catchment ¹	✓	✓	✓	✓	To address special localised effects generated by specific developments	✓
Outside the citywide catchment	To be agreed via a Private Development Agreement ¹				May be used in conjunction with PDA	✓

¹ – Citywide catchment as defined by the categories in Section 2.3.

There is a list of exemptions for certain types of developments that can be found in Section 7.

2.3 How much is payable?

Financial Contributions

Reserves financial contributions are levied for all subdivisions. This equates to 5.5% of allotment value of any additional allotments plus 0.5% of the estimated building value (less an exemption of \$91,974) that is paid on the grant of building consent. The exemption amount is inflation adjusted every year on 1 July based on a combination of the Labour Cost index (Private sector - Industry group construction, all salary and wage rates) and Producers Price index (Industry group construction).

Infrastructure financial contributions already in place apply to subdivision applications lodged before 31 December 2006. For titles in subdivisions lodged prior to 31 December 2006 an Infrastructure financial contribution is payable, at building consent stage, at 2% of estimated building value less \$91,974. These may be levied for new buildings or alterations to an existing dwelling.

Infrastructure financial contributions may also be used to address localised effects generated by specific developments and will be calculated in accordance with Chapter 6 of the NRMP.

Development Contributions

Council has decided to apply a standard development contribution for all development within the city-wide catchment. Council believe the benefits of certainty, administrative efficiency and simplicity of this approach outweigh the extra costs required to develop and administer a more targeted approach.

The city-wide development contribution per household unit of demand (HUD) for each of the network infrastructure activities is shown below.

Table 2 : 2015/16 Development contributions by activity

Activity	\$ per HUD (exc GST)
Stormwater	3,570
Wastewater	4,290
Water Supply	2,960
Transportation	970
Grand Total	11,790

The development contributions levied for consents in previous financial years are shown in Section 10.7. The exemption amount for financial contributions is also shown.

2.3.1 Assessment of total contributions payable

The development contribution payable is quantified for all types of developments using a HUD. The number of HUDs payable reflects the additional demand on council infrastructure created by the development. Only the additional demand created will be considered when

assessing development contributions. Further information on this process can be found in Section 5.

Table 3 : Assessment of contributions

Development	Development Contributions				Financial Contributions	
	Storm-water	Waste water	Water Supply	Transport	Infrastructure	Reserves
Subdivision	1 HUD per title for each activity (aside from Remissions in Section 2.5)				If required, imposed as a condition of consent in accordance with Chapter 6 of the NRMP.	5.5% of allotment value
<u>Residential building</u> New and additional residential units on one title	1 HUD per residential unit					+0.5% of building value less exemption
<u>Non-residential building</u> ¹ If additional to 1 HUD paid at subdivision	HUDs = ISA ² / 316m ²	Greater of: increase in pans, 2 pans = 1 HUD and water pipe size.	Water pipe size (see below)	HUDs = Car parks / 4		+0.5% of building value less exemption

Internal diameter of water connection (mm)	20	25	32	40	50	100	150
HUDs	1	1.56	2.56	4	6.25	25	56.25

1: Assessment further defined in Section 5.3.2

2: ISA = impermeable surface area

2.4 What areas are included in the city-wide catchment?

The provision of infrastructure to enable development will be prioritised through the LTP to ensure that:

- growth projections are aligned with capital spending for growth to ensure infrastructure is provided at the optimal time – not too early and not too late;
- optimal use is made of existing infrastructure;
- residential intensification is prioritized;

Under this approach not all identified development areas will be developed in the next ten years. Therefore the assessment of development contributions under this policy has been split into three categories:

Category 1 Development where no services overlay applies. A services overlay is for areas where the provision of services to subdivisions is not straightforward- see the Glossary for a full definition.

Category 2 Development where a services overlay is currently in place, but the existing constraints relating to council provided infrastructure (to the development boundary at the bottom of the catchment) will be removed by works planned in the 2015-2025 LTP.

Category 3 Development where a services overlay is in place, and where the existing constraints relating to council provided infrastructure are not planned to be removed by works planned in the 2015-2025 LTP.

Maps of these development areas can be found in Section 10.1.

2.4.1 Developments that will be assessed in the citywide catchment under this policy

Categories 1 and 2 will be assessed for the city-wide development contribution identified in this policy. The development areas, and the number of titles that meet the criteria of category 2 are shown below in Table 4.

Table 4 : Development areas catered for under this policy

No.	Development Area Name	Estimated Total Yield (Titles)	Titles available Yr 1-5	Titles available Yr 6-10
A	Main Road Stoke/Saxton Rd/Railway Reserve	10	10	
B	Solitaire /Ngawhātu Valley	1,365	250	1,115
C	Marsden Valley/Solitaire	1,200	250	950
D	Coster/The Ridgeway	44	44	
E	Quarantine Road	30		30
F	Airport and Golf Road	40		40
G	Tasman Heights	386	386	
H	Campbell Street/Braemar	85	60	

2.4.2 Developments outside the city-wide catchment

The third category is for any development areas not included in the above table, or for development above the limits set in the Titles available Yr 1-5 and Titles available Yr 6-10 columns in the table above.

For these areas Council has not included the capital projects to remove all council provided infrastructure constraints within the 2015-2025 LTP. Therefore the additional growth related costs have not been included in the development contribution calculations. These development areas are shown below.

Table 5 : Development areas outside the city-wide catchment

No.	Development Area Name	Estimated Total Yield (Titles)
I	Emano	96
J	Murphy	75
K	Toi Toi	202
L	Washington Valley	28
M	Atmore Terrace/Cleveland Terrace	25
N	Upper Nile Street	10
O	Lower Bayview	100
P	Upper Bayview	250
Q	Werneth	90
R	Wastney Terrace	29
S	Todd Valley	10
T	Nelson South	183
U	Enner Glynn	110
V	Ralphine Way	30

In order to proceed (in accordance with the requirements of the NRMP and the Land Development Manual) with developments under this category, one of the following will be required:

1. a financial contribution may be required as a condition of consent to address special localised effects generated by specific developments, and/or;

2. a Private Development Agreement (PDA) between Council and the developer. An application must comply with LGA 2002 Section 207A to 207F, and clearly define how services will be provided to the development area in accordance with the requirements in the NRMP. PDAs are further defined in Section 9 of this policy.

The private developer agreements may range anywhere between:

- Council pays the full costs of the growth related infrastructure and funds the costs through a bespoke, targeted development contribution or a financial contribution from the developer(s) specific to the subject site. This may be separate from, and potentially in addition to all or some of the standard development contribution and reserves financial contribution.
- The developer(s) pays for the cost of the growth related infrastructure and is responsible for recovering the costs from any other developers that receive the benefit of the infrastructure. This provision of infrastructure would off-set any development contributions for each specific activity. The mechanism used for this is likely to be a financial contribution, as a condition of consent.
- Any combination of the above two options.

2.5 Remissions

Council will consider remissions for low impact design, however there must be clear evidence that the low impact design will reduce the demand on council services at peak times:

It is envisaged these will be applied as such:

- Stormwater - Developments that manage all stormwater up to a Q15 event to pre-development levels and do not connect to council's network shall pay a 0.5 HUD for stormwater. The 0.5 HUD portion that is still payable reflects the flood protection component for the stormwater contribution. Development not only creates a demand for infrastructure within the property boundaries of the hydrological catchment it is located, but also creates demand for stormwater management and flood protection beyond the property boundaries.
- Water supply and wastewater - if a development is unable to connect to the water supply or wastewater network then a contribution for these activities will not be required.
- Where water is supplied by Tasman District Council a development contribution for water will be levied in accordance with the Tasman District Council's Development Contributions Policy current at the time. Applicants will be advised when consent applications are processed.

2.6 Timing of development contributions assessment and payments

Development contributions are to be assessed when the first of any of the following actions or events occur for each development for which a contribution can be required:

- a resource consent (land use or subdivision) is granted; or
- a building consent is issued; or
- an authorisation for a service connection is approved.

Development contributions are payable at the time a building consent, resource consent or service connection has been granted or in relation to subdivisions when Council has approved the issue of a S.224 Certificate. Payment is required by the 20th of the following month. If payment is not made appropriate debt recovery action will occur.

