

Central Hawke's Bay District Council DEVELOPMENT CONTRIBUTIONS POLICY	POLICY MANUAL	
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1. Background

Central Hawke's Bay District Council (CHBDC) is required to develop a range of financial and funding policies to provide predictability and certainty about sources and levels of funding for future sustainability of the District. These include a policy on financial contributions or development contributions under S102 (4)(d) of the LGA, 2002. A policy is required regardless of whether Council decides to charge:

- Financial contributions under the Resource Management Act, 1991 (RMA, 1991); or
- Development contributions under the Local Government Act, 2002

Council plays a significant role in facilitating and coordinating development and providing infrastructure in a timely and affordable manner. It is an essential part of Council business to "*promote the social, economic, environmental and cultural well-being of communities, in the present and for the future*". This is a strategic role that individuals, the community, the private sector or central government cannot fulfil alone. The effects of growth require Council to incur capital expenditure acting on behalf of the wider community to provide new or additional services. Development contributions are a funding tool through which new development is specifically targeted and required to contribute to the capital cost of infrastructure and community assets resulting from growth.

In 2006 Council adopted a development contributions regime under the Local Government Act 2002 to replace the provisions previously applied under the RMA, 1991.

The 2006 contributions regime has been reviewed as part of the 2009 Long Term Council Community Plan. The policy review parameters were to:

- Review the policy in the light of relevant LGA 2002 case law to ensure that it is consistent with recent decisions made by the Court
- Identify any weaknesses in the policy and propose corrective measures for these. This included reviewing a range of issues that have been identified during the life of the policy
- Test whether the original growth scenario is still relevant and appropriate to the anticipated future economic circumstances
- Revise the Optimised Depreciated Replacement Cost (ODRC) approach to roading contributions with a view to forming stronger links to actual anticipated costs of new and upgraded roading infrastructure and growth
- Revise the policy wording to ensure that the policy on multiple dwellings on a single site was clear to enable the taking of contributions for each additional unit of demand created
- Review the policy to ensure it's robustness to accommodate anticipated industrial development in the industrial zone in Waipukurau

The revised development contributions policy in accordance with Section 106 of the Local Government Act, 2002 (LGA) takes contributions for:

- Roading and reserves as a District wide contribution
- Water, wastewater and stormwater contributions on a catchment basis

No contributions are sought for community infrastructural assets such as libraries, public halls and other community facilities. Existing facilities are deemed adequate to cope with the potential future demand created through growth.

The population and economic base of the District are expanding through an increased demand for rural lifestyle and coastal living, some demand for industrial development (with potential for larger scale industrial development in Waipukurau) and expansion of existing urban areas and infill development within existing urban areas. This growth will place strain on the network and community infrastructure. Although there is no obvious appreciable increase in population numbers growth in certain catchments is identifiable and measurable.

Development contributions are not a tool to fund the cost of maintaining infrastructure or changing levels of service for existing users. There must be a causal connection between the capital expenditure required and the contribution paid. A development contribution will be required when:

- The effect of the development is to require new or additional assets or assets of increased capacity and;
- The Council incurs capital expenditure to provide for these new or upgraded assets.

The impact of a development includes the effect that a development may have in combination with another development (cumulative effect).

2 Location

Within the Central Hawke's Bay District, development contributions will apply:

- district wide for roading
- by catchment for water, wastewater and stormwater
- district wide for reserves with the focus on capital projects for existing reserves and for the acquisition of esplanade reserves and strips along the coastline and rivers in accordance with the policy contained in the operative District Plan

3 Growth Statement

The Central Hawke's Bay District has been experiencing population decline over the period 1986 through to 2006. Despite this downwards trend, there was a slight increase in population between 1996 and 2001, as indicated in the table below (provided by Statistics New Zealand).

Year	1986	1991	1996	2001	2006
Population	13,195	12,597	12,999	13,200	13,240

Table 1: Population number for CHBDC 1986-2006 (Statistics NZ)

While the total population for the District has been trending downwards, some parts of the District have experienced growth and development far above the District average. If existing trends continue in these select areas, future growth in some areas is likely to occur. New housing is being constructed and this development trend is anticipated to continue in certain parts of the District. Furthermore, there is also the potential for increased industrial activity around Waipukurau. This will have an impact on infrastructure development of some catchments in the District.

