

**porirua**city

# **2021 Development Contributions Policy**

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## **Introduction**

1. The Council is required to have a policy on development contributions under s102(2)(d) of the Local Government Act 2002 (LGA2002).
2. The Policy will be reviewed on a three-yearly basis but may be updated at shorter intervals if Council considers it necessary.
3. This document sets out Council's policy on Development Contributions.

## Definitions

4. **Activity** means a good or service provided by the Council (as per s5 of the LGA2002), and for which development contributions may be collected.
5. **Aged care room** means a household unit in a rest home as defined in section 58(4) of the Health and Disability Services (Safety Act 2001).
6. **Allotment** means an allotment as defined by s218 of the RMA.
7. **Authorised Officer** means an officer authorised in accordance with the delegations register to carry out functions under this Policy.
8. **Brownfields** means new residential or non-residential development in areas zoned for the intended purpose and with existing development works on the site. The brownfield development may involve complete removal and replacement and/or extension of existing development works on the site.
9. **Catchment** means an area of the city that is subject to development contributions as identified in the maps attached in [Appendix One](#) to this Policy; and includes any future development, which extends such catchment areas.
10. **Commercial** means a non-residential development using land or buildings for the provision of services in the course of a trade or business including offices.
11. **Community Facilities** means reserves, network infrastructure, or community infrastructure as defined by the LGA2002, for which development contributions may be required.
12. **Community Infrastructure** means the following assets when owned, operated, or controlled by a territorial authority:
  - a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated.
  - b) play equipment that is located on a neighbourhood reserve.
  - c) toilets for use by the public.
13. **Council** means Porirua City Council.
14. **DCP** means Development Contributions Policy.
15. **Demand** means:

In relation to housing:

  - a) the total number of dwellings required to meet projected household growth and projected visitor accommodation growth;
  - b) demand for different types of dwellings;
  - c) the demand for different locations within the urban environment; and
  - d) the demand for different price points recognising that people will trade off (b), (c) and (d) to meet their own needs and preferences.

In relation to business land:

  - a) the quantum of floor area to meet forecast growth of different business activities;
  - b) the demands of both land extensive and intensive activities; and
  - c) the demands of different types of business activities for different locations within the urban environment.
16. **Development** means as defined by s197 of the LGA2002:
  - a) any subdivision, building (as defined in s8 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 or lines of a network utility operator.

17. **Development Agreement** means any private agreement signed between a developer and Porirua City Council.
18. **Development Capacity** means in relation to housing and business land, the capacity of land intended for urban development based on:
  - a) the zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional policy statements, regional plans and district plans; and
  - b) the provision of adequate development infrastructure to support the development of the land
19. **Development Contribution** as defined by s197 of the LGA.
20. **District Plan** means the Operative Porirua District Plan.
21. **GFA** means Gross Floor Area.
22. **Gross Floor Area** in terms of buildings means the total area of all the floors of all buildings on a site, excluding mechanical service equipment areas, and external stairways and balconies.
23. **Health and Community Services** means medical services (e.g. doctors, optometrists, hospitals), veterinary services, dental services, childcare services, community care services (excludes accommodation) and education services.
24. **Household unit** means a home or residence which consists of a single self-contained household unit, whether of one or more persons and includes accessory buildings. Each household unit includes kitchen and bathroom facilities of any nature and is physically separated, or capable of being separated from any other joined or detached household unit/s on the same allotment.
25. **HEU** means “Household Equivalent Unit”, which is a unit of demand representing one average household unit.
26. **Industrial or Industrial activity** as defined by Porirua's Operative District Plan 1999.
27. **Impermeable Surface Area** means a surface area that is not capable of being entirely permeated by rainwater at a rate that avoids ponding or runoff; and includes building roofed area, pavers, gobi-blocks, grasscrete, gravel or metallised driveways or hard surfaced materials and other similar materials.
28. **LGA2002** mean the Local Government Act 2002.
29. **LTP** means Long-term Plan.
30. **Network Infrastructure** means the provision of roads and other transport, water, wastewater and stormwater collection and management.
31. **Non-residential development** means any development that is not for residential purposes.
32. **Residential development** means a use of land and buildings by people for the purpose of permanent living accommodation in a household unit where the majority of occupiers intend to live at the site for a period of one month or more of continuous occupation per annum and will generally refer to the site as their home and permanent address. It includes buildings and land used ancillary to the main residential building(s) on the site.
33. **Residential Services** means retirement units and aged care rooms.
34. **RMA** means the Resource Management Act 1991.
35. **Retail** means a non-residential development, which uses land, a building, or parts of a building for the display and/or sale of goods, or the offer of goods for hire. It also includes land uses involving the wholesaling of retail goods.

36. **Retirement Village** means a managed comprehensive residential complex or facilities used to provide residential accommodation for people who are retired and any spouses or partners of such people. It may also include any of the following for residents within the complex: recreation, leisure, supported residential care, welfare and medical facilities (inclusive of hospital care) and other non-residential activities.
37. **Retirement unit** means a household unit in a retirement village (other than an aged care room)
38. **Subdivision** as defined in s218 of the RMA.
39. **Stormwater network** includes all pipework and open channels to allow for the management of a continuous public drainage system.
40. **Vehicle Movements** for the purposes of calculating non-residential demand means that one vehicle visiting equals two vehicle movements (arrival and departure).
41. **Visitor Accommodation** means land or buildings which are offered for temporary accommodation of persons and includes bed and breakfast establishments, backpackers' accommodation, homestay facilities, motels, hotels, tourist lodges, holiday flats, tourist cabins, motor inns and ancillary workrooms, reception areas and accessory buildings or ancillary activities on the site. This definition does not include activities defined in this Policy as residential dwellings or residential services.
42. **Warehousing** means storage of goods/property.

## Summary of proposed changes

### Summary of changes made to the policy made to the previous policy

43. The 2021 Development Contributions Policy (DCP) incorporates the updated capital project list following the adoption, by Council, of the Long-term Plan 2021-51 and supporting [Porirua Growth Strategy 2048](#).
44. The following is a summary of the key differences between the two versions of the DCP (2021 and 2019):

Proposed change	Rationale	Impact
<b>Changes to catchments for infrastructure groupings</b>		
<p>It is proposed that catchments grouping are updated to reflect best practice and direct correlation, where possible, to cost allocation. The following changes are proposed:</p> <ul style="list-style-type: none"> <li>• <b>Water Supply</b> <ul style="list-style-type: none"> <li>○ Creation of new water catchments based on catchment modelling.</li> <li>○ Adding Plimmerton Farms to a water catchment.</li> </ul> </li> <li>• <b>Wastewater</b> <ul style="list-style-type: none"> <li>○ New wastewater catchments based on catchment modelling.</li> <li>○ The charging catchments in the existing policy were largely around water catchment boundaries.</li> </ul> </li> <li>• <b>Wastewater treatment plant</b> <ul style="list-style-type: none"> <li>○ Citywide charging catchment remains.</li> <li>○ Storage tanks have been included in this activity and city-wide charging catchment to reflect the implications on the network as a whole.</li> <li>○ Previously storage tanks were treated at a catchment level rather than citywide.</li> </ul> </li> <li>• <b>New Reserves</b> <ul style="list-style-type: none"> <li>○ Introduction of a greenfield reserves catchment for Plimmerton Farm.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Alignment with Development Contributions principles as outlined in the Local Government Act 2002 and best practice. Section 197AB(g)(II) outlines "grouping by geographic area avoids grouping across an entire district wherever practical."</li> <li>• Alignment with development contributions commissioner's findings in Mapua Joint Venture v Tasman District Council. Commissioners said that territorial authorities determining how to set their development contribution catchments should: <ul style="list-style-type: none"> <li>○ Focus on communities that as a minimum are not contiguous.</li> <li>○ If there is no consumption or benefit in an intervening area, then a new catchment is probably justified.</li> <li>○ More accurately allocates cost to those who benefit.</li> <li>○ Improves transparency around relative costs of development in different parts of the district.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The proposed catchment changes lead to address a balance between the simplicity in administration and the nexus of demand.</li> <li>• The proposed catchment specific groupings draw a link between individual development and projects or programmes of assets for each activity.</li> <li>• Having separate catchment maps will result in more funding areas, however, the approach provides the best balance between the four underlying principles: <ul style="list-style-type: none"> <li>○ Fairness and equity.</li> <li>○ Simplicity.</li> <li>○ Certainty and transparency.</li> <li>○ Consistency.</li> </ul> </li> </ul>
<b>Development contribution charges for community infrastructure</b>		
<p>The 2021 DCP proposes that development contribution charges are set for community infrastructure for residential households. Asset types to be included in the calculation of development contribution charges include community facilities (hubs and public toilets). It is noted future policy reviews may look at the cost association of reserves to non-residential development.</p>	<ul style="list-style-type: none"> <li>• In May 2019 a review of the LGA resulted in a change to the broader definition of the term 'community infrastructure' being adopted. The amendment restored local authorities' power to collect development contributions for any public infrastructure needed because of development and for reserves from non-residential development.</li> <li>• The 2021 DCP incorporates community infrastructure on a city-wide basis.</li> <li>• The definition of "community infrastructure" is outlined in Section 197(2) of the LGA: <ul style="list-style-type: none"> <li>a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and</li> <li>b) includes land that the territorial authority will acquire for that purpose.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The proposed change enables Development Contributions will be charged where growth creates a demand on community infrastructure. This charge will ensure all new developments fund a fair share of the cost of providing growth capacity in new community facilities.</li> </ul>

## Development Contributions Policy Distribution List

45. If you want to be kept informed about changes to the DCP then please email [dcassessments@porirua.govt.nz](mailto:dcassessments@porirua.govt.nz) to be added to the policy distribution list.

## Development contributions schedule

46. **Table 1** shows the development contributions payable in each catchment.