In addition, Council will enforce payment according to powers outlined in Section 208 of the LGA. This authorises the Council to:

- In the case of a development contribution required for a resource consent:
 - Subdivision consent - withhold a certificate under Section 224(c) of the Resource Management Act 1991;
 - prevent the commencement of a resource consent under the Resource Management Act 1991.
- In the case of a development contribution required for a building consent, withhold a Code of Compliance Certificate under Section 95 of the Building Act 2004 or withhold a certificate of acceptance under Section 99 of the Building Act 2004.
- In the case of development contributions required for a service connection, withhold a service connection to the development.

In each case, if development contributions are not paid Council may 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.

2.7 Reconsiderations and objections

A person may request a reconsideration or object to any development contribution requirement. An applicant may request the reconsideration of a development contribution within 10 working days of receiving notice to pay. Reconsiderations will be considered by council.

Should the applicant not be satisfied with the outcome of the reconsideration they may lodge an objection which will be considered by an external commissioner. Any objection must be lodged with the council within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for reconsideration.

Further information on reconsiderations and objections can be found in Section 6 of this policy.

3 DEVELOPMENT CONTRIBUTIONS: LEGISLATIVE PROVISIONS

3.1 Reason for using development contributions

Council has given consideration to each activity for which it collects development contributions. It has determined that within the broad activity levels, it is appropriate to use development contributions as a funding source for growth related capital expenditure.

Council believes the approach used is the best fit for Nelson City and best considers all the legislative requirements of the amended Local Government Act 2002 (LGA 2002). In summary council considers development contributions the best way to achieve the intergenerational equity principles of the LGA 2002. Development contributions are the simplest and fairest way of ensuring that those that benefit from the growth related capital expenditure pay a fair, equitable and proportionate portion of the costs. This means that the existing community is not required to subsidise the cost of growth.

The detailed matters required to be considered under Section 101(3) of the LGA on why council has determined to use development contributions to meet the expected total cost of growth related capital expenditure can be found in Section 10.2.

The disclosure tables showing the financial considerations can be found in Sections 10.3 and 10.4.

3.2 Other legal considerations

Council will use development contributions only for capital expenditure in respect of the activity for which they are collected. For instance, contributions collected because of a need to increase water supply capacity will be spent only on the water supply system. This will be according to an aggregated project basis for each of the activities. Any particular development contribution will not be allocated to any specific project within an activity.

Development contributions are not used to fund operational costs to maintain or to improve levels of service for existing users.

Section 200(1) of the LGA 2002 states that Councils must not require a development contribution if, and to the extent that:

- a. it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- b. the developer will fund or otherwise provide for the same network infrastructure; or
- ba. the Council has already required a development contribution for the same purpose in respect of the same building work
- c. the Council has received or will receive funding from a third party for the project or provision of the same network infrastructure.

Section 200(4) states that despite Section 200(1)(ba) above, Council may require another development contribution to be made for the same purpose if this is required to reflect an

increase in the scale or intensity of the development since the original contribution was required.

3.3 Updating the policy

It is anticipated that this policy will be reviewed, and if necessary amended, on a tri-annual basis as part of the LTP process. For the financial years in between LTPs, the development contributions will be inflated based on the rate of increase (if any) in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set. Any increase will only apply to the proportion of the development contribution that does not relate to the interest component

Before any increase takes effect, council will make publicly available information setting out the amount of the newly adjusted development contribution and show how any increase was calculated.

4 CALCULATION METHOD OF DEVELOPMENT CONTRIBUTIONS

4.1 Council's one-catchment approach

This Policy has retained a one-catchment approach to assessing the costs of development. The funding framework of Nelson City has long been based on a one-catchment approach to reflect the compact nature of the city (see Chapter 6 of the NRMP).

The Council assessed the effects of adopting a multiple catchment approach for planning and funding services in 2006 and again in 2014 when this Policy was reviewed in line with principles outlined in the LGA 2002. Council believes any benefit of using a more targeted, catchment by catchment approach is outweighed by the additional costs to administer a more complex policy.

4.2 Calculation method

4.2.1 Growth costs

The growth portion of all projects have been assessed to calculate a fair, equitable and proportionate portion of council's infrastructure costs that can be attributed to growth. The growth costs reflect the cost that council has or will incur because of growth. The growth related costs are solely to meet the additional demand created by the effects (including cumulative effects) of all development within the citywide catchment. This includes capacity in all up and down stream areas of the network, and not just the capacity in the locality of a given development. For example the growth costs include the capacity in the headwork's assets such as treatment plants and storage asset.

Projects that were/are completed solely to meet the demands of growth are considered to be 100% growth. Projects that were/are pure renewals are considered to be 0% growth. Projects that benefit both the existing community and the future community are apportioned using the following formula:

$$\text{Growth \%} = (\text{Demand at capacity} - \text{Demand at construction}) / \text{Demand at capacity}$$

Where possible the demand has been quantified using first principles, e.g. traffic flow, litres used, impermeable surface area (ISA). However in most cases the demand is simply quantified using the number of HUDs, and the increase over the capacity life of the asset. This ensures that only a fair, equitable and proportionate portion of the total costs is passed onto the future community via development contributions.

This approach can be used on projects where growth is not the main driver. For example an upgrade to a wastewater treatment plant may be a combination of both level of service for the existing community and provision of capacity for the future community.

4.2.2 Average cost of growth

The development contributions are based on the long term average cost of growth across the city and reflect the average cost of infrastructure required to service new development for each activity. This includes those growth related projects planned for in the 2015-2025 LTP and also those growth related projects that have already been completed.

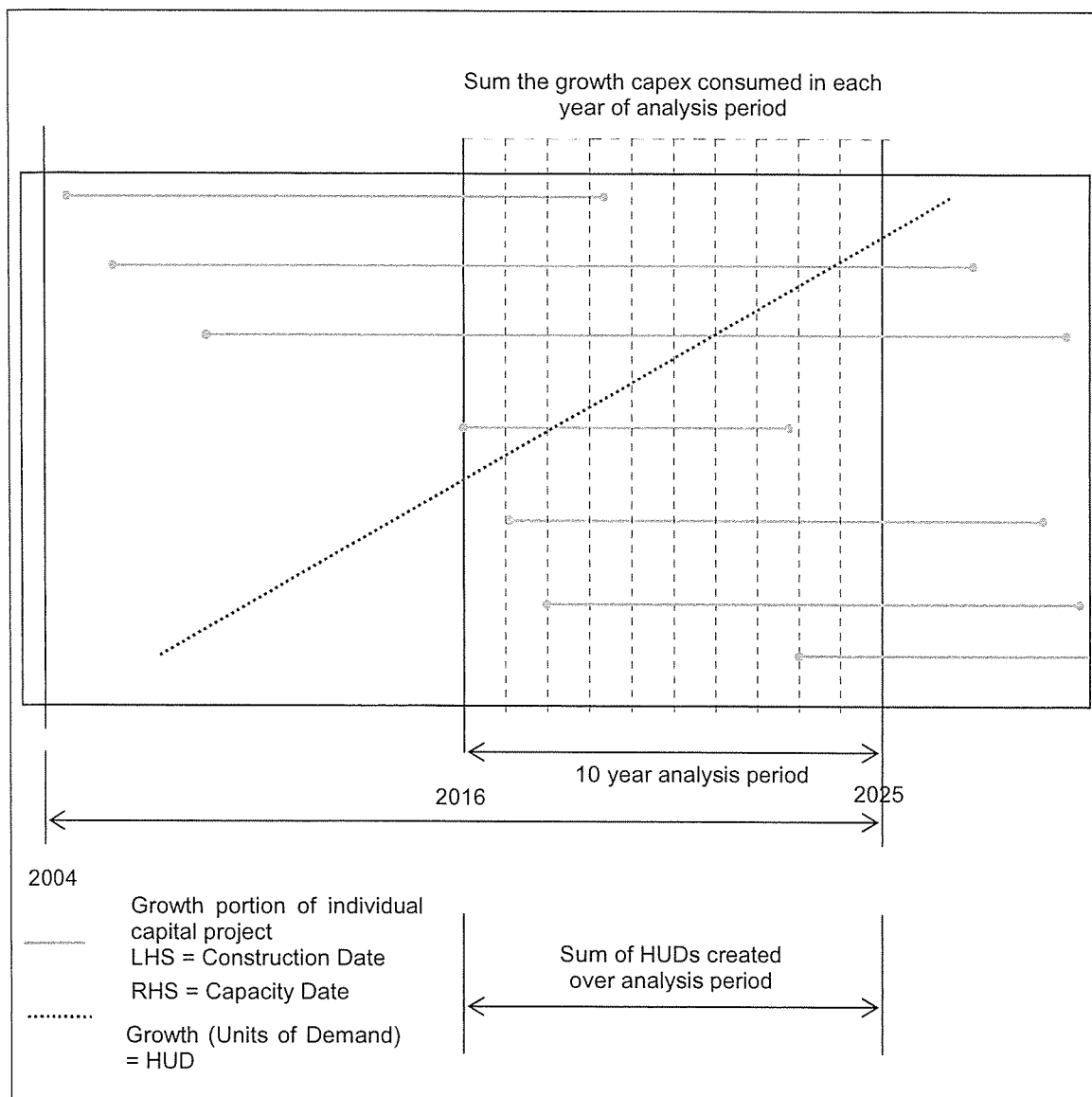
The calculation method uses the capacity life of each asset to fairly apportion the growth costs across the capacity life of the asset created. This ensures that all developments that benefit from the growth related capital expenditure contribute an equitable portion. This also ensures that the rate the capacity is consumed is considered in the calculation so that early and late developers do not pay an unfairly high proportion of the growth costs. This also means that not all growth costs incurred in the LTP period will be funded over that period.