Despite the overall trend towards a decrease in population, there are some areas within the District that have increased in population, as shown below (from Statistics NZ). In particular, it is evident that some areas, such as Tikokino and Waipukurau have experienced population growth over a ten year period between 1996 and 2006.

Year	1996	2001	2006	% change in 10 years	Number change in 10 years
Statistical Area					
Takapau	519	582	513	-1.2%	-6
Waipawa	1,914	1,875	1,923	0.4%	9
Tikokino	2,637	2,715	2,718	3.1%	81
Otane	513	543	516	0.6%	3
Waipukurau	4,002	3,909	4,008	0.2%	6
Porangahau	267	255	240	-10.1%	-27
Elsthorpe/Flemington	3,129	2,949	3,039	-2.9%	-90
Totals	12981	12828	12957	-0.2%	-24

Table 2: Population Growth by Statistical Area for CHBDC 1996 – 2006 (Statistics NZ)

In addition, Council's own statistics (gathered by the Regulatory Services Division of CHBDC) indicate that there has been ongoing development of new dwellings within the District between 2000 and 2007, with the majority of new residential dwelling development taking place in Waipukurau and the Rural and Beach areas of the District.

Year	Waipukurau	Waipawa	Otane	Onga/Tiko/ Takapau	Rural (+Beaches)	Total	% of Dwellings Outside Urban Areas
2000	16	7	1		70	94	74%
2001	13	3	0		53	69	77%
2002	14	4	1		48	67	72%
2003	21	6	3		42	72	58%
2004	29	13	5		84	131	64%
2005	26	15	9	1	27 (+6)	84	39%
2006	29	7	9	5	35 (+8)	93	46%
2007	29	15	12	5	37 (+7)	105	42%
Totals	177	70	40	11	417	715	58%
Average	22	9	5	4	52	89	

Table 3: New Dwellings for CHBDC 2000-2007 (CHBDC)

In summary, it is apparent that the District is experiencing varied growth. While this District as a whole may have experienced a slight population decline, it is clear that many external factors and influences are continuing to drive growth within some parts of the District. The national trends in New Zealand indicate that increasing numbers of the population are looking to move to coastal and rural areas from major metropolitan centres (the so called 'sea changers' and 'tree changers'). Accordingly, areas of high environmental and landscape amenity, such as locations within the CHBD, will continue to attract people in search of a quality lifestyle, and, coupled with smaller households, this will drive future growth in the District.

3.1 Demand Forecast

3.1.1 Projected Population Figures

According to Statistics New Zealand, the District's population is estimated to be 12,370 by 2031, indicating a decrease of approximately 870 people over a twenty five year period.

Year	2006	2011	2016	2021	2026	2031
Population	13,240	13,300	13,220	13,070	12,790	12,370

Table 4: Population Forecast 2006 – 2031 (Statistics NZ)

3.1.2 Projected Household Figures

Despite the anticipated decrease in population between 2006 and 2031, the total number of households within the District is expected to increase. This may be largely attributable to the fact that the average household size is decreasing. Statistics New Zealand also models the potential number of households in the District between 2001 and 2021, providing low, medium and high forecasts, as outlined below:

Year		2001	2006	2011	2016	2021
Estimates of Households	High		5,300	5,500	5,700	5,900
	Medium	5000	5,100	5,300	5,300	5,400
	Low		5,000	5,000	5,000	4,900

Table 5: Projected Household Figures 2001 – 2021 (Statistics NZ)

All three scenarios developed by Statistics New Zealand indicate either modest growth of households or a relatively small decline across the District, and provide a broad overview of future possible development activity, and is considered to be a conservative estimate. However, as outlined earlier in this document, the figures are not truly representative of the growth that is taking place in some areas of the District. While some areas will decline, others will grow over the 15 year period.