**Table 1: Schedule of Development Contributions per Residential Household Equivalent Unit (HEU) by catchment**

DCs Catchment Reference	2021 Development Contribution Charges										Total Excl. GST
	City Wide Reserves	New Reserves	Sports Fields	Facilities	Roading	Cycleways	Stormwater	Wastewater	Waste Water Treatment Plant	Water Supply	
Area 1. Urban (Porirua Low, Western)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 227	\$ 6,905	\$ 3,266	\$ 16,182
Area 2. Urban (Porirua Low, Central)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 3,940	\$ 6,905	\$ 3,266	\$ 19,895
Area 3. Urban (Porirua Low, Central, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 3,940	\$ 6,905	\$ 3,266	\$ 30,380
Area 4. Urban (Porirua Low, Eastern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 4,731	\$ 6,905	\$ 3,266	\$ 20,686
Area 5. Urban (Porirua High, Central Northern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 6,210	\$ 6,905	\$ 5,563	\$ 34,947
Area 6. Urban (Porirua Low, Central Northern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 6,210	\$ 6,905	\$ 3,266	\$ 32,650
Area 7. Urban (Porirua Low, Central Northern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 6,210	\$ 6,905	\$ 3,266	\$ 22,165
Area 8. Urban (Porirua High, Eastern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 4,731	\$ 6,905	\$ 5,563	\$ 33,468
Area 9. Urban (Porirua High, Eastern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 4,731	\$ 6,905	\$ 5,563	\$ 22,983
Area 10. Urban (Whitby High, North Eastern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 14,422	\$ 6,905	\$ 4,753	\$ 42,349
Area 11. Urban (Whitby, North Eastern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 14,422	\$ 6,905	\$ 3,095	\$ 40,691
Area 12. Urban (Whitby High, North Eastern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 14,422	\$ 6,905	\$ 4,753	\$ 31,864
Area 13. Urban (Whitby, North Eastern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 14,422	\$ 6,905	\$ 3,095	\$ 30,206
Area 14. Urban (Plimmerton North, Northern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 7,974	\$ 6,905	\$ 10,754	\$ 31,417
Area 15. Urban (Plimmerton North, Northern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 7,974	\$ 6,905	\$ 10,754	\$ 41,902
Area 16. Urban (Plimmerton Farm, Northern, Greenfields)	\$ 757	\$ 10,485	\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 7,974	\$ 6,905	Developer Funded	\$ 31,148
Area 17. Urban (Standard, Northern)	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ 7,974	\$ 6,905	\$ 2,130	\$ 22,793
Area 18. Rural	\$ 757		\$ 200	\$ 1,300	\$ 2,339	\$ 444	\$ 744	\$ -	\$ -	\$ -	\$ 5,784



47. The Development Contributions in this section are applicable from 10 September 2021 and are applied in accordance with this policy. All Development Contributions shown are exclusive of GST.
48. The total development contribution provided in Table 1 is for a single residential household equivalent unit, or allotment, within the catchments listed. The total development contribution amount for a non-residential development will vary according to the size of the development and the number of household equivalent units of demand it generates.

## **Introduction**

### **Legislative requirements and powers**

49. The Council is required to have a DCP under s102(2)(d) of the LGA2002.
50. The DCP has been developed to be consistent with the purpose of the development contribution provisions as stated in s197AA the LGA2002. In the preparation and adoption of the DCP Council has considered the development contribution principles in s197AB of the LGA2002.
51. S198 of the LGA2002 sets out the power to require a contribution for developments. Development contributions provide the Council with a means to fund infrastructure required due to growth.
52. The DCP has been prepared in accordance with the LGA2002.
53. The DCP sets out the development contributions ("DCs") payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution.
54. The Development Contributions charges set out in this policy will remain operative until superseded by a new DCP adopted by Council.

## **Background**

55. Porirua City has seen significant growth within our city over the last three years, the residential sector has been experiencing growth of 1.3%, and we would anticipate growth to continue at these historically high levels over the next few years. Porirua City is predicted to have an additional 28,635 residents by 2051. Population growth is expected to peak between 2032 and 2036 with an annual population growth of 1.8%. We are forecasting a 1.1% annual forecast population growth in the outer years between 2036 and 2051. This growth requires careful planning and investment.

56. Council has considered the impact of population and housing growth (including housing intensification) on our infrastructure assets and reflected this in our major infrastructure projects. For example, new parks and reserves in areas of urban growth and increasing capacity of water and transport networks to cope with more people.
57. Along with the advantages of sustained growth comes the difficulty of funding and building sufficient community facilities (reserves, network and community infrastructure) to service the growing community.
58. The community facilities required from the Council to support growth include:
  - **Parks and Reserves**, and their associated development, including associated recreational facilities;
  - **Network Infrastructure** (roading and transport, stormwater, drinking water supply and wastewater collection and management); and
  - **Community Infrastructure** (e.g. cycleways, public toilets, community centres and halls, and play equipment).
59. The purpose underlying development contributions as outlined in s197AA LGA2002 *“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”*.
60. In the interests of achieving financial equity between existing ratepayers and new developers, the Council has decided that developers should pay the growth-related capital costs of providing community facilities (reserves, network and community infrastructure) to service the growing community.
61. The background information supporting the Policy is included in the Methodology included as [Appendix Two](#) to this policy.

### **Adoption of the Development Contributions Policy**

62. This is Council’s sixth Development Contributions Policy.
63. Prior policies were adopted in 2009, 2012, 2015, 2018 and 2019. Before 2009, Council funded growth costs for "three waters" infrastructure through a set of Financial Contributions under the RMA.
64. In May 2019 the LGA2002 was amended to restore local authorities' power to collect development contributions for any public infrastructure needed because of development and for reserves from non-residential development. The 2021 Development Contributions Policy incorporates such infrastructure costs on a causal nexus to those who are determined to benefit from such infrastructure.
65. The definition of “**community infrastructure**” is outlined in s197(2) of the LGA2002:

- a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and
- b) includes land that the territorial authority will acquire for that purpose.

### **Revising the DCP in the future**

66. The DCP will be reviewed as required, but at least once every three years. Any amendment to the DCP may, but is not required to, occur in conjunction with an amendment to the LTP. In any case, an appropriate level of consultation is required for any amendment to the DCP.

### **The initial threshold tests:When a Development Contribution may be required**

67. S197 of the LGA2002 defines "**development**" as:
- c) any subdivision, building, land use or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
  - d) does not include the pipes or lines of a network utility operator.
68. S199 of the LGA2002 provides that a development contribution may be required in relation to a "development" if:
- a) The effect of that "development" is to require new or additional assets or assets of increased capacity; and
  - b) The Council incurs capital expenditure to provide appropriately for those reserves, network infrastructure and community infrastructure.
69. The "effect" of a development, in terms of impact on these assets, includes the cumulative effects that a development may have in combination with other developments.
70. The DCP also enables the Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.
71. The Council will not require a development contribution if:
- a) it has, under s108(2)(a) of the RMA 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 reserve, network infrastructure, or community infrastructure, in accordance with a development agreement approved by the Council; or
  - c) the territorial authority has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance; or

- d) a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure.
- 72. Council however in accordance with s200(4) LGA2002 may *“require another development contribution to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.”*
- 73. Council will at its sole discretion determine when development contributions are not applicable.

**Local Government Act requirements**

- 74. S201(1) of the LGA2002 requires the DCP to include, in summary form, an explanation of and justification for the way each development contribution in the schedule to the DCP is calculated.
- 75. In summary, each contribution has been calculated in accordance with the methodology set out in schedule 13 of the LGA2002, by using a seven-step process outlined in **Table 2**.

**Table 2:Methodology steps**

Step	Explanation	LGA 2002 Reference
One	<p><b>Identify and define catchments.</b></p> <ul style="list-style-type: none"> <li>▪ A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes.</li> <li>▪ Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits.</li> <li>▪ Consider principles for the establishment of catchments.</li> <li>▪ Service catchments are attributed to the localities within Council’s growth model which forecasts household growth by census areas unit.</li> </ul>	<p>Schedule 13(1)(a)</p> <p>197AB (g)</p>
Two	<p><b>Identify 30-year capital expenditure resulting from growth.</b></p> <ul style="list-style-type: none"> <li>▪ Historic capital expenditure incurred in anticipation of growth.</li> <li>▪ The proportion of total planned costs of capital expenditure for network infrastructure from the LTP resulting from growth.</li> <li>▪ Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total thirty-year capital costs budgeted in the LTP, the other two components being the level of service improvements (including backlog costs to bring service standards up to desired levels) and renewals. These two costs must be met from funding sources other than development contributions.</li> <li>▪ Justification for the level of growth costs should be supported by financial management funding considerations and show significant assumptions and impacts of uncertainty. New capital expenditure is developed in the LTP with reference to the Council’s growth model.</li> <li>▪ Consider development contribution principles.</li> </ul>	<p>199(2)</p> <p>106(2)(a) and Schedule 13(1)(a)</p> <p>106(2)(a) 101(3) 201(1)(b)</p> <p>197AB</p>

Step	Explanation	LGA 2002 Reference
Three	<p><b>Identify the percentage of growth-related thirty-year capital expenditure to be funded by development contributions.</b>            100% of the growth-related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> <li>▪ The identified capital expenditure requirements for this infrastructure directly benefits the growth community, with benefits to the existing community being marginal or non-existent;</li> <li>▪ There is a clear and logical connection between the growth community and the need for the infrastructure; and</li> <li>▪ Having regard to the Council's identified community outcomes, overall wellbeing of the community, 100% funding by the growth community is considered to be the most transparent, equitable and appropriate way in which to allocate the burden of this particular type of capital infrastructure.</li> </ul>	106(2)(b) 101(3)  197AB
Four	<p><b>Identify the appropriate units of demand.</b>            The selected unit of demand is the Housing Equivalent Unit (HEU) based on an average residential dwelling. The choice of the HEU as the unit of demand was influenced by the following matters:</p> <ul style="list-style-type: none"> <li>▪ For areas of green-field residential development, HEUs can then be applied uniformly at one for each lot, regardless of size for reasons of administrative simplicity. Lots typically accommodate one residential dwelling, and therefore lot size is not considered to have a material impact on demand.</li> <li>▪ For infill residential development areas, additional demand will predominantly arise due to the development of additional residential dwellings.</li> <li>▪ Non-residential development may then be allocated HEU equivalents based on typical industry demand generation characteristics for each network infrastructure type as set out in <a href="#">Table 5</a>. This approach does not prevent a case-by-case assessment of demand if required.</li> </ul>	LGA2002 Schedule 13(1)(b)
Five	<p><b>Identify the designed capacity (in units of demand) provided for growth.</b></p> <ul style="list-style-type: none"> <li>▪ The designed capacity may vary between different types of infrastructure. In some cases, it may be considered economically prudent to provide spare growth capacity considerably beyond current 30-year expectations of growth.</li> <li>▪ Costs are recovered across the full designed number of HEUs.</li> </ul>	Schedule 13(1)(b) and (2)