The standard contribution (\$/HUD) is based on the average cost of growth for each activity over a 10 year analysis period.

$$\text{Standard development contribution} \left(\frac{\$}{\text{HUD}} \right) = \frac{\text{Sum of growth costs consumed in analysis period}}{\text{Sum of new HUDs in analysis period}}$$

This method is summarised in the following diagram:

Figure 1 - Long run average cost of growth



Although the method uses a bottom up approach at the project level, the standard contribution reflects the average cost of growth for the overall activity. This is considered the fairest way to ensure all development in the city-wide catchment pays a fair and equitable contribution to fund each activity and service growth over the long term.

For the purpose of the calculations the design life of the longer life assets has been capped at 30 years. This design life is used in both the calculation of the growth portion and the consumption of the growth costs. This ensures that the interest costs of funding long life assets are not disproportionately high. The 30 years was chosen as it is consistent with councils 30 year infrastructure strategy.

4.3 Interest considerations

Interest costs have been assessed based on 5.22% interest per annum, as adopted in the 2015 LTP. The interest component of the standard contribution is based on the average interest costs over the 10 year analysis window. This includes consideration of the existing growth related debt which is based on the growth costs to date and the contribution income received to date.

4.4 Significant assumptions

4.4.1 Best available knowledge

All information used in the calculation of development contributions is the best available knowledge at the time of the calculation models being prepared.

Capital expenditure projections are those that have been forecast in the Long Term Plan. Actual expenditure for the years to and including 2004/05 to 2013/14, and estimates for 2014/15 have been used. Amendments to the capital programme have been made to account for budgets carried forward and expenditure changes. The public scrutiny and the audit of these capital projections provides additional confidence as to the process.

4.4.2 Growth projections

Council prepared growth projections in February 2015. These projections used Statistics New Zealand census data and projections. These show that Nelson's population is expected to grow by nearly 3,600 residents and by 2025 the population is expected to be over 53,300. The number of households is expected to increase by over 1,800 in the life of this LTP, before continuing to grow at a slightly slower rate.

The increase in residential HUDs in the development contribution model is based on the projected increase in households. The growth in non-residential rating units is assumed to be 1%, as adopted in the 2015 LTP.

5 ASSESSMENT OF DEVELOPMENT CONTRIBUTIONS

5.1 Developments over more than one allotment

Where a development is over more than one allotment and is subject to Sections 75 and 77 of the Building Act 2004, then the development contributions will be assessed as for one allotment.

5.2 Staged subdivision

Where a staged subdivision development is undertaken via a single consent, the development contribution payable will be assessed based on the date the application for consent was submitted and will continue to apply to each stage of the development for which a separate certificate under Section 224(c) of the RMA is applied for.

Where a staged subdivision development is undertaken via multiple consent applications, each development contribution requirement will be assessed according to the policy applying at the time each separate application for consent is submitted.

5.3 Quantifying demand

The following conversion factors shall be used to quantify the demand created by each type of development.

5.3.1 Residential

Each additional residential title created where the standard development contributions are applicable shall pay 1 HUD.

5.3.2 Non-residential

Each additional non-residential title shall pay 1 HUD for each activity at subdivision stage. In addition, non-residential developments that create additional demand shall be converted to HUDs at building consent stage based on:

- Stormwater –impermeable surface area in addition to the existing shall be converted to HUDs based on 316m² per HUD.
- Water Supply – the increase in pipe size from the existing shall be used to calculate the HUD.
- Wastewater – the greater of the number of pans in addition to existing, where each two additional pans equates to 1 HUD, or the increase in water pipe size from the existing.

The conversion table for both water and wastewater is shown below:

Internal diameter of water connection (mm)	20	25	32	40	50	100	150
HUDs	1	1.56	2.56	4	6.25	25	56.25

- Transportation - The number of car parks shall be used as a proxy to quantify the additional demand created by a non-residential development, i.e. the more car parks,

the higher the increase in demand. The standard approach defined below shall be applied to all developments in the city-wide catchment, regardless of the actual car parking requirements of the consent conditions. A development not required to provide car parks (e.g. in the city centre) will still be assessed for a Transportation contribution under the standard approach because council consider that regardless of the car parking being on-site or off-site, all non-residential development will create additional demand on the transportation network.

The number of car parks for all non-residential developments will be calculated under the formula set out in Table 10.3.1 in Appendix 10 of the NRMP based on the development type (e.g. commercial activity, industrial activity etc) and size. The number of car parks shall be converted to HUDs based on 4 car parks per HUD, e.g. 6 car parks = 1.5 HUD.

5.4 Development contribution assessment method

When Council receives an application for a resource consent, building consent or service connection, it will:

1. test that the application represents a development as defined under Section 197 of the LGA,
2. determine whether the development, alone or cumulatively with other developments, has the effect of requiring new or additional assets of increased capacity,
3. require council, as a consequence, to incur capital expenditure to provide for this.

If Council is satisfied that the legal requirements have been met, as outlined above, and that a development contribution is required and provided for under this Policy, it will then assess the level of contribution payable as follows:

Step One: Assess demand currently on the development site

In attributing units of demand to a particular development or type of development the Council will identify the number of units of demand that existed on the site prior to the development.

Step Two: Assess the post development demand

The number of HUDs post development can be quantified based on the size of the development using the same method.

Step Three: Assess the additional demand

The additional demand is simply the difference between pre-development and post-development, quantified in HUDs for each activity.

Step Four: Calculating the Development Contribution to be charged

To calculate the contribution the number of additional HUDs is multiplied by the standard contribution of each activity.

Table 6 : Assessment method – summary table

	A	B	C = (B – A)	D	C x D
Activity	Pre Development HUDs	Post Development HUDs	Additional Demand HUDs	\$ per HUD (exc GST)	\$ per HUD (exc GST)
Stormwater				3,570	
Wastewater				4,290	
Water Supply				2,960	
Transportation				970	
Grand Total				11,790	

The total contribution is the sum of the four contributions, exclusive of GST.

The Council will generally apply contributions for developments at the subdivision consent stage. Where additional units of demand are created at subsequent stages of development, and are in addition to the demand assessed at an earlier stage, then the Council will seek the appropriate development contribution at the later stage.