3.1.3 Previous Development Activity 1993/94 to 2007/08

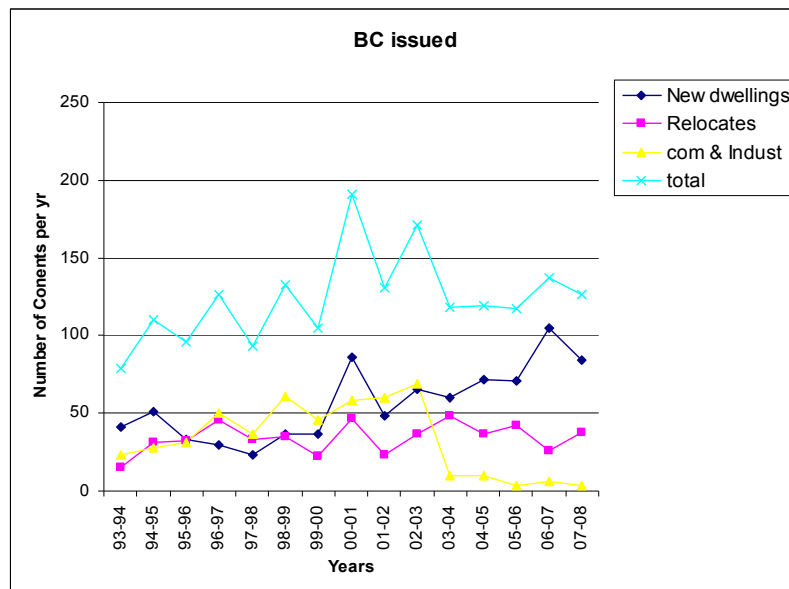


Figure 1: Building Consents Issues by CHBDC 1993/94 – 2007/08

The graph above indicates that there has been a clear trend towards an increase in the number of building consents issued in the District between 1993/94 and 2007/08, with an average of approximately 123 new buildings each year over the period.

3.1.4 Projected Development

The Central Hawke's Bay District, like other areas of New Zealand, experiences cycles in the property market, with the period between 2004 and 2007 being one of solid growth. This recent period of growth has slowed, and at present (2009) the national and international economic climate would suggest a period of low dwelling demand for the foreseeable future.

The increase in development over the next ten years (new dwellings or sections) in the District is estimated to be approximately 750 dwellings (at an average of 75 dwellings per year). This is outlined below:

Location	Total over 10 years
Coastal	65
Otane	65
Takapau	32
Porangahau	33
Te Paerahi	19
Kairakau	13
Blackhead	3
Lifestyles around townships	98
Waipukurau	162
Waipawa	65
General rural	195
Total	750

Table 6: Predicted New Development in CHBDC Ward 2008-2018

These estimates for future household growth in the District are considered to be conservative, as they are based on building consent data obtained by the District. While total building consents have been averaging approximately 123 per year between 1993/94 and 2007/08, a lesser figure of 75 has been adopted by Council in recognition of the current economic climate.

3.2 Projected Property Demand

Central Hawke's Bay District goes through highs and lows for property demand. Increased numbers of building consents, statistics on real estate sale prices and sale volumes indicated a high growth period in 2004-2008 which has now slowed considerably.

At this time (early 2009) the national and international economic climate would suggest a period of low growth for the short to medium term. It is difficult to predict when an increase in new property growth will start in the future, but it is certain that at some time there will be increased demand for services which will compound existing limited service provision in some areas.

This growth places higher demands on the Council's infrastructure, necessitating, at some time, either building new infrastructure or augmenting existing infrastructure. Infrastructure provision for this extra demand can be addressed through the application of development contributions.

3.3 Projected Commercial Growth

Commercial and industrial growth in Central Hawke's Bay District is highly influenced by the timing and magnitude of individual commercial development projects. Because of the infrequency of and the uncertainty of the size of such developments, it is very difficult to forecast when infrastructural improvements will need to be constructed to service these developments. However, it is prudent for Council to have a strategy to anticipate such development requirements at some time in the future, and to allow for the collection of development levies to fund future infrastructural development in those areas most likely to be developed. The future developed areas will be best predicted by the zoning of commercial and industrial areas as shown in the District Plan. However, this does not preclude commercial development in almost any part of the District, and such developments will have to be addressed at the time as one-off projects.