Step	Explanation	LGA 2002 Reference
Six	<p><b>Allocate the costs to each unit of demand for growth.</b></p> <ul style="list-style-type: none"> <li>The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five). The methodology in <a href="#">Appendix Two</a> provides further details on this step.</li> </ul>	Schedule 13(1)(b)
Seven	<p><b>Prepare schedules</b></p> <p>a) Schedule of assets for which Development Contributions will apply</p> <p>b) Schedule of Development Contributions.</p> <ul style="list-style-type: none"> <li>A detailed schedule must be prepared as part of the DCP that enables the development contributions to be calculated by infrastructure type and catchment.</li> <li>The DCP will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, and catchment maps.</li> <li>Consider overall impact of Development Contributions on the community and finalise schedule</li> <li>Check maximum development contributions not to be exceeded.</li> </ul>	<p>201A</p> <p>201(2) 202</p> <p>201(1)(a)</p> <p>201(1)(b),(c) and (d)</p> <p>101 (3)(b)</p> <p>203</p>

## Significant assumptions

### Growth

76. S201(1)(b) of the LGA2002 requires Development Contribution Policies to state the significant assumptions underlying residential growth and non-residential growth. These growth trends assumptions are discussed in detail in the Methodology document, included as [Appendix Two](#).
77. Council through consultation with the community from October 2018 to February 2019 developed the [Porirua Growth Strategy 2048](#). Council worked with stakeholders, community members and partners to test the spatial framework and principles in our draft strategy. The growth sequencing used for the growth model in the Policy is based on the [Porirua Growth Strategy 2048](#).
78. The following list provides a summary of the key assumptions that the Council has used in developing its growth projections for the city. These assumptions are considered further in the Methodology document, included as [Appendix Two](#) to this policy.
79. Key assumptions underlying growth calculations for Porirua City to 2051 are:

Area	Growth Assumptions
Infill	1,650 houses across the City.
Eastern Porirua	2300 dwellings are anticipated. This is a mix of regeneration dwellings and private development.
Paremata-Papakowhai-Aotea	200 allotments in the Aotea Block between 2021-2031.
Porirua-Elsdon-Takapuwahia-Titahi Bay	Kenepuru Land development – 710 houses to continue 2021-2036 Takapuwahia and Western regeneration 700 houses 2026- 2051
Pukerua Bay-Plimmerton-Paekakariki Hill - Pautatahanui	3,975 dwellings are likely to come on board over the 30 years.
Whitby East	500 household are expected to be constructed between 2021-2051.

### Non-residential growth

80. Livingston and Associates annual average non-residential growth are used for estimating non-residential growth for Porirua City, the average growth is assumed to continue to be in line with the 2019 DCP. Details are contained in Appendix Two.
81. In summary, annual non-residential development rates are expected to be uneven but average, over a 5-10 year period, annual levels of 800 m<sup>2</sup>, 450 m<sup>2</sup> and 2500 m<sup>2</sup> for retail, commercial/office and industrial land use respectively.
82. These figures have been used to calculate non-residential growth household equivalent units (HEUs) for the thirty-year planning period for the LTP 2021-2051 shown in [Table 3](#). Brownfields (infill) growth is not included in the calculation as most sites are assumed to have existing connections to the roading and stormwater networks.
83. Demand driven by non-residential development is translated into household equivalent units (HEUs) generally using land-use conversion factors (HEU demand per 100m<sup>2</sup> gross floor area).
84. The water and wastewater conversion factors are based on factors used by similar councils' in averaging demand generated by typical non-residential developments.
85. Council has verified these factors based on the existing demands of existing development on the city's existing networks and has assessed these average factors as being appropriate for the Porirua City context. Notwithstanding this, it is noted that these factors are estimates and are averaged conversion factors.
86. The DCP, therefore, provides that either the Council or a developer can elect to conduct a special assessment of demand where they believe the conversion factors are not appropriate for their development.



87. Stormwater demand is estimated on the basis of expected impervious area at each non-residential development site.
88. The total floor area of a development is used as a proxy for impervious area. A conversion factor of 0.2 HEUs per 100m<sup>2</sup> of floor area is used (based on an estimate of the average impervious area created by a residential development in Porirua City (65% of the average section size of 700m<sup>2</sup>).
89. Rooding demand is also based on conversion factors that are applied to the gross floor area of developments. Conversion factors that have been developed for industrial, commercial/office and retail activity are explained in the methodology document contained in [Appendix Two](#).

**Table 3: Total new HEU demand arising from non-residential growth 2021-51**

	<b>Growth floor area m<sup>2</sup></b>	<b>Conversion factor per 100m<sup>2</sup></b>	<b>Projected Growth non-residential HEUs</b>
<b><i>Water and Wastewater</i></b>			
• Retail	12,500	0.3	38
• Commercial/Office	8,000	0.3	24
• Industrial	45,000	0.3	135
<b>Total Water and Wastewater</b>			<b>197</b>
<b>Total Stormwater</b>			
	65,500	0.2	<b>131</b>
<b>Rooding</b>			
• Retail	12,500	1.8	<b>225</b>
• Commercial/Office	8,000	0.8	<b>64</b>
• Industrial	45,000	0.5	<b>225</b>
<b>Total Rooding</b>			<b>514</b>

### **Costing and Financing**

90. All growth infrastructure and associated costs analysed in this DCP are included in the LTP 2021-51 with the intention that growth-related projects will be built during the thirty-year period of the LTP.
91. Development contributions are then collected over the capacity life of the assets or a thirty-year funding period - whichever is the shorter. S106(2A) allows Council to calculate Development Contributions over the capacity life of assets or groups of assets for which Development Contributions are required.
92. Development contribution calculations make allowances for the extent to which developers in year one should pay for growth-related assets that may not be built until year thirty. Where existing or current growth demand for an asset is greater than existing asset capacity, a development contribution towards

planned growth-related works, that will address any capacity shortfall, is calculated and applied.

93. The Council's methodology for determining development contributions toward asset programmes with growth-related components are detailed in Appendix Two methodology. This includes the consideration of the proportional allocation of asset programme costs to renewal work, resolving backlog capacity issues, and appropriately providing for growth.
94. The growth assumptions presented in this paper have been explicitly considered by asset managers in creating the Asset Management Plans that underpin the LTP capital works schedule.

### **Historic capital expenditure**

95. Historic capital expenditure for growth-related projects, undertaken prior to the LTP 2021-51, is recognised by this policy where there was an explicit assumption, at the time of that expenditure, that the asset project was required to service growth, and that the growth component cost of that asset would be recovered from new developments.
96. The DCP provides a schedule of historic capital expenditure that has remaining capacity for growth against which development contributions will continue to be collected.

### **Inflation**

97. All costs for projects in the thirty-year plan used in the DCP are based on current estimates of infrastructure construction prices in 2021 dollar terms with inflation of all capital costs over the period using cost inflation factors as used for LTP financial forecast planning assumptions.
98. Development contributions for future works are re-assessed in light of changes on costs every time the DCP is reviewed, typically every three years as part of the LTP or may be updated at shorter intervals if Council considers it necessary. All other factors remaining equal, the calculation methodology sets a development contribution that does not change over the course of its collection period.

### **Cost of capital / cost of debt.**

99. The costs of capital, or debt, to build and hold assets until all development contributions are collected are a material cost for Council.
100. It is equitable that development contributions incorporate these costs. The Council calculates development contributions using a cash flow analysis of the net results of both the Council's Development Contributions income and capital expenditure over time. This analysis establishes equitable Development Contributions that account for Council's cost of debt and interest on Development Contributions received.

## **Other assumptions**

101. All capital expenditure and development contributions amounts noted in this DCP are exclusive of GST unless otherwise noted.
102. Income generated from rates will be sufficient to meet the operating costs of growth-related capital expenditure into the future.
103. All New Zealand Transport Agency subsidies will continue at present levels (provided for in the underlying model) and that eligibility criterion will remain unchanged.
104. The methods of service delivery will remain substantially unchanged.
105. Council has determined that within these broad classes it is appropriate to use development contributions as a funding source for capital expenditure related to activities listed in [Appendix Three](#).
106. S106(2)(c) of the LGA2002, requires Council to explain why, in terms of matters in s101(3) of the Act, it has determined to use development contributions as a funding source for each of these activities.
107. The basis for the council's consideration is set out in [Appendix Six](#) of this policy and referred to in the Council's Revenue and Financing Policy.
108. In preparing the DCP the development contributions charges will not exceed the maximum caps as set out in s203(1)(2) of the LGA2002.

## **Schedule of assets and charges**

109. LGA2002 201A requires a schedule of assets for which development contributions will be used. This schedule is contained in [Appendix Three](#).
110. The development contributions payable for each unit of demand on granting a resource consent (either a land use consent or a subdivision consent), a building consent; or an authorisation for a service connection are set out in [Table 1](#).
111. The location and boundaries of the development contribution catchments to which Development Contributions variously apply for different types of infrastructure are contained in the Development Contribution catchment maps in [Appendix One](#).
112. The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents the demand generated by one average household unit.
113. Residential developments will be assessed on the number of additional household units (or allotments) created by the development.
114. Non-residential developments will be assessed on the basis of additional HEUs created. Provisions for charging non-residential developments are set out in **paragraphs 132-145**.

### **Residential household extension and alterations**

115. Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, including the construction of related accessory buildings.

### **Additional residential household unit within an established site**

116. For sites occupied by a single or multiple existing legally established residential household unit(s), a development contribution will be payable for the construction of each additional residential household unit on that site.
117. Where a landowner seeks to subdivide a site that has been developed with more than one residential household unit, under this policy, the Council will consider the subdivision the creation of a new separate residential household site(s) and the trigger for a development contribution assessment.
118. For sites occupied by one or more existing residential household units, a development contribution will be payable for the construction of a second and any subsequent residential household unit within that site.