6 RECONSIDERATIONS AND OBJECTIONS PROCESSES

6.1 Reconsideration of a development contribution

An applicant may request the reconsideration of a development contribution within 10 working days of receiving notice to pay. The request must be in writing, stating the grounds for a reconsideration, and the relief sought. As provided for in Section 199A(1) those grounds are that:

- (a) the development contribution was incorrectly calculated or assessed under council's Development Contribution Policy; or
- (b) Council incorrectly applied its Development Contributions Policy; or
- (c) the information used to assess the person's development against the Development Contributions Policy, or the way council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

If reconsideration is applied for in relation to the first two reasons described above, no fee will be charged. In the case of the third reason for reconsideration, if any error in recording of information or the manner in which it has been used is proven to be the fault of Council, no fee will be charged. If the information used to assess the person's development against the Development Contributions Policy is incomplete or contains errors and these errors or omissions are attributable to the applicant, a fee of \$255 + GST will be charged.

Requests for reconsideration can be lodged with Council in writing using the prescribed form and payment of any applicable fee. Applications with insufficient information or without payment of fee will be returned to the applicant with a request for additional information or payment.

Applications for reconsideration will be considered by a panel of up to three staff, including at least one person with delegated authority to decide. A decision in writing shall be given to the person who made the reconsideration request within 15 working days after the date on which Council receives all required information relating to a request.

6.2 Objection to a development contribution

In accordance with Sections 199C and 199D of the LGA 2002, a person may object to any development contribution requirement. The right to object does not apply to challenges to the content of a Development Contributions Policy prepared in accordance with Section 102 of the Act, but can apply if the objector believes:

- (a) Council has failed to properly take into account features of the objector's development that on their own or cumulatively with other developments, would substantially reduce the impact of the development upon the requirement for Council to provide community facilities; or

- (b) Council required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- (c) Council has required a development contribution in breach of Section 200 of the LGA 2002; or
- (d) Council has incorrectly applied its Development Contributions Policy to the objector's development.

Any objection must be lodged with the Council within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for reconsideration. Objectors must pay a deposit of \$2,750.00 + GST and are liable for all costs incurred in the objection process, including staff and commissioner time, and other costs incurred by Council associated with any hearings.

The other aspects of the objections process are defined in Sections 199E to 199P and Schedule 13A of the LGA 2002. It should be noted that when considering a development contribution objection and any evidence provided in relation to that objection, development contributions commissioners must give due consideration to the following:

- a) the grounds on which the development contribution objection was made:
- b) the purpose and principles of development contributions under Sections 197AA and 197AB:
- c) the provisions of the development contributions policy under which the development contribution that is the subject of the objection was, or is, required:
- d) the cumulative effects of the objector's development in combination with the other developments in a district or parts of a district, on the requirement to provide the community facilities that the development contribution is to be used for or toward:
- e) any other relevant factor associated with the relationship between the objector's development and the development contribution to which the objection relates.

The purpose and principles of development contributions are shown in Section 10.6.

7 EXEMPTIONS

The following developments will not be assessed for development contributions

- (a) Boundary adjustments, and subdivisions undertaken to place existing building development onto separate titles, either unit titles or freehold titles, i.e. those subdivisions that do not create additional titles and/or do not involve the erection of additional household units of demand.
- (b) Additions and alterations to buildings where no additional HUD is created.
- (c) Accessory buildings that do not create an additional unit of demand e.g. hay sheds, unserviced utility buildings.
- (d) Developments undertaken by entities of the Crown.
- (e) Social housing developments undertaken by the following organisations: Abbeyfield, Habitat for Humanity, Nelson Tasman Housing Trust and any other partnership where Council has entered into an agreement to provide social housing.
- (f) Utility titles (e.g. for power transformers), access ways or legal roads.
- (g) Kindergartens and Playcentres
- (h) Child care and day care centres
- (i) Integrated schools

8 POSTPONEMENTS AND REFUNDS

There are no postponements of development contributions under this Policy.

Where a development or subdivision does not proceed, any refund of money or return of land will be applied in accordance with Section 209 of the LGA. Any refunds will be issued to or any returns made to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

9 PRIVATE DEVELOPMENT AGREEMENTS

Sections 207A to 207F of the Act provides for the Council and a developer to enter into specific arrangements for the provision of particular infrastructure to meet the special needs of a development.

Typically these will be used for development occurring ahead of when it was anticipated or development areas not included in the long term plan and therefore not considered under the standard schedule of this policy.

The private developer agreements may range anywhere between:

- Council pays the full costs of the growth related infrastructure and funds the costs through a bespoke, targeted development contribution or a financial contribution from the developer(s) specific to the subject site. This may be separate from, and potentially in addition to all or some of the standard development contribution and reserves financial contribution.
- The developer(s) pays for the cost of the growth related infrastructure and is responsible for recovering the costs from any other developers that receive the benefit of the infrastructure. This provision of infrastructure would off-set any development contributions for each specific activity. The mechanism used for this is likely to be a financial contribution, as a condition of consent.
- Any combination of the above two options

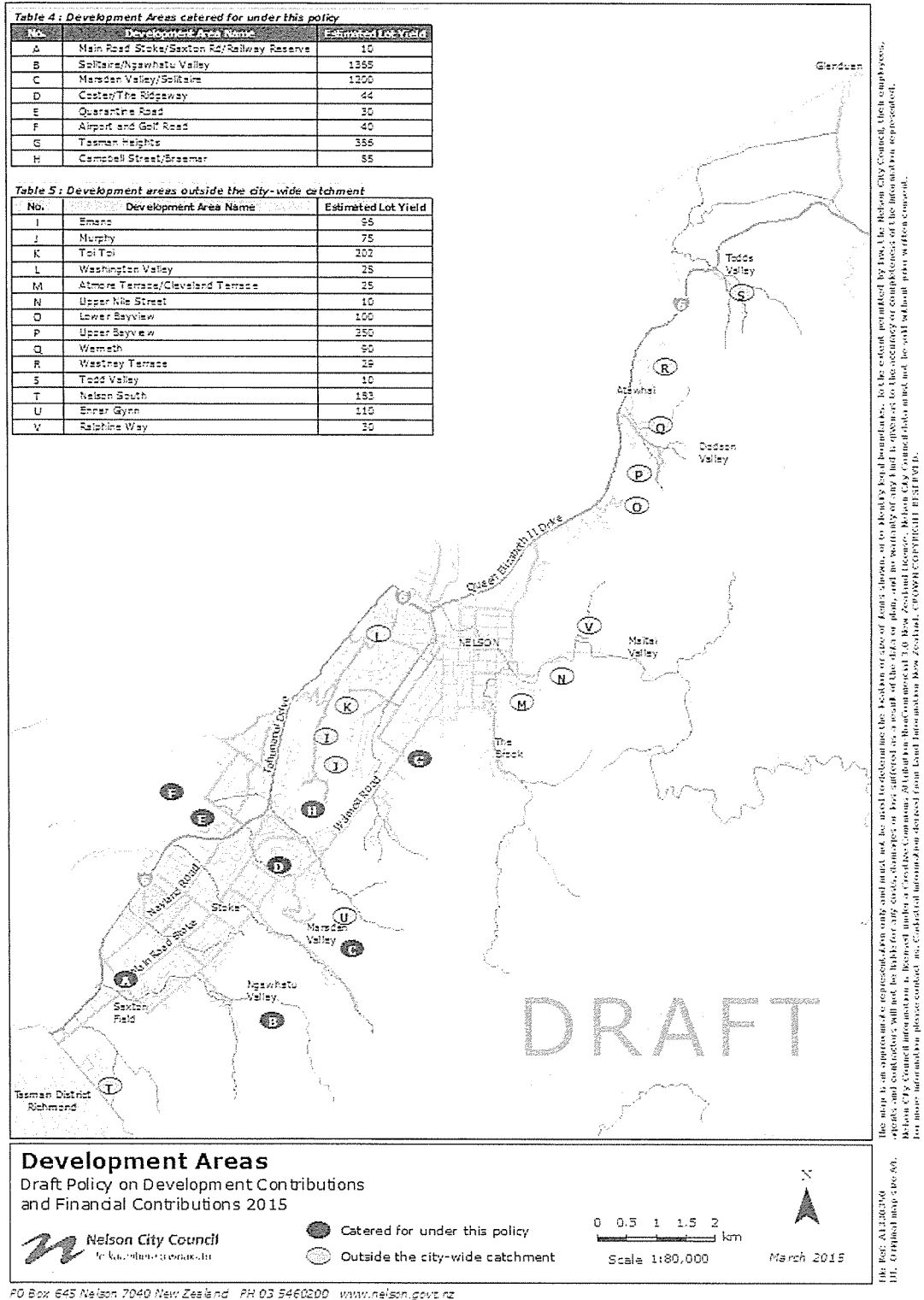
A development agreement may be entered into after being requested in writing by either the developer, or the Council. Regardless of which party requests the Agreement, the request may be accepted in whole or in part, subject to any amendments agreed by the Council and the developer, or may be declined by the Council. Council will provide the developer who made the request with a written notice of its decision and the reasons for its decision.