Therefore Council has allowed for development projects associated with the Business 2 zoning in Waipukurau, on the basis that major extensions to the water, wastewater and stormwater reticulations will be required at some time in the future to service increased development of the Business 2 Zone.

4 Purpose

The key purpose of the development contributions policy is to ensure that new growth funds infrastructure needed to support new residents and business, and those who cause the need for and benefit from that infrastructure fund a fair share of the cost of infrastructure to meet that growth. Funding should therefore be sourced from the community or communities that benefit from the development.

5 Principles

The primary involvement of Council in the development process is to ensure that the social, economic, environmental and cultural wellbeing of the community is provided for. While driven by demand, the level of service is directed by the community outcomes contained in the LTCCP. Council is therefore not directly in the business of developing commercial or industrial, housing or tourism ventures but instead is required to provide for sustainable development by setting appropriate standards.

Development that results in additional dwellings, buildings and activity, in turn impacts on Council's services infrastructure. This impact must be recognised and mitigated. Those causing the impact should meet the costs associated with upgrading infrastructure where that upgrading occurs due to development growth. Where costs can be identified as a result of development impact, they should be quantified. Such costs should then be borne by those who generated them. The market by itself will not achieve the coordinated response required to develop the networks.

A fair and equitable approach needs to be taken to fund the provision of infrastructure having regard to existing and future populations. The existing population has already made a considerable investment in services. Those initiating new development benefit from connecting to or using existing services and should pay their fair share of capital expenditure.

A development contribution is required when new or additional assets or assets of increased capacity are required and where as a consequence Council incurs capital expenditure. A development contribution may also be collected and used to pay for expenditure already incurred by Council in anticipation of capital costs. These effects have been quantified or will be quantified and used to calculate development contributions for specific services.

6 Adoption, Implementation and Review

Council has implemented its Development Contribution regime under Section 106, LGA 2002 through the 2009 LTCCP process. It is anticipated that the policy will be updated in 3 yearly intervals, or at shorter periods if the Council deems it necessary to take account of:

- Changes to the assumptions around which the development contributions policy has been established
- Changes resulting from the phasing in of new or amended strategic plans or documents
- Changes in Central Government or Regional Council policy
- Change in the rate of population or dwelling growth or the pattern or location of development
- Addition or deletion of a growth related capital project or other changes in the capital works programme
- Changes to the operative or proposed District Plans
- Significant changes in cost indices or cost assumptions for infrastructure
- Correction of errors or omissions in the infrastructural cost estimates
- Incorporating any relevant actual costs of completed projects
- Any other matters the Council considers relevant

7 Limitations to the Application of Development Contributions

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

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

8 Requirements for and Use of Development Contributions

8.1 Rooding

The District wide rooding contribution is required to address the overall impact of growth on the infrastructure. Growth impact is not limited to an isolated area but the impact on the road network as a whole. New lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased, are required to make a contribution to the cost of the network. The Central Hawke's Bay road network is extensive servicing a relatively low population, has severe geotechnical conditions and is subject to weather extremes. The network itself is generally of a high standard and of a high value. Previously the contribution policy relied on using a recognised equity model. That model accepted that the developer would not be able to cover the total cost to buy into the network. As a consequence the developer's share was apportioned to cover a reasonable percentage of cost.

In recognition of the comparatively low levels of growth anticipated in the District and the value and quality of the network the approach to the rooding contribution has been revised. Capital expenditure items budgeted for until 2019 have been identified and the cost apportioned over the number of anticipated users based on new users contributing 10% of the cost. All subsidies received from New Zealand Transport Agency and alike have been removed prior to the apportionment of cost.

Development contributions will be retained in a separate Council account and will only be used for capital expenditure and not for maintenance.

In the case of significant subdivision development as identified in the District Plan all changes to the road network directly caused by the development (internally and/or externally) are to be completed by the developer at the

developers' expense based on the criteria set out in the District Plan and to Council standards. When this process is applied Council will not take Development Contribution for Land Transport under this policy.

For all other developments Council will apply the levies under this policy.