## **Rural development**

119. Rural development, as defined by the rural catchment, subject to the exclusions outlined in this policy, will be charged for the costs of roading and community facilities.
120. Rural developments will only be charged development contributions for water and wastewater if Council agrees to make service connections available to all or part of the development. Water and wastewater infrastructure to support potential growth in rural areas is not provided for in asset management plans. Council may therefore agree to such a service connection only in special circumstances.
121. Rural developments will only be charged development contributions for “New Reserves”, in special circumstances, where a development intends to connect into services.
122. Council will use the special assessment process for development contributions outlined in this policy to determine an appropriate development contribution/s that should apply for connection to these services. Case-specific Development Contributions may be required to fully cover the Council’s costs. Any connection can only be made by agreement with the Council.

## **Requirement for development contributions**

123. Development contributions shall be required for the following activities:
  - City Wide Reserves
  - New neighbourhood reserves i.e. reserves
  - Sports fields
  - Community Infrastructure i.e. community facilities
  - Roading
  - Cycleways
  - Stormwater
  - Wastewater
  - Wastewater Treatment Plant
  - Water supply
124. Development contributions shall be required in money for both community-wide and any catchment specific development contributions unless, at the sole discretion of the Council or an authorised officer, it is wholly or partially offset by a piece of land and/or an agreed work/s that is offered by the developer, which is agreed to by the Council or an authorised officer, that would adequately suit the purposes for which all or part of the contribution was sought. Any offset of development Contributions would need to be dealt with through a Development Agreement as per the following paragraph.

125. Where the Council accepts, at its sole discretion, a developer's offer to provide network infrastructure, community infrastructure or developed or undeveloped reserve/s in lieu of paying all or part of a development contribution, the parties will need to enter into a Development Agreement in accordance with **paragraphs 214-218**.

## **Assessment and application of Development Contributions**

### **Developments**

126. Residential subdivisions and household developments will be assessed for development contributions at the time of granting resource consent (subdivision and land use), building consent or approving a service connection to a site or building development, or when granting a certificate of acceptance under s98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted subject to **paragraphs 115-122**.
127. Development contributions will be assessed based on the DCP that was in force at the time the application and was submitted accompanied by all relevant information and applied using the rates set out in **paragraphs 128-131**, having firstly considered whether any credit, historical credit or actual credit applies to the activity and/or subdivision that is being assessed.
128. Subdivision: Development Contribution - All Sites 1.0 HEU per additional allotment created, whether occupied or unoccupied by any structure or building including any existing residential household unit/s.
129. Land use; Building Consents; and Service Connections: Development Contribution - All vacant sites:
- a) No development contribution is required for the first residential household unit created on any vacant site (without any subdivision created);
  - b) 1.0 HEU for the 2<sup>nd</sup> and each subsequent residential household unit created on a site.
130. Development Contribution - Sites occupied by an existing established household unit:
- a) No development contribution is required for the first residential household unit created on a site occupied by an existing established residential household unit (without any subdivision created);
  - b) 1.0 HEU for any 2<sup>nd</sup> and each subsequent residential household unit created on a site.
131. Development contributions for Residential Services will be assessed as:
- a) Any retirement unit be assessed at 0.5 residential household equivalent unit.
  - b) Any aged care room be assessed at 0.4 residential household equivalent unit per residential room.

- c) Any non-residential buildings/structures for residential services will be assessed under Table 4 or known demand.

### **Non-residential subdivisions and development**

132. Non-residential subdivisions and developments will be assessed for development contributions at the time of granting resource consent (subdivision and land use), building consent or approving a service connection to a site or building development or when granting a certificate of acceptance under S 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.
133. Development contributions will be assessed based on the DCP that was in force at the time the application and was submitted accompanied by all relevant information and applied using the rates set out in **paragraphs 128** (Subdivision) and **129, 130 and 134-141** (land use consent, building consent, service connection), having firstly considered whether any credit, historical credit or actual credit applies to the activity and/or subdivision that is being assessed.
134. Land use; building consents; and service connections:  
Development contributions will be separately determined for the activities of water supply, wastewater, stormwater and roading.
135. Where a non-residential development's level of demand is known for each of the activities of:
- a) water ( $m^3$  per day);
  - b) wastewater ( $m^3$  per day);
  - c) stormwater ( $m^2$  impermeable area) and/or;
  - d) roading (*vehicle movements per day*), (except for roading demand assessments associated with industrial, retail and commercial/office activities, which shall be assessed using **paragraph 141**).
  - e) the development contribution associated with this known demand will be determined by calculating the number of HEU's created.
136. Subject to **paragraph 137**, HEU's created by activities described in **paragraph 135** can be determined by using the equation in **paragraph 138** and referencing Column (A) in [Table 4](#).
137. For developments involving a **water connection** from the main into the development that is **greater than 20mm**, HEU water and wastewater demand will be based on the **greater of**:
- the HEU calculated either by **paragraphs 138 or 140 or**
  - the HEU calculated by the pipe size, as determined in **Appendix Four**.
138. **Non-Residential HEU Calculation- Known Demand:** Where water use, wastewater volume, stormwater impermeable surface area and/or vehicle movements can be determined (except vehicle movements for all industrial, retail and commercial/office activities):

*Number of HEUs for a Non-Residential Development (N) = Known Units of Demand (K) divided by Household Equivalent Unit of demand (HEU),*

Expressed as:  
**N= K / HEU**

139. Where:

- **K= Known Units of demand** for water (m<sup>3</sup> per day); wastewater (m<sup>3</sup> per day); stormwater (impermeable area) and/or roading (vehicle movements per day) generated by the development.
- **HEU= Household Equivalent Unit of demand**, as set out in Column (A) [Table 4](#).

140. **Non-Residential HEU Calculation- – Unknown or uncertain Demand:**

Where a non-residential activities water use, wastewater volume, stormwater impermeable surface area and/or vehicle movements are not known or are uncertain (which includes all vehicle movement assessments for all industrial, retail and commercial/office activities), HEU's created by these activities are calculated as follows:

*Number of HEUs for a Non-Residential Development (N) = (Gross Floor Area of Development (GFA) divided by 100m<sup>2</sup>) multiplied by Household Equivalent Units per 100m<sup>2</sup> (HEU per 100m<sup>2</sup>)*

Expressed as:  
**N= (GFA / 100m<sup>2</sup>) x HEU per 100m<sup>2</sup>**

141. Where:

- **GFA = Gross Floor Area** of the development. For the purpose of stormwater HEU calculations, GFA must be replaced by impermeable surface area.
- **HEU per 100m<sup>2</sup> = Non- Residential unit of demand**, per 100m<sup>2</sup> GFA, or impermeable surface area for stormwater HEU calculations, as set in Column (B) [Table 4](#).



**Table 4: Non-residential conversion factors**

<b>Activity</b>	<b>(A) HEU Household Equivalent Unit of demand</b>	<b>(B) HEU per 100m<sup>2</sup> Household Equivalent Unit of demand by Gross Floor Area or impermeable surface area</b>
Water Supply <sup>1</sup>	1.35 m <sup>3</sup> per day <sup>1</sup>	<b>Commercial/ retail/ office/ industrial/ health and community service/ warehousing</b> <ul style="list-style-type: none"> <li>• 0.3 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul> <b>Visitor accommodation</b> <ul style="list-style-type: none"> <li>• 0.5 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul> <b>Residential services</b> <ul style="list-style-type: none"> <li>• 0.7 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul>
Wastewater <sup>1</sup>	0.774 m <sup>3</sup> per day <sup>1</sup>	<b>Commercial/ retail/ industrial/ office/ health and community service/ warehousing</b> <ul style="list-style-type: none"> <li>• 0.3 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul> <b>Visitor accommodation</b> <ul style="list-style-type: none"> <li>• 0.5 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul> <b>Residential services</b> <ul style="list-style-type: none"> <li>• 0.7 HEU<sup>1</sup> per 100m<sup>2</sup> GFA.</li> </ul>
Stormwater	455m <sup>2</sup> of impermeable area (assumes 65% impermeable area from an average 700m <sup>2</sup> residential allotment)	<b>All non-residential activities:</b> <ul style="list-style-type: none"> <li>• 0.2 HEU per 100m<sup>2</sup> impermeable surface area.</li> </ul>
Roading	10 vehicle movements per day	<b>Industrial</b> <ul style="list-style-type: none"> <li>• 0.5 HEU per 100m<sup>2</sup> GFA.</li> </ul> <b>Retail</b> <ul style="list-style-type: none"> <li>• 1.8 HEU per 100m<sup>2</sup> GFA.</li> </ul> <b>Commercial / Office</b> <ul style="list-style-type: none"> <li>• 0.8 HEU per 100m<sup>2</sup> GFA.</li> </ul>

<sup>1</sup> Any water connection from the main into the development greater than 20mm will be assessed for water and wastewater demand based on the greater of the HEU's calculated by paragraphs 138 and 140 or the number of HEU's per pipe size as determined in [Appendix Four](#).

142. Where the level of demand diverges significantly, more than 10%, from the average noted in [Table 4](#) or where a case-by-case assessment is required, where the intended use of the property falls outside the categories above, Council may require the developer to provide at its cost a **special assessment** of the units of demand in accordance with **paragraphs 206-213** of this Policy.
143. Developers may also elect, at their own cost, to provide a special assessment.
144. In calculating development contributions for non-residential development, a minimum of 1 HEU for each relevant activity will be assessed for all development excluding extensions to existing buildings.

145. In the case of extensions to existing buildings, development contributions may be assessed at less than 1 HEU.

### **Cross boundary issues**

146. In some cases, developments may fall within one or more catchments or Council boundaries.
147. The total units of demand will be assessed separately for each catchment. The development contribution will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for each area.
148. Where the development crosses Council boundaries, the Council will only assess that part of the development which is within the Porirua City.

### **Timing of assessments, payment & enforcement**

149. Council will require a development contribution to be made under s198 LGA2002 when:
- A resource consent is granted under the RMA;
  - A building consent is granted under the Building Act 2004;
  - An authorisation for a service connection is granted.