A development agreement is a legally enforceable contract that has no force until all parties that will be bound by the agreement have signed it.

A development agreement does not oblige Council to grant a resource consent, building consent, service authorisation, or to issue certification. Similarly Council shall not refuse to grant or issue a consent, certificate, or authorisation on the basis that a development agreement has not been entered into.

10 APPENDIX – DISCLOSURE SCHEDULES AND SUPPORTING INFORMATION

10.1 Map of development areas



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10.2 Consideration of activity funding – Section 101(3)

Section 101(3)	Consideration of services
(a)(i) the community outcomes to which the activity primarily contributes	<p>Wastewater, stormwater, water supply and transport services all contribute to at least four of the Council's joint regional community outcomes:</p> <ul style="list-style-type: none"> • Healthy land, sea, air and water - Development Contributions enable Council to provide network infrastructure that reduces the impact of people on the environment. • People-friendly places - Development contributions enable provision of good quality, sustainable and effective infrastructure and facilities. • Kind, healthy people - Development contributions enable council to provide network infrastructure that enables a healthy, safe community. • A strong economy - Development contributions ensure that the cost of growth is fairly and reasonably met by new developments. <p>Development and financial contributions contribute to these goals as they enable Council to provide network infrastructure that reduces the impact of people on the environment, to provide good quality, sustainable and effective infrastructure and facilities, and in a way that the cost of growth is fairly and reasonably met by new developments, as well as by those who benefit from it across the community.</p>
(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	<p>Council believe a one catchment approach is the fairest and simplest for all. A more targeted, catchment by catchment approach is considered to be too complex, costly and administratively inefficient and would also be inconsistent with other funding streams. All developments benefit from the network infrastructure provided. Therefore it is considered appropriate that all pay the same amount for the additional capacity built into council's network.</p>
(a) (iii) the period in or over which those benefits are expected to occur	<p>The purpose of development contributions is to assist in providing infrastructure that will ensure intergenerational equity. The approach determines the capacity of each asset and the amount of capacity that will be utilised by the growth community. The length of time over which the asset created will provide a benefit to the future community has been considered.</p> <p>Many of the infrastructure assets will provide capacity for 20 - 50 years. If this benefit extends beyond the current LTP horizon, then growth costs shall be recovered in this LTP and the next, as the capacity is taken up. This approach ensures the developers today do</p>

Section 101(3)	Consideration of services
	not subsidise future development in an inequitable manner.
(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	Development contributions are a fair source of funding for each of the activities for which they are collected because they allow the capital costs of the activity to be allocated to those that create the need for capital expenditure.
(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and	Development contributions received for a specific activity will only be used for, or towards, the capital expenditure of that activity for which the contributions were required. Using development contributions to fund the cost of providing additional services for growth, provides greater transparency. The benefits of this approach include intergenerational equity, fairer apportionment of costs and a more targeted, user pays system. These benefits are deemed to exceed the costs of assessing development contributions.
(b) the overall impact of any allocation of liability for revenue needs on the community	Council believe that the level of contributions required do not place an overly burdensome requirement on developers. The use of contributions ensure that the existing community do not have to subsidise all growth related costs through rates. Similarly the city-wide catchment approach ensures that the liability for revenue does not fall on a particular area of the development community.

10.3 Summary of capital expenditure for growth

The planned expenditure over the 10 year plan, the growth portion and the development contribution revenue projected to be recovered during the 10 year window is shown below. The historic total cost and growth costs considered in the calculations of development contributions are also shown.

Table 7 : 2015-2025 LTP – Summary of capital costs, growth costs and projected contribution revenue

Activity	Historic		2015-2025 LTP		Total Growth Costs Considered	Total 10 Year Interest Costs	Projected Revenue ² From development contributions 2015-25 LTP
	NCC Capital Cost	Growth Costs	NCC Capital Cost	Growth Costs			
Stormwater	24,373,451	4,443,756	83,846,048	8,615,082	13,058,839	2,535,970	6,658,788
Wastewater	33,922,310	8,584,244	37,821,805	5,643,393	14,227,637	3,074,450	8,009,262
Water Supply	22,725,331	6,064,287	56,250,038	2,543,230	8,607,516	2,024,372	5,403,026
Transportation	10,002,233	1,741,547	47,792,655	8,962,393	10,703,939	0	1,967,767
Grand Total	91,023,326	20,833,833	225,710,547	25,764,098	46,597,931	7,634,791	22,038,844

1 Due to the transitional nature of the policy, a portion of the revenue may be financial contributions, depending on the location of the future development.

2. Council intends to fund all growth costs through development and financial contributions. The projected revenue is based on the forecast number of new HUDs over the next 10 years. The revenue is subject to a number of factors such as the speed of development, the quantum of remissions and exemptions, the lag time between consent and certification (payment) and is therefore difficult to forecast.

The proposed growth costs for each year of the 2015 LTP are summarised in the below table for each activity.

Table 8 : 2015-2025 LTP growth costs by year (\$000s)

Activity	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Stormwater	1,205	627	843	1,203	864	1,072	835	776	648	542	8,615
Wastewater	778	500	461	117	532	102	349	129	1,351	1,324	5,643
Water Supply	587	341	69	33	40	26	851	406	64	125	2,543
Transportation	384	279	818	292	259	313	455	840	3,563	1,760	8,962
Grand Total	2,954	1,747	2,190	1,646	1,695	1,512	2,491	2,151	5,626	3,751	25,764

10.4 Schedule of assets

The following table shows the core component and the interest component of the development contribution for each activity. These have been rounded the nearest \$10.

Table 9 : Summary of development contributions component

Activity	Core Component	Interest Component	Total Development Contribution
Stormwater	2,210	1,360	3,600
Wastewater	2,640	1,650	4,330
Water Supply	1,850	1,110	2,960
Transportation	970	0	970
Grand Total	7,670	4,120	11,790

The following tables show the schedule of assets as required by Section 201A of the LGA 2002. This table includes both historic and planned capital projects, these have been split out for each activity. The component each project makes up of the total contribution for each activity is also shown. Projects in year 10 of the 2015 to 2025 LTP are not included in this table as the capacity does not start getting consumed until the year following construction, therefore the projects are not included in the contributions.

Development contributions are to be assessed when the first of any of the following actions or events occur:

- a resource consent (land use or subdivision) is granted; or
- a building consent is issued; or
- an authorisation for a service connection is approved.