Road contributions will be used but not limited to:

- Construction of new roads and extension of existing roads
- Vertical and horizontal alignment enhancement including corner and intersection redesign and improvements including accessways
- Increase in carriageway width
- Kerb and channeling and other stormwater management and discharge facility improvements
- Construction of new bridges and upgrading of existing bridges for increased demands
- Provision of new cycling and walking facilities

Development contributions will be required at resource consent stage prior to the land use or subdivision consent being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Council will use development contributions only for the purpose for which they were intended. Where Council anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

8.2 Network infrastructure

A water, wastewater and stormwater contribution (network infrastructure) is required in the identified catchments to address the overall impact of growth on the infrastructure.

The cost of new or expanded infrastructure has been estimated and surplus capacity in the network has been identified. New connection costs are then calculated on the basis of an existing/new user split for reticulation and headworks. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot. The payment of the contribution by new users will put them on an equal basis with existing users. All users then have an equal financial interest in the network. This enables the cumulative effect of additional connections joining the system and either depleting the networks spare capacity or resulting in works to be addressed. An appropriate level of service to the community is then maintained.

All changes to the utility network directly caused by the development (internally or externally) are to be constructed by the developer at the developers' expense and completed to Council standards. The developer will therefore meet the full actual cost of the water supply, wastewater or stormwater disposal system to the development. In some cases the causal effect of developments on the network will be cumulative and the costs may be apportioned.

Contributions for water, wastewater and stormwater will be used but not limited to:

- Increasing the capacity of pipes, pumps, and storage, treatment and disposal facilities
- Providing new pipes, pumps, and storage, treatment and disposal facilities
- Extension of piped infrastructure to service additional areas
- Increasing the capacity of drains, culverts and other structures

- Extension of the drainage network to service other areas
- Land purchase and easements

Development contributions will be required to be paid at resource consent stage prior to the land use or subdivision consent being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Any development outside of the catchments shown in Appendix 1 has not been anticipated as part of the existing reticulation network. Any request to extend services or infrastructure outside of the determined areas will need to be specifically assessed through a separate development agreement.

The purpose of the contribution is to address the cumulative change in standards required as an effect of incremental subdivision or development.

Council will use development contributions only for the purpose for which they were intended. Where Council anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

8.3 Reserves

Reserve contributions are required to address the effects of growth on the reserve network. Reserve usage tends to be District wide and not limited to the local neighbourhood.

Reserve contributions will be retained in a separate Council account and will only be used for capital expenditure and not for maintenance.

Reserve contributions will be used but not limited to:

- Capital projects for existing reserves where either new works will be undertaken or new equipment will be supplied or for the development of new reserve management plans.
- The acquisition of esplanade reserves and strips along the coast and rivers in accordance with the policy contained in the Operative District Plan.

Reserve contributions will be required at resource consent stage prior to the land use or subdivision consent being exercised for residential usage only. In circumstances where a new or expanded residential activity is a permitted activity under the rules in the District plan a reserve contribution will be required either at building consent stage or at the time of connection to the network, whichever comes earlier. Construction work or connection to the network will not be permitted unless the contribution has been paid.

Council will use reserve contributions only for the purpose for which it was intended. Where Council anticipates funding from a third party (eg grants from the Lottery Commission) for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions

9 Timing, Invoicing and Payment of Contributions

District wide and area contributions will be levied at the resource consent stage for either subdivision or land use consents granted under the RMA, 1991. Where a new activity or expanded activity permitted by the District Plan occurs the development contribution will be payable at Building Consent stage or at connection to the network. This is considered appropriate for:

- Practicality of implementation and efficient cost collection
- Economies of scale in implementation costs
- Fairness
- Provides best and most accurate means of calculating development cost, facilitating project management and allocating budgets.

Final calculation, invoicing and payment of the contribution will need to occur prior to the issue of the Section 224 completion certificate under the RMA, 1991. For development, final calculation, invoicing and payment will need to occur on upliftment of the Resource Consent. For permitted activities calculation, invoicing and payment will need to occur on upliftment of the Building Consent or on request for a connection to the network.

10 Remission, Postponement, Refunds, Non-Payment and Re-imburement

10.1 Remission and Postponement

There shall be no postponement or remission of development contributions except in exceptional circumstances at the discretion of Chief Executive.