### **Assessment**

150. Where a "development" meets the threshold of when a development contribution may be required, set out in **paragraphs 67** and **73** of this policy, development contributions will be required and will be subject to an assessment on all applications for building consent, land use (resource) consent, subdivision (resource) consent and service connection.
151. The assessment will be made against the first consent application lodged for the development and will be made on every subsequent consent application or variation request. The assessment will take account of the number of units of demand previously assessed and determine whether the development still generates the same number of units of demand. This will ensure that the final development is neither over-charged nor under-charged.
152. An assessment may be made on each and every event described below and will remain valid unless otherwise amended by a special assessment, reconsideration, or objection from the date of that assessment.
153. The Council will undertake its assessment, or make any request for further information to undertake this assessment, upon receiving:
- a complete resource or building consent application, or request for service connection; or

- a written variation to a consent or service connection application that has already been assessed for a development contribution; or
  - further information requested by the Council to enable it to undertake a development contribution assessment of a consent or service connection application.
154. If, in Council's opinion, the criteria to assess development contributions is not met development contributions will not be required on an individual consent/authorisation application. However, they may be required on a future consent/authorisation application in relation to the same development proposal/development site if in that subsequent event the criteria to assess development contributions is met.
155. If a development contribution for a development is not required by Council due to an error or omission on its part a development contribution may be required on a future subdivision consent, land use consent, building consent or authorisation for service connection (at Council's discretion) associated with that same development if the landowner or developer, for all intents and purposes, is the same landowner/developer as at the time the contribution ought to have been required and it is fair and equitable in the specific circumstance to do so.
156. In some cases, the provisions of the DCP allow for a development contribution to be required at multiple points within the development process (various combinations of subdivision consent, land use consent, building consent, authorisation for service connection and certificate of compliance). To avoid doubt, if Council does not require the development contribution at the first opportunity in these instances, it does not forfeit its right to do so at a later opportunity. Council may reassess development contributions in relation to the same development at each stage in the development process and may require additional development contributions in accordance with the provisions of the DCP if a development is shown to have increased in scale or intensity.
157. The applicant will have **10 working days** from the receipt of any development contribution assessment in which to lodge a request for a special assessment, remission, reconsideration or objection as set out in other sections of this policy.

## Payment and enforcement powers

158. The development contribution must be paid as follows:

<b>Subdivision consent:</b>	100% of the Development Contributions will be payable prior to the issue of s224(c) certificate. The invoice is sent to the applicant when the 224 certification is received by Council.
<b>Land use consent and Building consent:</b>	Prior to the issuing of a Building Act code compliance certificate or certificate of acceptance for the related building works or connection to the Council service, whichever comes first.  The invoice is sent once the application for code compliance certificate application or certificate of acceptable request is received or when we are advised of the connection to service.
<b>Service connection:</b>	Prior to connection.

159. If payment is not received in accordance with **paragraph 158** the Council may, at its discretion, exercise its powers outlined in s208 LGA2002. Those provisions state that until a development contribution required in relation to a development has been paid or made under s 198, the Council may:

- in the case of a development contribution required under s198(1)(a) LGA2002,—
  - a) withhold a certificate under s224(c) of the Resource Management Act 1991:
  - b) prevent the commencement of a resource consent under the Resource Management Act 1991:
- in the case of a development contribution required under s198(1)(b) LGA2002, withhold a code compliance certificate under s95 of the Building Act 2004:
- in the case of a development contribution required under s198(4A) LGA2002, withhold a certificate of acceptance under s99 of the Building Act 2004:
- in the case of a development contribution required under s198(1)(c) LGA2002, withhold a service connection to the development:
- in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

160. LGA2002 s252 outlines *“Money payable by a person to the local authority for works, material, or things provided or done by the local authority, and money payable by a person to the local authority as a development contribution, is recoverable by the local authority as a debt”* and as such enforceable under the Summary Proceedings Act 1957.

## Credits

161. Where development contributions for an activity on a property have previously been paid, credit to that amount will be given for the particular activity. For the calculation of these credits, there is no historical time limit and all previous credits will be taken into account.
162. Credits towards the development contribution assessment include both 'historical credits' and 'actual credits'. Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.
163. Credits can only be used for developments on the same site and for the same activity; except where allowed by a development agreement under **paragraphs 214-218** and cannot be used to reduce the number of units of demand to less than zero.

164. Examples where credits will arise are:

Type of existing original development	Nature of credit
<b>1 additional household unit on an existing allotment with one existing house (without subdivision)</b>	1 HEU credit for the original household 1 HEU development contributions payable for an additional household unit <sup>1</sup>
<b>2 additional household units on an existing allotment with one existing house (without subdivision)</b>	1 HEU credit for the original household unit 2HEU development contributions payable for the second and third household units
<b>1 additional household unit on an existing allotment with one existing house (with subdivision)</b>	1 HEU credit for the existing household unit 1HEU development contribution payable for the additional household unit at the moment of granting resource consent for subdivision
<b>Re-development of a site with existing non-residential development</b>	1HEU credit on basis of GFA
<b>Additional lots created by subdivision</b>	1HEU credit for the original lot 1HEU development contributions payable for each additional lot created. It is the responsibility of the applicant to provide proof of development contributions paid on the original allotment if allotment existed prior to 2018 <sup>2</sup>
<b>Subdivisions carried out in stages</b>	1HEU credit for the original parent lot 1HEU development contributions payable for each additional lot created. It is the responsibility of the applicant to provide proof of development contributions paid on the original parent allotment if allotment existed prior to 2018 <sup>3</sup>

### Historical credits

165. Historical credits will apply to redevelopment of existing lots.

166. Historical credits are used where the demand generated by development of the site is offset by some pre-existing demand having regard to the prior use of the site. For avoidance of doubt, if no increase in demand occurs at all, no contribution is payable under the "initial threshold" tests.

167. Historical credits will generally apply in the following circumstances:

- a) Where there is existing non-residential development, credits shall be granted on the basis of the gross floor area of the existing development and/or

<sup>1</sup> This refers to subdivision of the site that results in separate allotments for the household units.

<sup>2</sup> Development Contributions were charged in Porirua City Council with the development of the Development contributions policy in 2018

<sup>3</sup> Development Contributions were charged in Porirua City Council with the development of the Development contributions policy in 2018

specific use by reference to the GFA conversion factors in [Table 4](#) (i.e. m<sup>3</sup> of water).

168. The prior use of the site must have been lawfully established. It is the responsibility of the applicant to provide sufficient proof to the Council to establish this, such as a certificate of existing use (pursuant to the RMA).

#### **Actual credits**

169. Actual credits are used to the extent that a development contribution/s for a particular activity on a property has been previously paid, and the development has only partially occurred or has not proceeded.
170. It is the responsibility of the applicant to provide Council with confirmation of any actual credits paid. If the applicant is unable to provide confirmation of payment of credits, no credits will be allocated.
171. Actual credits will apply to vacant lots created after 2018.<sup>4</sup>

#### **Deemed credits**

172. Deemed credits will apply to vacant lots that existed before 2018 and have not previously paid a development contribution.<sup>5</sup> It is the responsibility of the applicant to provide Council with the certificate of title for the lot(s) to confirm the lot existed prior to 2018.

#### **Remissions**

173. At the request of an applicant, the development contributions required on a development may be considered for remission at the Council's discretion on a case-by-case basis.
174. Any such request shall be made in writing by the applicant no more than **10 working days** after the Council has advised the applicant in writing of the amount of development contribution required on the development, as provided for in the assessment section above.
175. The application must be made before any development contribution is paid, as the Council will not consider a retrospective application for remission.
176. In considering a request for a remission the Council shall as soon as reasonably practicable consider the request.
177. The Council may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development. The Council may delegate this decision to an authorised officer.

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<sup>4</sup> Development Contributions were charged in Porirua City Council with the development of the Development contributions policy in 2018

<sup>5</sup> Development Contributions were only charged in Porirua City Council with the development of the Development contributions policy in 2018

178. Where the Council has not delegated this decision to an authorised officer the Council will hold a hearing for the purposes of considering the remission request, and if so, give the applicant at least **5 working days** notice of the date, time and place of that hearing.
179. Where the Council decides to consider such a request the following matters shall be taken into account:
- a) The Development Contributions Policy.
  - b) Council's Revenue and Financing Policy.
  - c) The extent to which the value and nature of any works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme.
  - d) The level of existing development on the site.
  - e) Whether the Council determines that the development contributions are manifestly excessive in relation to:
    - The scale of the development;
    - The value of the development;
    - The viability of the development;
    - The impact of the development on infrastructure;
    - Whether the development supports the Council's wider objectives; and
    - Any other matter Council considers relevant.
  - f) Any development incentive policy adopted by the Council.
180. An application for remission will need to be justified by the applicant.
181. For the avoidance of doubt, the Council will not generally grant remissions due to the following circumstances:
- a) Additional dwellings that are located near the boundaries of other Territorial Authorities;
  - b) Dwellings which are able to be relocated more readily than others;
  - c) Developments only on the basis that the applicant is a not-for-profit or community group/organisation. The appropriate mechanism, in this case, is to apply for Council Grants (if applicable), or through submissions to the Council as part of the Annual Plan process.



## **Refunds**

182. S209 and s210 of the LGA2002 apply to refunds of development contributions paid to the Council, where:
- a) Resource consents lapse or are surrendered; or
  - b) Building consents lapse; or
  - c) The development or building does not proceed. Council will refund any amount by the 20<sup>th</sup> of the following month following notification from a Developer to Council that the development will not proceed; or
  - d) The Council does not spend the money on the community facilities or benefit for which the development contribution was required. The Council will refund at the time it makes the decision not to provide the benefit for which contributions have been made; or
  - e) Previous overpayment has been made (for whatever reason).
183. The development contribution will be refunded to the consent holder or to his or her representative (less an administration fee). Council may retain a portion of a Development contribution of value equivalent to its costs in relation to the development and its discontinuance – s209(2) LGA2002.
184. Collection of development contributions under s210 LGA2002 for reserve development funds will be spent over the thirty-year period. Development contributions will not be refunded after 10 years.

## **Postponements**

185. The Council's policy is not to consider requests to postpone a development contribution.

## **Reconsiderations**

186. The Council is required under s202A of the LGA2002 to have a process for applicants to request reconsideration of requirements for development contributions for community facilities. The process must set out how requests can be lodged and the steps in the process the Council will apply.
187. S199(a)(1) provides that an applicant may request the Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:
- a) the development contribution was incorrectly calculated or assessed under the Policy; or
  - b) the Council incorrectly applied the Policy; or
  - c) the information used to assess the applicant's development against the Policy, or the way the Council has recorded or used it when requiring the development contribution, was incomplete or contained errors.