Table 10 : Schedule of assets

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Stormwater	96,916,302	13%	87%	13,029,020	\$2,212
Historic	23,718,138	19%	81%	4,443,756	\$980
Arapiki Stream (first stage)	6,320,007	18%	82%	1,116,202	\$259
Q15 reticulation upgrades (Q15 pipelines) - pre-2009	5,070,537	20%	80%	1,015,681	\$210
Q15 reticulation upgrades (pump station catchment) - pre-2009	4,400,016	20%	80%	881,369	\$182
Orchard Creek	2,361,308	18%	82%	417,040	\$97
Other conditioned projects (prior to Jul 2006)	283,942	100%	0%	283,942	\$53
Nayland Road (to Saxton)	874,924	19%	81%	168,291	\$36
Stanley/Beachville (stage 2)	731,218	15%	85%	112,222	\$30
Orphanage Stream upgrade	538,047	15%	85%	82,575	\$22
Saxton Creek upgrade	1,500,000	5%	95%	71,429	\$19
Stanley Beachville (stage 1)	333,218	19%	81%	64,094	\$14
Iwa Road	299,405	18%	82%	55,225	\$12
Montcalm/Arrow/Wash Vly/Hastings	292,775	15%	85%	44,933	\$12
Wastney Terrace stormwater (pvt drain prgm)	111,844	33%	67%	36,612	\$10
New Pumps (part of Pump Station Catchment Wood Area)	178,000	14%	86%	25,698	\$7
Neale/Kea/Kaka/Railway Reserve	160,119	17%	83%	27,034	\$7
Tasman (Cambria/Grove) (part of Pump Station Catchment Wood Area)	140,978	16%	84%	22,715	\$6
LOS: Nile Street East	41,800	15%	85%	6,415	\$2
Capital: Maitai Upgrade and Enhancement	30,000	15%	85%	4,604	\$1
Piping Ditches	25,000	15%	85%	3,837	\$1
Capital: Arapiki Road	25,000	15%	85%	3,837	\$1
2015 LTP	73,198,164	12%	88%	8,585,264	\$1,232
Hampden St East Little Go Stream: Stage 2	4,727,160	15%	85%	705,838	\$170
Capital: Maitai Upgrade and Enhancement	7,103,900	13%	87%	943,669	\$141
St Vincent/Hastings St Culvert	3,497,170	14%	86%	489,292	\$94
Orphanage Stream upgrade	2,870,470	14%	86%	398,298	\$74
Montcalm/Arrow/Wash Vly/Hastings	3,336,910	13%	87%	449,748	\$73
Wastney Terrace stormwater (pvt drain prgm)	800,000	33%	67%	261,882	\$64

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Saxton Creek upgrade	5,676,900	5%	95%	270,329	\$61
Tahuna Slope Risk Area	1,999,850	13%	87%	269,896	\$44
Railway Reserve - Saxton Rd West - Dryden Street	1,162,931	14%	86%	165,941	\$34
Capital: York Stream Channel Upgrade	2,609,550	5%	95%	143,445	\$31
Capital: Halifax St: Tas-Milt	982,240	14%	86%	139,479	\$28
Public/Private Drains & Open Chanel Upgrade Progra	3,093,700	12%	88%	372,742	\$24
Hill Street North	634,085	27%	73%	173,281	\$22
Tipahi/Eckington	1,339,035	13%	87%	171,874	\$21
Saxton Creek Culvert Upgrade	8,369,344	5%	95%	398,540	\$20
Pvt/Public Drains	1,151,240	13%	87%	149,761	\$20
LOS: Nile Street East	569,400	15%	85%	83,174	\$19
Review of Jenkins & Arapiki (airport)	854,555	13%	87%	112,226	\$16
Vanguard Street Stormwater	802,665	13%	87%	104,998	\$14
Capital: Mount St / Konini St	1,271,010	12%	88%	156,709	\$13
Rutherford - Stage 2 - Review of box culvert	398,490	14%	86%	57,270	\$12
Capital: Arapiki Road	755,885	13%	87%	97,120	\$12
Airlie St	433,660	14%	86%	60,181	\$11
Fifeshire	368,490	14%	86%	52,771	\$11
Maire Stream: Stage 1	368,490	14%	86%	52,771	\$11
Marybank / Tresillian Ave	767,815	13%	87%	96,997	\$10
Piping Ditches	575,620	13%	87%	74,880	\$10
Capital: Railway Reserve/ Newall/Bledisloe	579,350	13%	87%	74,691	\$9
Rutherford - Stage 2	1,909,760	12%	88%	223,799	\$9
Orphanage Stream / Sunningdale	324,190	14%	86%	45,157	\$8
Jellicoe/Bledisloe/Kaka/Kea/Freyberg/Maple	652,085	13%	87%	82,066	\$8
Karaka	356,529	13%	87%	47,981	\$8
Renwick / Wellington Street / Waimea Road	466,765	13%	87%	59,797	\$7
Golf/ Parkers	533,074	13%	87%	67,147	\$7
Capital: Main Rd Stoke (Louisson - Marsd	830,938	12%	88%	100,551	\$7
Private Drains/Sub	472,310	13%	87%	59,841	\$7

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Ariesdale/Thompson Tce	223,274	14%	86%	30,823	\$6
Kauri/Matai/Titoki/Ranui	243,999	14%	86%	33,007	\$5
Examiner	378,114	13%	87%	47,751	\$5
Stansell Pvt/ Pub Drains	127,455	12%	88%	14,734	\$5
Manson Ave	354,940	13%	87%	44,764	\$5
Ngaio/Maitland	335,259	13%	87%	42,542	\$5
Mahoe/Orsman/Matipo	800,170	12%	88%	94,789	\$5
Dodson Valley	199,416	26%	74%	52,614	\$4
Capital: Milton: Grove-Cambria	259,108	13%	87%	33,632	\$4
Capital: Main Rd Stoke (Hays cnr - Louis	460,798	12%	88%	55,867	\$4
Brougham St	405,981	12%	88%	49,158	\$3
Stafford Ave	236,138	13%	87%	29,846	\$3
Cawthron Crescent	236,138	13%	87%	29,846	\$3
Bisley Avenue	92,716	15%	85%	13,594	\$3
Brooklands	224,856	26%	74%	57,863	\$3
Capital: Shelbourne St s/w upgrade	237,140	13%	87%	29,835	\$3
Tui Glen	212,909	26%	74%	54,788	\$3
Isel Place	266,899	12%	88%	32,794	\$3
Seaton/Allisdair	306,495	12%	88%	37,245	\$3
Capital: Rangiora Tce	109,470	14%	86%	15,024	\$3
Beach Road	249,519	12%	88%	30,553	\$2
Kowhai	164,816	13%	87%	20,897	\$2
Martin	403,586	12%	88%	47,673	\$2
Rotoiti	153,229	13%	87%	19,403	\$2
Kauri Street	63,698	14%	86%	9,054	\$2
Totara/Hutcheson	142,310	13%	87%	17,902	\$2
Black	142,310	13%	87%	17,902	\$2
Emano Street Channel	315,080	12%	88%	37,245	\$2
Riverside	170,088	12%	88%	20,867	\$2
Pateke	146,914	12%	88%	17,880	\$1

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Anglia/Scotia	253,195	12%	88%	29,791	\$1
Capital: Poynters Cres	234,102	12%	88%	27,559	\$1
Collingwood Street	189,009	12%	88%	22,345	\$1
Cherry/Baigent/Ridgeway	792,586	11%	89%	90,185	\$1
Newmans Link	150,955	12%	88%	17,887	\$1
Beatson Road	522,575	11%	89%	59,623	\$1
York Terrace	434,064	11%	89%	48,067	\$0
Capital: Viewmount/Ridgeway	229,370	11%	89%	26,087	\$0
Hardy (Tasman-Alton)	83,922	12%	88%	9,685	\$0
Wastewater	52,044,578	27%	73%	14,227,637	\$2,642
Historic	31,025,869	28%	72%	8,584,244	\$2,049
Marsden Valley Trunk / Express Sewer (Stage 1)	1,703,565	100%	0%	1,703,565	\$428
Nelson North Wastewater Treatment Plant (NNWWTP) - mechanical treatment	9,721,760	20%	80%	1,948,280	\$402
Nelson Regional Sewerage Business Unit (NRSBU) pipeline upgrade	6,450,000	18%	82%	1,139,997	\$264
Previous contribution conditions	682,280	100%	0%	682,280	\$176
Marsden Valley Trunk / Express Sewer (Stage 2)	645,291	100%	0%	645,291	\$162
Corder Park Pump Station	3,603,179	15%	85%	553,586	\$146
Arapiki/Quarantine catchment beheading	3,271,208	17%	83%	548,247	\$144
NNWWTP - wetland treatment	3,416,983	18%	82%	630,665	\$140
Capital: Ngawhatu Valley TM	500,000	100%	0%	500,000	\$131
NRSBU ATAD Tank	500,000	31%	69%	154,080	\$33
Vanguard and Paru Paru pump stations	316,903	14%	86%	45,265	\$13
Neale Park PS	214,700	15%	85%	32,986	\$9
2015 LTP	21,018,709	27%	73%	5,643,393	\$593
Neale Park PS	6,565,000	14%	86%	945,171	\$201
Capital: Awatea Place	5,147,625	13%	87%	690,437	\$107
Corder Park Pump Station	2,700,000	15%	85%	405,386	\$99
Capital: Ngawhatu Valley TM	335,000	100%	0%	335,000	\$82
Ngawhatu Valley TM - Stage 2	2,839,922	100%	0%	2,839,922	\$65
Atawhai Pump Stations (Brooklands & Marybank)	1,355,032	13%	87%	173,569	\$20