10.2 Non Payment of Development Contributions and Refunds

The provisions of Sections 208 and 209, LGA, 2002 shall apply. Where payment of a development contribution is required and payment is not received Council may:

- On a subdivision consent withhold the Section 224(c) certificate RMA, 1991
- Prevent the commencement of a resource consent under RMA, 1991
- Where a contribution is required at Building consent stage Council may withhold the compliance certificate
- Where a contribution is required at connection stage withhold the service connection

Council will refund contributions in the following circumstances:

- If a resource consent lapses under Section 125, RMA, 1991
- If a resource consent is surrendered under Section 138, RMA, 1991
- The building consent under the Building Act, 2004 is withdrawn
- The development for which the resource consent or building consent was granted, does not proceed or
- The Council does not provide the infrastructure for which the contribution was required.

Retention of a portion of the contribution incurred by Council may be retained in accordance with S209 (2). The refund will generally be of the payment made plus interest earned less 1% of the total for administration.

10.3 Reimbursement

Reimbursement may be considered in circumstances where a developer undertakes to construct works upon resolution of Council and has requested through the LTCCP or annual plan process that reimbursement be provided where:

- The project has been built and satisfactorily completed at the time the request is assessed by Council, or
- The project has been committed through the letting of a contract at the time the request is assessed by Council and evidence is provided to the Council of that contractual obligation.

- Council has accepted that the development confers some public benefit.

Where reimbursement has been provided for in the LTCCP or Annual Plan budget, payment will be made to the developer as subdivision occurs, or earlier should Council resolve.

Development Contributions will be required at the subdivision stage or development stage and only for the infrastructure outlined. Reserves contributions will continue to be levied under the RMA, 1991 until the Phase 2 LGA implementation is complete.

11 Retrospective Contributions

No retrospective contributions will be required under the LGA, 2002. This policy will become operative from the date of the Council resolution approving this policy. From that point onwards contributions will be required under this policy for all subdivision and land use consents, lodged after the operative date. Contributions required from new or expanded activities permitted by the District Plan will be taken at building consent or connection stage, whichever is earlier from the date of operation of this policy. Any applications lodged prior to the operative date will pay contributions in accordance with the RMA, 1991 provisions contained in the operative District Plan. Where applicable contributions may be taken in respect of capital expenditure already incurred by the Council in anticipation of development.

12 Development Contributions Calculations and Assumptions

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

- Roding
- Water
- Stormwater
- Wastewater
- Reserves

12.1 GST

Development contributions specified in the Appendix 1 are inclusive of GST.

12.2 Roding Formula and Assumptions

The recognised equity formula is:

$$C = ((\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share}) / \text{Est no. of new users over 10 years}$$

12.2.1 Assumptions

The assumptions in the formula are:

- Capital expenditure on roading, is on average, the same per lot. Accordingly new lots should contribute the same capital expenditure as old lots
- Valuations fairly represent the value of the road network and road amenities (including cycleways and walkways)
- Loans include all loans irrespective of source

- All lots are capable of generating traffic
- “The maximum number of lots possible” is the maximum number of lots allowable under the District Plan for the site(s) being developed.

12.2.2 Extraordinary Users

Extraordinary users (EU) are all users other than standard residential users whose road use is expected to exceed that of a standard residential user. Extraordinary users may include transport depots, industries, extractive industries, power stations, supermarkets and institutions. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Development contributions (DC) will be calculated as either a heavy vehicle impact fee or a special increased traffic fee using equivalent recognized equity where traffic generation varies from individual residential allotment levels.

12.3 Network infrastructure Formula and Assumptions

The formula applied to residential users for a single new domestic connection for water, wastewater or stormwater is:

$$C = (\text{Capital Works for catchment} \times \text{New User Share}) / \text{Est no of new users over 10 years}$$

- The calculations in Appendix 1 has taken into account surplus capacity and where new or expanded infrastructure is required. The new connection cost is then calculated on the basis of an existing/new user split for reticulation and headworks. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot. The new user share is up to 10%.
- Where an extraordinary user constitutes a significant percentage of the total network usage that user will have its development contribution assessed up to an equivalent number of residential connections.
- For the purpose of this calculation, the number of existing connections includes residential connections, equivalent residential connections to extraordinary users, new users who have paid development contributions but have not yet had a physical connection installed.
- “The maximum number of lots possible” is the maximum number of lots allowable under the District Plan for the site(s) being developed.