188. S199(a)(3) provides that a request for reconsideration must be made within **10 working days** after the date on which the applicant receives notice from the Council of the level of development contribution that the Council requires.
189. S199(a)(4) provides that a person may not apply for reconsideration if the person has already lodged an objection under s 199C and Schedule 13A of the LGA.

### **How to lodge a request for reconsideration**

190. A request for reconsideration must be made in writing to the assessor who generated the requirement for development contributions and identifies the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds in support of the application for reconsideration.

### **Council's process for reconsiderations**

191. The Council may, within **10 working days** of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the request for reconsideration.
192. The Council will proceed to determine the request for reconsideration if:
- a) it has, in its view, received all required information relating to the request; or
  - b) the requester refuses to provide any further information requested by the council (as set out above).
193. In considering the request for reconsideration, the Council, through a delegated authorised officer, will make its decision without convening a hearing.
194. In all cases, the Council will give written notice of the outcome of its reconsideration to the applicant within **15 working days** after:
- a) the date the application for reconsideration is received if all required information is provided in that application; or
  - b) the date the application for reconsideration is received if the applicant refuses to provide further information; or
  - c) the date the further information is received from the applicant.
195. An application for reconsideration does not prevent the applicant from also filing an objection under s199C of the LGA.

### **Objections process**

196. LGA2002 provides for an Objections Process under s199C-199P, and schedule 13A. Persons required to pay a development contribution wishing to object to the assessed amount of the development contribution (s199C), can seek to have objections heard by commissioners. However, the objections cannot challenge the development contribution policy itself.
197. **Appendix Five** contains a diagram setting out the main steps of the objections process.

198. Under s199D of the LGA2002 an objection can only be made on the grounds that the Council:
- a) failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for community facilities;
  - b) required a development contribution for community facilities not required by, or related to, the objector's development;
  - c) was in breach of s200 of the LGA2002 (limitations applying to the requirement for development contribution); or
  - d) incorrectly applied the development contributions policy to the development.
199. Objections are lodged with the Council in the first instance. The Council will then administer the objections process and select and support the development contributions commissioners (numbering up to three).
200. Objections will be decided by development contributions commissioners selected by the Council from a register of commissioners appointed by the Minister of Local Government.
201. The Council will seek to recover the full, actual and reasonable costs incurred by it from the objector. The Council will take a deposit for the expected costs of administering the objection process. When full costs are known at the end of the process either a refund will be made where the deposit has exceeded actual costs, or an invoice will be issued for the outstanding balance.
202. Costs to be recovered as outlined in s150A LGA2002 include:
- a) the selection, engagement, and employment of the development contributions commissioners; and
  - b) the secretarial and administrative support of the objection process; and
  - c) preparing for, organising, and holding the hearing.
203. Where the objection is successful this deposit will be refunded.
204. Development contributions commissioners have the ability to make a decision without a hearing if they are satisfied that they have sufficient information to decide the objection following an exchange of written briefs of evidence.
205. The decisions of the development contributions commissioners are binding on parties, including the Council. The decisions can be overturned only by judicial review.

### **Special assessments**

206. The Council reserves its discretion, through a delegated authorised officer, General Manager, to require a developer to provide a 'special assessment' in accordance with **paragraph 142** or where a proposed development clearly has a significantly greater impact than is envisaged in the averaging implicit in the Council's development contributions model.

207. Where a developer considers that a development has a significantly lesser impact than is envisaged in the averaging implicit in the Council's development contributions model, the developer may request that the Council undertakes a special assessment and the Council, in its discretion, through a delegated authorised officer, may consider a reduction to the number of HEUs assessed.
208. A special assessment may be initiated by Council, the applicant or an agent working on behalf of an applicant. Applications for special assessment should be made in writing as follows:

General Manager  
Porirua City Council  
16 Cobham Court  
Porirua City Centre, Porirua 5022  
Attention – Principal Advisor - Development Agreements

and/or

General Manager  
Attention – Principal Advisor - Development Agreements  
Email: DCAssessments@porirucity.govt.nz

209. Council and the applicant have **20 working days** from the first development contributions assessment following lodgement of an application for resource consent, building consent or request for a service connection, to trigger a special assessment. In all cases, the applicant will be expected to provide supporting information and detailed calculations of their development's demand on infrastructure expressed in the relevant units of demand set out in [Table 4](#).
210. Once the applicant submits the required information, the Council will advise the applicant of the assessed impact and fee within **20 working days**.
211. The final approval of a special assessment may be delegated to an authorised officer.
212. As a matter of Council Policy, all decisions delegated to staff by the Council are able to be objected to and heard by the Council's elected representatives.
213. If the applicant does not provide or fails to disclose any information reasonably requested, then the special assessment will be declined on the grounds that the Council is unable to assess the application.

### **Development agreements**

214. Where it is in the best interests of all parties, the Council may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences.

215. LGA2002 s207A to 207F provide a process for agreeing to and varying development agreements between developers and the Council.
216. The Council has a long track record in agreeing to the establishment, and appropriate variation, of development agreements to cover large and/or complex developments.
217. The Council remains committed to a timely and effective response to this legislated process for establishment of development agreements.
218. All major development agreements will be subject to a five year review period to allow for any changes to the Policy.

### **Guarantees**

219. An applicant may request that the Council accept a guarantee for development contributions in excess of \$50,000. This request will be considered at the discretion of an authorised officer.
220. Guarantees:
  - a) Will only be accepted from a registered trading bank.
  - b) Shall be for a maximum period of 24 months, subject to later extensions as may be agreed by an authorised officer.
  - c) Will have an interest component added, at an interest rate of 2% per annum above the Reserve Bank official cash rate on the day the guarantee document is prepared. The guaranteed sum will include interest, calculated on the basis of the maximum term set out in the guarantee document.
  - d) Shall be based on the GST inclusive amount of the contribution.
221. At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to the Council.
222. If the Council accepts the guarantee, all costs for the preparation and any subsequent and agreed variation or extension of the guarantee documents will be met by the applicant.

### **Goods and Services Tax Act 1985**

223. All assessments are provided inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.
224. The time of supply shall under the Good and Services Tax Act be the earlier of:
  - a) The Council issuing an invoice to the developer; or
  - b) the payment of the development contribution in accordance with this policy (including the execution of a guarantee in accordance with this policy).
225. GST will be added to the invoice at the time of supply as required by the Goods and Services Tax Act 1985.

### **Council developments**

226. The Council is exempt from paying any development contributions.
227. This exemption does not apply to Council Organisations, Council Controlled Organisations or Council Controlled Trading Organisations.

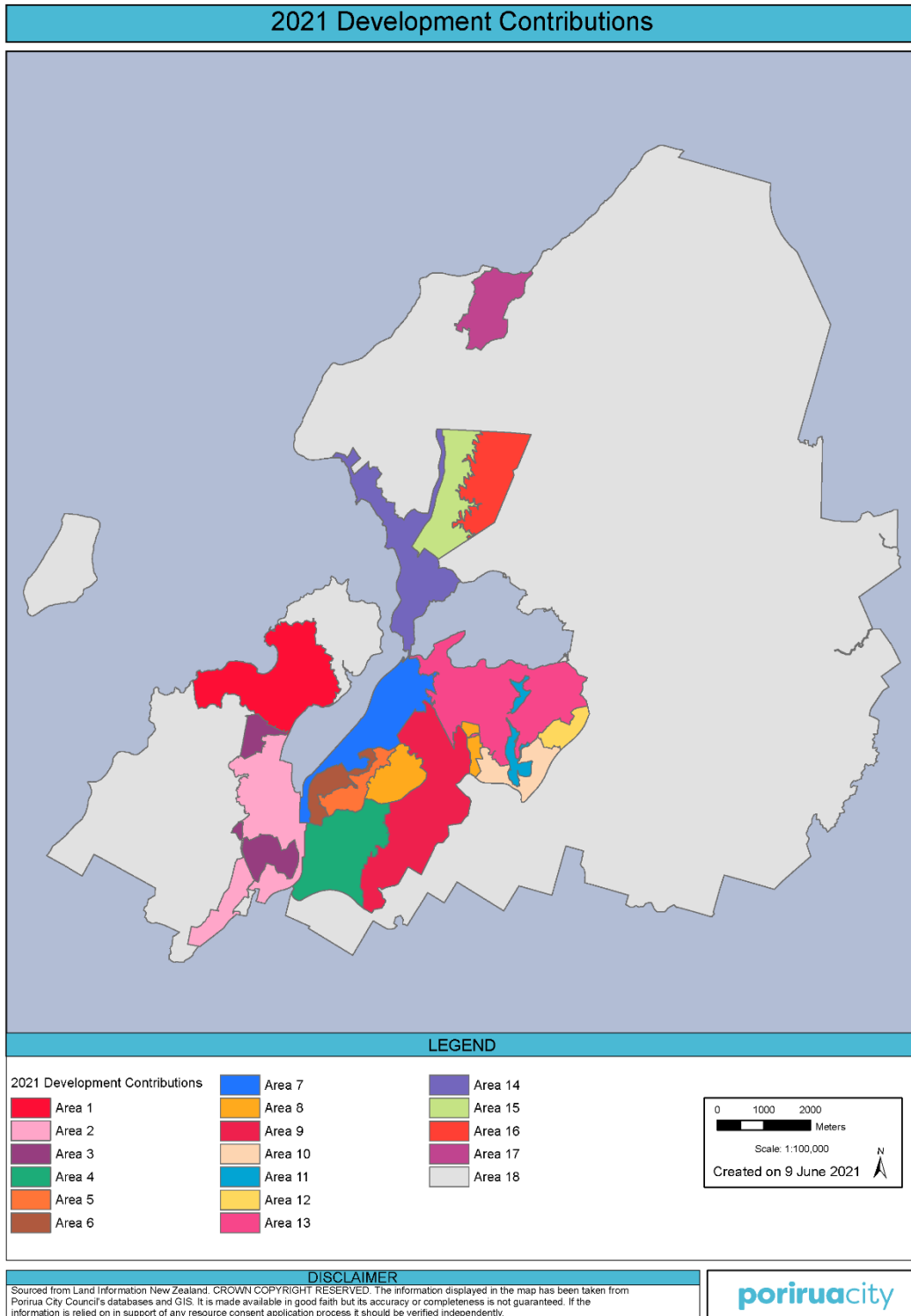
### **Crown developments**

228. Under s8 of the LGA2002 the Crown is not subject to development contributions. Any subsequent amendment will be considered when applying this policy to Crown developments.
229. When an applicant considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, the Council requires the applicant to provide written advice to the Council outlining the basis on which the applicant considers that it is the Crown.