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Gracefield Beheading	2,076,130	12%	88%	253,909	\$19
Water Supply	39,368,931	22%	78%	8,607,516	\$1,847
Historic	21,475,425	28%	72%	6,064,287	\$1,471
Maitai Pipeline (Dam to Water Treatment Plant)	13,171,954	16%	84%	2,104,111	\$545
Stoke #3 reservoir and trunkmain	1,575,828	100%	0%	1,575,828	\$360
Observatory Hill #2 reservoir and pump station	1,087,743	100%	0%	1,087,743	\$295
Cross city link return	2,500,000	23%	77%	583,550	\$108
Capital: New Membrane (Train 5)	1,200,000	24%	76%	283,675	\$77
Todds Valley upgrade	760,944	23%	77%	177,620	\$33
Maitai Pipeline design	537,295	19%	81%	102,837	\$23
Wastney Tce pump station	520,191	22%	78%	112,255	\$22
Capital: Atawhai Res & pump Ma	21,470	100%	0%	21,470	\$6
Maitai Pipeline (WTP - Westbk Tce)	100,000	15%	85%	15,198	\$4
2015 LTP	17,893,506	14%	86%	2,543,230	\$376
Maitai Pipeline (WTP - Westbk Tce)	4,177,600	15%	85%	611,153	\$147
Capital: New Membrane (Train 5)	1,000,000	24%	76%	236,396	\$59
Capital: Atawhai No.2 Reservoir	4,773,947	12%	88%	583,847	\$55
Capital: Atawhai Trunkmain	4,104,149	12%	88%	506,283	\$52
Water Loss Reduction Programme	2,302,480	11%	89%	257,122	\$41
Capital: Atawhai Res & pump Ma	179,205	100%	0%	179,205	\$18
Dam Upgrades	502,870	12%	88%	58,648	\$3
Water Treatment Plant Upgrades	853,255	13%	87%	110,576	\$1
Transportation	32,705,325	33%	67%	10,703,939	\$972
Historic	8,846,218	20%	80%	1,741,547	\$388
Ridgeway connection	1,466,266	32%	68%	466,845	\$85
Road Minor Improvements Programme	1,860,248	13%	87%	233,630	\$69
Sundry Land Purchases - Growth	150,000	100%	0%	150,000	\$32
Nayland Road	443,327	31%	69%	136,616	\$25
Maitai shared path (Akerston St to Traf St)	615,336	16%	84%	101,037	\$22
Waimea Rd / Motueka St Intersection	575,280	9%	91%	50,125	\$20

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Princes Drive	559,124	17%	83%	95,651	\$20
Tasman St (Nile to Bronte)	520,000	16%	84%	85,383	\$18
Footpath: Walkway Connection	443,930	17%	83%	75,945	\$16
Minor Improvements top up	408,080	17%	83%	69,812	\$14
Capital:Streetlights	390,357	16%	84%	64,096	\$14
Other walk/cycle projects	356,253	13%	87%	44,742	\$13
St Vincent St cyclelanes	235,000	13%	87%	29,514	\$9
School approaches/frontage treatments	201,553	13%	87%	26,727	\$7
Maitai shared path (Collingwood St to Nile St)	197,020	16%	84%	32,350	\$7
Bishopdale to the Ridgeway shared path	164,667	16%	84%	27,038	\$6
Corder Park Cycleway	87,731	22%	78%	19,386	\$3
Gloucester / Kerr / Oxford St cyclelane & Hardy St crossing	79,995	16%	84%	12,906	\$3
Railway Reserve/Princess Dr crossing	7,950	100%	0%	7,950	\$2
The Brook shared path (City/Maitai to Dunn Mountain trail start)	47,000	13%	87%	5,903	\$2
Maitai shared path (Saltwater Creek Bridge)	26,500	16%	84%	4,351	\$1
Tahunanui Cycle Network	10,600	15%	85%	1,540	\$0
2015 LTP	23,859,108	38%	62%	8,962,393	\$584
Sundry Land Purchases - Growth	1,151,240	100%	0%	1,151,240	\$114
Marsden Valley Ridgeway Upgrade	2,759,569	100%	0%	2,759,569	\$102
Rocks Rd Walking and Cycling Facilities	3,164,562	15%	85%	488,877	\$82
Minor Improvements 341	3,733,932	10%	90%	389,980	\$59
Main Rd Stoke/Marsden Rd	1,271,237	100%	0%	1,271,237	\$55
New Footpaths	2,152,480	14%	86%	304,560	\$29
Rocks Rd to Maitai Path	983,938	13%	87%	129,083	\$22
Todd Bush Rd	600,000	16%	84%	96,568	\$19
Halifax (Maitai to Milton)	701,660	15%	85%	107,732	\$18
Milton St (Grove to Cambria)	1,199,206	14%	86%	167,747	\$15
Railway Reserve/Princess Dr crossing	53,000	100%	0%	53,000	\$14
Tahunanui Cycle Network	465,327	14%	86%	63,444	\$13
Quarantine/Nayland intersection upgrades	1,713,182	5%	95%	86,106	\$7

Activity / Asset	NCC Capital Cost	Portion funded through development contributions	Portion funded through other sources	Growth Costs to be funded through development contributions	Core Component \$/HUD
Stoke interchange (WC531)	359,484	15%	85%	52,377	\$6
Marsden Valley Road Upgrade	1,745,643	96%	4%	1,671,535	\$5
Maitai shared path (Saltwater Creek Bridge)	203,870	15%	85%	31,284	\$5
CBD interchange	254,246	19%	81%	48,307	\$5
Muritai SH6 intersection (incl Ped crossing across SH6)	221,600	11%	89%	24,166	\$5
Integrated Ticketing (WC531)	132,876	8%	92%	10,250	\$4
Walk cycle Schools Package - Integrated Activities	79,500	12%	88%	9,728	\$3
Putaitai St/ Main Rd Stoke Right turn	41,552	12%	88%	4,922	\$1
Waimea Rd/Van Diemen Jct improvements	871,004	5%	95%	40,680	\$0
Grand Total	221,035,137	21%	79%	46,568,113	\$7,673

10.5 Glossary

Term	Definition
Activity	A grouping of council functions required for development contributions: wastewater, stormwater, water supply, transport networks.
Allotment	Defined in Section 218 of the Resource Management Act 1991: <ul style="list-style-type: none"> a) any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not: (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or b) any parcel of land or building or part of a building that is shown or identified separately; (i) on a survey plan; or (ii) on a licence within the meaning of Part 7A of the Land Transfer Act 1952; or c) any unit on a unit plan; or d) any parcel of land not subject to the Land Transfer Act 1952
Allotment Value	Valuation of residential allotment values will be the GST included valuation.
Applicant	The person(s) applying for a resource consent, building consent, or service connection.
Asset Management Plan	Council plans for the management of assets, applying technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.
Bedroom	For the purpose of assessing 1 and 2 bedroom residential units, a bedroom is any room in a residential unit that is greater than 4.5m ² in floor area and capable to be used for sleeping purposes.
Building Work	Work for, or in connection with, the construction, alteration, or demolition of a building.
Capital Expenditure	The cost Council expects to incur to provide new infrastructure or infrastructure of increased capacity for the running of the city's network infrastructure.
Community Facilities	Reserves, network infrastructure, or community infrastructure for which development contributions may be required.
Community Outcomes	The outcomes that Council aims to achieve in meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions.
Consent Holder	The person(s) to whom the resource consent, building consent, or service connection was granted.
Crown Entity	Crown entities are bodies established by law in which the Government has a controlling interest.
Development	Defined in Section 197 of the LGA 2002 as:

Term	Definition
	<ul style="list-style-type: none"> a) any subdivision, building (as defined in Section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but b) does not include the pipes of a network utility operator.
Development Agreement	<p>Defined in Section 197 of the LGA 2002 as:</p> <p>A voluntary contractual agreement made under Sections 207A to 207F between one or more developers and 1 or more territorial authorities, for the provision, supply or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district.</p>
Development Contribution	<p>A contribution that is:</p> <ul style="list-style-type: none"> a) provided for in a Development Contributions Policy included in the Council's Long Term Plan; and b) calculated in accordance with the methodology; and c) comprising (i) money; or (ii) land, including a reserve or esplanade reserve other than in relation to a subdivision consent, but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both.
District	The district of a territorial authority, in this case, the Nelson City area.
Estimated Building Value	The estimated aggregate of the values determined in accordance with Section 10 of the Goods and Services Tax Act 1985 (as amended in 1993) of all goods and services to be supplied for that building work.
Financial Contribution	<p>Defined in Section 108(9) of the Resource Management Act 1991:</p> <p>Financial contribution means a contribution of:</p> <ul style="list-style-type: none"> a) money; or b) land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of <u>Te Ture Whenua Maori Act 1993</u> unless that Act provides otherwise; or c) a combination of money and land.
Household Unit of Demand (HUD)	The same meaning as Residential Unit in the Nelson Resource Management Plan applies. The HUD is equivalent to one residential title containing one residential unit.
ISA	Impermeable surface area
Land development manual	The Nelson City Council Land Development Manual 2010 forms the basis for design and construction of all Nelson City's roads, drains, water supply and reserve areas. The Land Development Manual is a revision of, and replacement for, the Nelson City Council Engineering Standards 2003.
Lodged	The point in time at which an application that complies with all the requirements in Section 88(2) of the Resource Management Act 1991 or Section 45 of the Building Act 2004, has been received by

Term	Definition
	the Council.
Methodology	The method by which development contributions are calculated.
NRMP	Nelson Resource Management Plan
Network Infrastructure	The provision of roads and other transport, water supply, wastewater, and stormwater collection and management. For the stormwater activity in urban Nelson, Council considers that stormwater and flood protection are both part of an integrated network and therefore can be included as network infrastructure.
Non-Residential Development	Any development that is not for a residential unit.
Residential Unit	A single self-contained household unit, used principally for residential activities, whether by one or more persons and including accessory buildings. Where more than one kitchen facility is provided on site, there shall be deemed to be more than one residential unit. For the purposes of the policy retirement villages are covered by this definition.
RMA 1991	The Resource Management Act 1991.
Service Connection	A physical connection to a service provided by, or on behalf of, Council
Service Overlay	<p>Chapter 3 of the NRMP:</p> <p>AD11.3.3 Services overlay</p> <p><u>AD11.3.3.i</u> The Services Overlay relates to the availability and capacity of services such as wastewater, water supply, stormwater drainage, and roads. The overlay areas contain one or more of the following servicing constraints:</p> <ul style="list-style-type: none"> a) Development of the area is beyond the immediate scope of the Long Term Plan or Council's Nelson Development Strategy. b) The area is low lying and requires filling before servicing can occur c) The area is one where extension of services is required to serve other land or contribute to a network. This includes the provision of legal road and utilities up to the boundary of the development site to serve the development potential of adjoining land in the Services Overlay. d) Services in the area are inadequate and require comprehensive upgrading before development can proceed e) The area is above the contour for which water can be supplied to meet the requirements of the Council's Land Development Manual. (The standards are based on the NZS4404: Land Development and Subdivision, and the New Zealand Fire Service Water Supplies Code of Practice). <p>These constraints must be addressed before development of these areas can proceed. Resource consent will not be declined for servicing constraint reasons when they have been resolved.</p> <p><u>AD11.3.3.ii</u> The Services Overlay also deals with situations where services need to be developed in the area in a comprehensive manner in conjunction with the Council and other property owners.</p>

Term	Definition
Subdivision	<p>Defined in Section 218 of the Resource Management Act 1991:</p> <p>The division of an allotment by:</p> <ul style="list-style-type: none"> a) an application to the District Land Registrar for the issue of a separate certificate of title for any part of the allotment; or b) the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or c) a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or d) the grant of a company lease or cross lease in respect of any part of the allotment; or e) the deposit of a unit plan, or an application to a Registrar-General of Land for the issue of a separate certificate of title for any part of a unit on a unit plan; or an application to Registrar-General of Land for the issue of a separate certificate of title in circumstances where the issue of that certificate of title is prohibited by Section 226.

10.6 Purpose and principles

These are defined by Sections 197AA and 197AB of the LGA 2002.

Purpose of development contributions

The purpose of the development contributions provisions in this Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

Development contributions principles

All persons exercising duties and functions under this subpart must take into account the following principles when preparing a development contributions policy under Section 106 or requiring development contributions under Section 198:

- a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:
- b) development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding:
- c) cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets:
- d) development contributions must be used—
 - i. for or towards the purpose of the activity or the group of activities for which the contributions were required; and
 - ii. for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required:
- e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used:
- f) development contributions should be predictable and be consistent with the methodology and schedules of the territorial authority's development contributions policy under Sections 106, 201, and 202:
- g) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—

- i. the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
- ii. (ii) grouping by geographic area avoids grouping across an entire district wherever practical.

10.7 Previous development contributions**Table 11 : Historic Development Contributions and Financial Contribution exemption**

Activity	2006/07	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Stormwater	3,884	3,843	3,897	3,991	2,999	3,043	3,075
Wastewater	3,221	3,832	3,886	3,980	2,756	2,796	2,825
Water Supply	1,871	2,436	2,470	2,529	3,054	3,098	3,131
Transport	2,196	2,414	2,448	2,507	882	895	904
Total Development Contributions¹	11,172	12,525	12,701	13,007	9,691	9,832	9,935
Financial contribution exemption amount	71,031	82,777	83,949	85,964	88,371	89,657	\$90,598

¹Contributions set in the 2006,2009 and 2012 Long Term Plans and adjusted for inflation in between

Existing Development Contributions Policy October 2014 annotated to show proposed changes to exemptions

1. EXEMPTIONS

- 1.1 The following developments will not be assessed for development or financial contributions exemptions to this Policy apply:

- ~~(a)~~—~~Water and wastewater assessments on household units where the Council is not planning to provide or maintain such infrastructure in that area. This includes but is not restricted to subdivision or building works on land north east of the Gentle Annie saddle.~~
- ~~(b)~~(a) Boundary adjustments, and subdivisions undertaken to place existing building development onto separate titles, either unit titles or freehold titles, i.e. those subdivisions that do not create additional lots and/or do not involve the erection of additional household units of demand.
- ~~(c)~~—~~Where a residential unit is replaced on a site, irrespective of the footprint.~~
- ~~(d)~~(b) Additions and alterations to buildings where no additional HUD is created.
- (c) Accessory buildings that do not create an additional unit of demand e.g. hay sheds, unserviced utility buildings.
- ~~(e)~~(d) Developments by Entities of the Crown
- ~~(f)~~—~~Primary and secondary schools.~~
- ~~(g)~~(e) Integrated schools.
- ~~(h)~~—~~Nelson Marlborough Institute of Technology.~~
- ~~(i)~~(f) Social housing developments undertaken by the following organisations: Abbeyfield, Habitat for Humanity, Nelson Tasman Housing Trust and any other partnership where Council has entered into an agreement to provide social housing.
- ~~(j)~~(g) Utility lots (e.g. for power transformers), access ways or legal roads.
- ~~(k)~~(h) ~~Lots created for reserve purposes.~~
- ~~(l)~~—~~Developments for Housing New Zealand comprising Housing New Zealand Corporation and Housing New Zealand Limited.~~
- ~~(m)~~—~~Building work for Nelson Marlborough District Health Board.~~
- ~~(n)~~(i) Kindergartens.
- ~~(o)~~(j) Child care and day care centres.

(p) — ~~A replacement building on industrial or commercial sites where allowance is made for the previous extent of impervious areas, car parks and toilet pans/urinals and water connections.~~

As per legislative requirements of the **Local Government Act 2002**, developments under an entity of the Crown will not be levied development contributions. Financial contributions may however be required.