12.3.1 Extraordinary Users

Extraordinary users (EU) are all users other than standard residential users whose water usage, wastewater generation or stormwater runoff is expected to exceed that of a standard residential user. Extraordinary users include farms, industries, and institutions. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Development contributions (DC) will be calculated up to an equivalent residential basis as follows:

Water Supply

$$= (\text{EU Average Daily Usage} / \text{Average Residential Usage for the Network}) \times \text{Standard Residential DC}$$

Urban wastewater and stormwater

$$= (\text{EU Average Daily Discharge} / \text{Average Residential Discharge for the network}) \times \text{Standard Residential DC}$$

Where there are high loadings or concentrations of ammonia, phosphorous or other substances within the wastewater that may require specific treatment an additional fee may be payable under the Central Hawke’s Bay Council Trade Waste Bylaw.

12.4 Reserves Formula and Assumptions

The reserve contribution is comprised of 3 components:

- Capital projects for existing reserves where either new works will be undertaken or new equipment will be supplied
- Development costs associated with new reserve management plans
- The acquisition of esplanade reserves and strips along the coast and rivers in accordance with the policy contained in the Operative District Plan

12.4.1 Assumptions

The assumptions are:

- Capital expenditure on reserves is shown on the attached spreadsheet in Appendix 1.
- 1km of river frontage on Lots over 4 hectares @ \$8/m will be acquired annually
- 1km of coastal frontage per year on Lots over 4ha @\$8/m will be acquired annually
- \$34,041 per annum (plus inflation) will be spent on the development of reserve management plans in accordance with the LTCCP budgets.
- The public/private good split accepts that 10% of demand for additional reserves is attributed to subdivisions and new dwellings.
- Cost is to be apportioned over an anticipated 75 new sections/developments per annum.

APPENDIX 1

Summary of all Development Contributions

Area	Zone description	Activity Item (up to 2019)	Total Cap Works excl GST	Cost per User (Plus GST at the appropriate rate)
Capital Contribution levies for Water				
Otane	Township Zone	Headworks and reticulation	\$125,099	\$192.90
Takapau	Single Zone	Headworks and reticulation	\$314,228	\$775.10
Waipukurau	Single Zone	Headworks and reticulation	\$1,108,736	\$683.56
Waipawa	Single Zone	Headworks and reticulation	\$1,121,981	\$1,383.11
Kairakau	Town treated as one Zone	Headworks and reticulation	\$283,534	\$1,746.67
Porangahau	Beach and Town	Headworks and reticulation	\$250,199	\$481.78
Capital Contribution levies for Sewer				
Otane	Township Zone	Improvements to Treatment System and Reticulation	\$1,122,141	\$1,852.44
Takapau	Single Zone	Improvements to Treatment System and Reticulation	\$224,790	\$909.33
Waipukurau	Single Zone	Improvements to Treatment System and Reticulation	\$5,519,922	\$1,666.67
Waipawa	Single Zone	Improvements to Treatment System and Reticulation	\$3,434,750	\$1,648.00
Porangahau	Single Zone	Improvements to Treatment System and Reticulation	\$650,889	\$1,233.78
Te Paerahi Beach	Single Zone	Improvements to Treatment System and Reticulation	\$331,081	\$1,185.78
Capital Contribution levies for Stormwater				
Otane		Work on the Network	\$13,905	\$22.22
Takapau		Work on the Network	\$13,905	\$43.56
Waipukurau		Work on the Network and Industrial Development	\$1,271,393	\$784.00
Waipawa		Work on the Network	\$206,859	\$319.11
Porangahau		Work on the Network	\$13,905	\$43.56
Te Paerahi Beach		Work on the Network	\$143,905	\$739.56
Kairakau Beach		Work on the Network	\$13,905	\$107.56
Blackhead Beach		Work on the Network	\$13,905	\$428.44
Capital Contribution levies for Land Transport				
District Wide			\$8,069,694	\$1075.56
Capital Contribution levies for Reserves				
District Wide			\$820,750	\$110.22