## List of Appendices

- Appendix One:** Development Contribution Areas: Catchment Maps
- Appendix Two: Methodology**
- Methodology Appendix A:** Growth Model – Residential Growth ([Porirua Growth Strategy 2048](#))
- Methodology Appendix B:** Growth Model – Non-residential growth projections (Livingston & Associates)
- Methodology Appendix C:** Cost calculations for neighbourhood reserves and neighbourhood walkway connections in greenfield areas (Porirua City Council)
- Appendix Three:** Schedule of assets for which development contributions will be used
- Appendix Four:** Water connection size
- Appendix Five:** Development Contributions Objection process
- Appendix Six:** Considerations of activity funding

# Appendix One – Development Contribution Areas: Catchment Maps 2021





# Appendix Two Methodology

## Methodology

1. LGA2002 106(3) states that the local authority must keep available for public inspection the full methodology that demonstrates how the calculation for those contributions was made.
2. In 2014 the Council implemented a new software model ("SPM Projects") to record all capital expenditure and to ensure a consistent calculation of Development Contributions for growth across all activities. This model provides further assurance over the Council's adherence to legislative requirements.
3. This software bridges the areas of asset and financial management to calculate development contributions in a repeatable, transparent and defensible manner.
4. The calculation model leads users through a series of inputs and calculations comprising growth assumptions, financing costs, project cost and timing details and cost allocations.
5. This calculation model provides further assurance for Council's adherence to legislative requirements

## Description of calculation model methodology

### Growth model

6. The assumptions for growth in both residential households and non-residential development (estimated in m2 of gross floor area) driving the need for infrastructure capital expenditure in the council's LTP are captured. This growth information is broken down by localities to which services and benefits are provided. Alignment of the timing of expected growth with the timing of capital expenditure is important for accurate calculations.

### Project definition

7. Development contributions are based on asset management plans (AMPs) where demand for infrastructure to deliver a desired level of service is estimated across localities. One output of the AMPs is forecasts of capital expenditure over the next ten years and beyond.
  - **Project information.** The calculation model records the general details about projects including name, status, scope, timing and the locality/catchment to which the project will provide benefits. Historic projects with remaining capacity for growth are also captured.
  - **Costs.** AMP information for projects is recorded on estimated project costs (or actual costs if past project) and their timing and any third party funding such as from NZTA. The calculation model includes the cost of

capital (council's net cost of debt after receipt of any interest from DCs collected).

- **Project considerations.** The calculation model can be used to record decision-making deliberations on matters including s101(3) of the LGA, community outcomes, and funding considerations.

### **Cost allocation**

8. The cost allocation methodology allocates the project costs into the expenditure components of:
  - Renewal (relating to asset replacement)
  - Backlog (non-growth related - which falls on the existing community, and consists of shortfall of the current service)
  - Growth-related (capacity for the future, which falls on the growth community)
9. The cost allocation methodology has a number of defined components including:
  - Renewal and new work (backlog and growth) costs are shared based on their standalone costs as if the projects were constructed as separate works.
  - Based on the defined Level of Service the existing capacity, existing demand and total capacity provided by the project are assessed and the percentage allocation of costs to renewal, backlog and growth calculated.
  - The calculation model spreads the costs of growth over the projected total of residential and non-residential growth in each catchment.
  - For non-residential growth, the calculation model converts projected non-residential gross floor area (m<sup>2</sup>) growth, for retail, industrial and commercial/office activity, to residential household equivalent units (HEUs). This enables total residential and non-residential HEU growth demand across the city, and within catchments, to be calculated.
  - Factors for converting retail, industrial and commercial gross floor area to a household equivalent units are set by standard design parameters, local community experience and benchmarking with other councils.
  - Project growth costs are allocated to growth HEUs over the shorter of the funding period or the design capacity life of the asset.

### **Outputs**

10. The calculation model output is a Development Contributions Schedule. This is calculated using a cash flow analysis of Council's development contributions income and capital expenditure timing for each project. This cash flow model incorporates Council's cost of debt funding and any credit interest on money received.

11. The calculation of the development contribution towards growth recognises that new development will also pay through rates a contribution towards backlog costs, which are not a cost of growth. The development contribution charge is reduced by a back charge to avoid this potential double charging by Council.
12. The development contribution charge is a dollar amount as at the date of calculation (2021). This charge does not change over the course of the period of development contributions collection – unless input assumptions change. The charge is therefore similar to a fixed table mortgage repayment schedule.

# Methodology Appendix A – Growth Model Residential Growth

## Growth Model – Residential Growth ([Porirua Growth Strategy 2048](#) and Long-term Plan 2021-51)

Growth model – residential growth assumptions

This summary shows the results of the forecasts for population, households and dwellings in Porirua City. The Porirua Growth Strategy 2048 was used as the base assumptions from which growth estimates were extrapolated and included in the Long-term Plan 2021-51. These growth assumptions have been used as the underlying methodology for the recognition of projected growth for the 2021 Development Contributions Policy.

Forecast population, households and dwellings

Summary Dwellings and Population						
	LTP 21-51					
Summary Dwellings	21/22-25/26	26/27-30/31	31/32-35/36	36/37-40/41	41/42-45/46	46/47-50/51
Existing Dwellings	21,000	22,338	23,968	26,273	27,793	29,430
Gross new dwellings	1,801	2,267	2,305	1,520	1,637	1,605
Dwellings destruction	(463)	(637)	-	-	-	-
<b>Total Dwellings</b>	<b>22,338</b>	<b>23,968</b>	<b>26,273</b>	<b>27,793</b>	<b>29,430</b>	<b>31,035</b>
<b>Additional Population @ 2.7 per dwelling</b>	<b>3,613</b>	<b>4,401</b>	<b>6,224</b>	<b>4,104</b>	<b>4,420</b>	<b>4,334</b>
<b>Population of Porirua from base 59,739 in 2021</b>	63,352	67,753	73,977	78,081	82,501	86,835
<b>Population growth per period</b>	6.0%	6.9%	9.2%	5.5%	5.7%	5.3%
<b>Annual population growth</b>	1.2%	1.4%	1.8%	1.1%	1.1%	1.1%

### Forecast dwellings and development

The addition of dwellings to the housing stock is a major driver of population growth in an area, providing opportunities for households to relocate from other areas or new households to form locally (such as young people leaving the family home or separations/divorces).

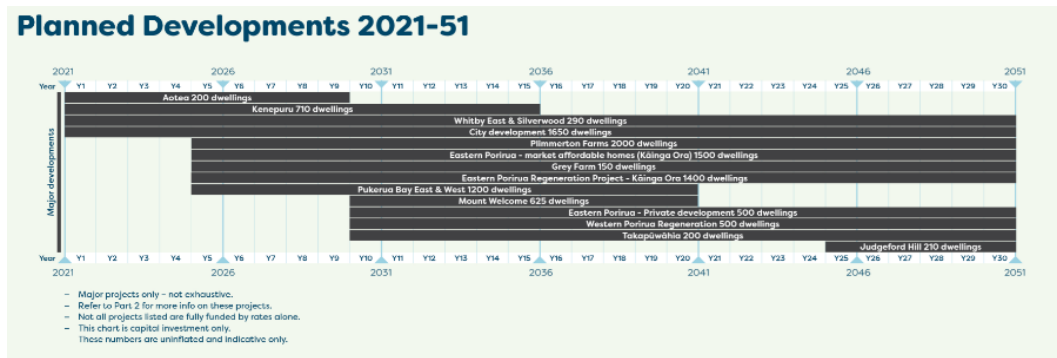
Residential development can take various forms depending on the availability of land. These include new housing estates on greenfield sites, subdivision in existing residential neighbourhoods (often called infill development), conversion of industrial lands to residential lands, and densification of housing by building up.

Council worked with various stakeholders and planners, during the development of the [Porirua Growth Strategy 2048](#) and Long-term Plan 2021-51, to understand the likely development activity in each small area. This forms the development assumptions for the forecasts. This table shows the quantity of new development

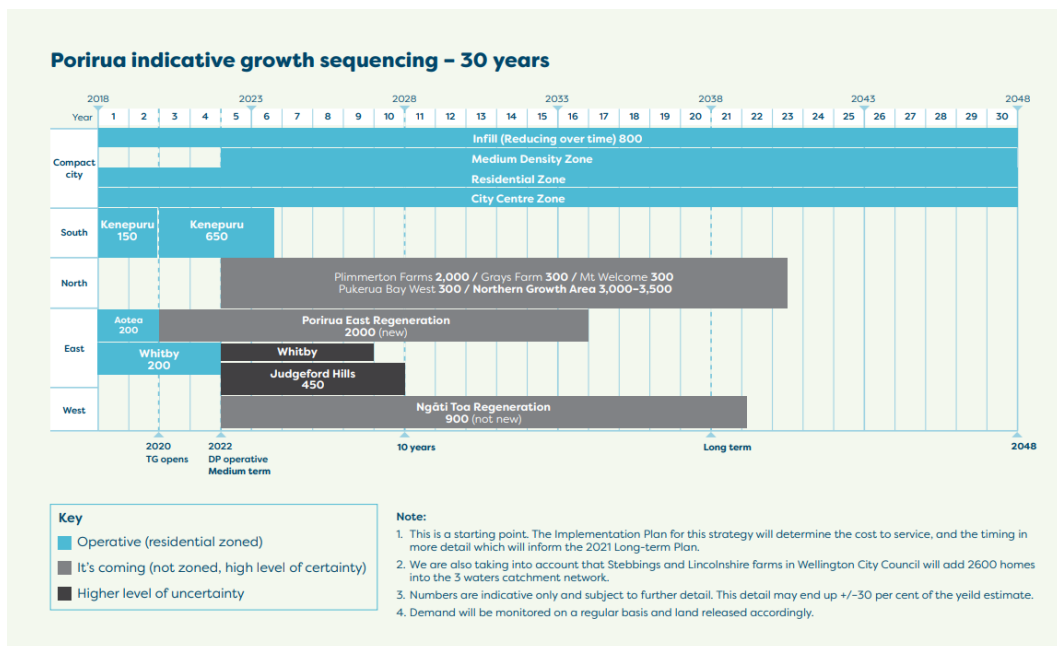
assumed in each small area in Porirua City. Select each small area to see detailed assumptions.

Gross New Dwellings	21/22-25/26	26/27-30/31	31/32-35/36	36/37-40/41	41/42-45/46	46/47-50/51	Total
<b>City</b>	95	95	95	210	550	605	1,650
<b>Kenepuru</b>	390	210	110				710
<b>Whitby</b>	248	42					290
<b>Northern Growth</b>	425	1,150	1,160	490	350	400	3,975
<b>Aotea</b>	180	20					200
<b>Judgeford Hills</b>					60	150	210
<b>Eastern Porirua</b>	-	63	850	650	507	230	2,300
<b>Western Porirua</b>		30	40	70	140	220	500
<b>Takapuwhia</b>		20	50	100	30		200
<b>Total Gross New Dwellings</b>	<b>2,226</b>	<b>3,480</b>	<b>4,315</b>	<b>2,660</b>	<b>2,494</b>	<b>2,235</b>	<b>10,035</b>

### Long-term Plan 2021-51



### Porirua Growth Strategy 2048



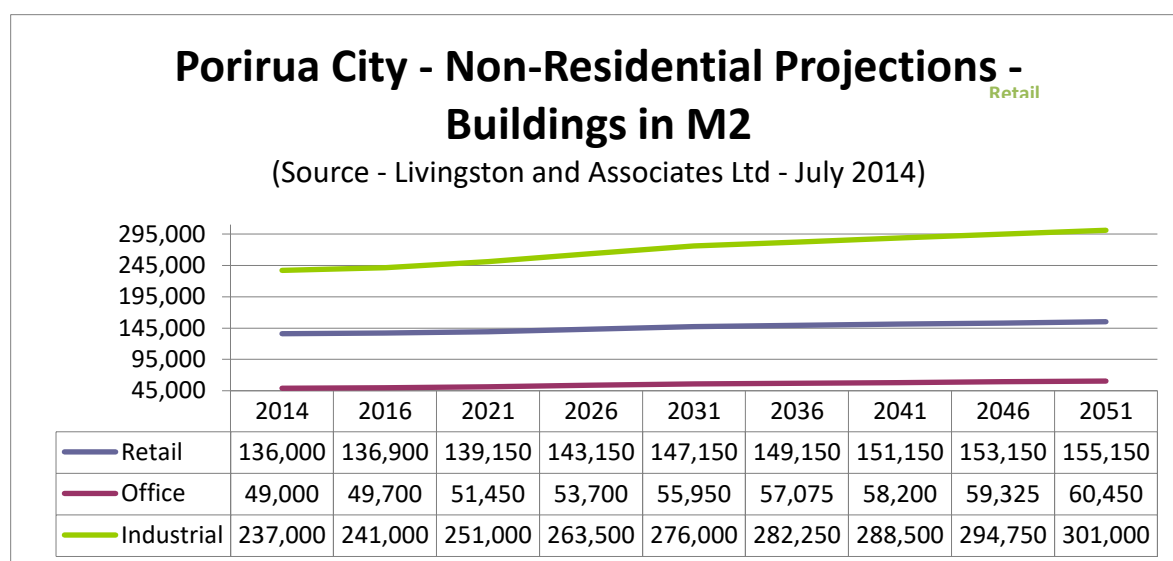
# Methodology Appendix B – Growth Model Non-Residential

## Growth Model – Non-Residential Growth (Livingston & Associates)

Growth model - non-residential growth assumptions

- 1 Non-residential growth within Porirua, in the form of industrial, commercial/office and retail development, tends to come in uneven annual increments.
- 2 Non-residential development is related to both population growth specifically in the city, but also other factors that determine the location of non-residential development across the region. The construction and operation of the Transmission Gully Highway is an example. There is expected to be a long-term average growth trend however.
- 3 [Table 5](#) shows the anticipated annual average medium to long-term non-residential development activity anticipated within the city. This is sourced from an assessment undertaken by Livingston and Associates.

**Table 5: Non-residential growth projections 2014 - 2051**



### Conversion of non-residential development into household equivalent units (HEU) of demand

- 4 In order to forecast demands on water, wastewater, stormwater and roading services, and allocate growth costs for new projects across residential and non-residential developments, projected non-residential gross floor area (m<sup>2</sup>) growth is converted into household equivalent units (HEUs) using equivalences calculated below.
- 5 Details of the calculation of roading equivalence factors are contained in [Table 4](#).
- 6 The methodology for this calculation takes as an input the trips per 100m<sup>2</sup> for each land use type sourced from the report *“Trips and parking related to land use.”*

November 2011, Malcolm Douglass et al”.

- 7 The trips for each non-residential land use type are then allocated to categories of whether the trips have the primary, secondary or incidental purpose of visiting the land use. Trips with a primary purpose of visiting the land use have a 50% weighting assigned, while secondary and incidental purpose trips have 20% and 5% weightings respectively. Non-residential trips per site are therefore reduced relative to residential trips per site

**Table 6: Calculation of non-residential land use household equivalence unit (HEU) factors for roading**

Non-residential activity	Vehicle movements per day / 100m <sup>2</sup> GFA (1)	(Single destination) Primary	(Several stops) Secondary	(Multiple destinations) Incidental	Vehicle movement per day per 100m <sup>2</sup> GFA - adjusted by weighting factors	HEUs / 100m <sup>2</sup> GFA assuming 1 HEU = 10 movements per day
		Weighting of trips				
		50%	20%	5%		
<b>Retail</b>	56	50%	30%	20%	17.92	<b>1.8</b>
<b>Commercial/office</b>	26	50%	30%	20%	8.32	<b>0.8</b>
<b>Industrial</b>	15	50%	30%	20%	4.80	<b>0.5</b>

(Source: “Trips and parking related land use. November 2011, Malcolm Douglass et al”)

- 8 [Table 7](#) provides the equivalence or conversion factors for all activities comprising water, wastewater, stormwater and roading. It also calculates total non-residential HEUs that are projected to be developed within Porirua over the 2021-2051 period.

**Table 7: Conversion of non-residential GFA growth to household equivalent units (HEUs) 2021-2051**

	Growth floor area m <sup>2</sup> (30 year total 2021-2051)	Conversion factor per 100m <sup>2</sup>	Growth HEUs (30 year total 2021-2051)
<b>Water and Wastewater</b>			
• Retail	12,500	0.3	38
• Commercial/office	8,000	0.3	24
• Industrial	45,000	0.3	136
<i>Total Water and Wastewater</i>			<b>198</b>
<b>Stormwater</b>	65,500	0.2 (impermeable surface area)	<b>132</b>
<b>Roading</b>			
• Retail	12,500	1.8	<b>226</b>
• Commercial/office	8,000	0.8	<b>64</b>
• Industrial	45,000	0.5	<b>224</b>

## Methodology Appendix C – Cost calculations for Neighbourhood Reserves

### Cost calculations for neighbourhood reserves and neighbourhood walkway connections in greenfield areas

The land value used below has been based on a residential section with an area of 600 square metres having a purchase price of \$280,000.

$\$280,000 / 600 = \$467$  per square metres (m<sup>2</sup>)

We have assumed in the calculations below that the developed land price should be used for the basis of determining the development contribution as the neighbourhood reserve land should have a relatively flat contour, and given that it is likely to be centrally located in the development although utility connections may not be required, they will still be available in the adjoining road as they supply the neighbouring properties. In addition to the factors above given high quality land is preferred for neighbourhood reserves, it is more than likely that the land neighbourhood reserve site would be earth-worked alongside the adjoining residential allotments.

The level of service for a neighbourhood reserve in Porirua City is generally within a 600 walk from all households. We have determined that this may result in a neighbourhood reserve (local) for every 400 households. The target provision of neighbourhood reserves that have an area of 3000-5000 square metres provides for active recreation spaces as well as quiet spaces which are particularly important in developments with a higher density.

The New Zealand Recreational Association Categories and Levels of Service Guideline (2001) states that neighbourhood parks are generally smaller in size and the average useful size is considered to be from 3,000 to 5,000 square metres. For the purposes of determining the neighbourhood reserve development contribution we have used an area of 4,000 square metres. On the basis of a neighbourhood reserve with an area of 4,000 square metres for every 400 households, this equates to 10m<sup>2</sup> per household unit for a neighbourhood reserve. The table below describes the target provision for neighbourhood reserves in Porirua in more detail.

In calculating the New Reserves charges the basis for which we value additional allotments or land satisfies the conditions and considerations under s203(1) LGA2002.



<b>Neighbourhood</b>	Target provision: 3000-5000sq metres.  This provides for a reasonable mix of activities including a kickabout space, and playgrounds and “quiet” spaces. This area provides a reasonable separation for adjoining residential properties from the active/noisy activities.
Neighbourhood (Local)	<i>The Local Neighbourhood reserve serves immediate local area. Generally, it can be accessed by walking and is often used for a “quick play” or short visit. Usually within a 10 minute walk, or 600m catchment, or, the local neighbourhood reserve also serves the purpose for enhancing local sense of place.</i>
Neighbourhood (Community)	<i>Community Neighbourhood reserves are usually adjacent to community hubs such as shopping centres or sports grounds. They can be larger and provide for a wider range of active play opportunities and cater for a wider age range through features such as half-courts, and with other facilities to enable a pleasant stay for an hour or more.</i>  <i>The Community Neighbourhood reserve serves the immediate local area as well as the village (suburb), and has a catchment of around 1,500m, or a 15-20 minute walk.</i>
Neighbourhood (Greenway)	Where the topography of a new development makes the target provision difficult to achieve at a reasonable cost, a greenway recreational linkage to a community neighbourhood reserve may be developed instead. This may also allow for ‘natural play’ and seating/viewing points. Some limited play equipment may be provided e.g. a set of swings. The area for any play equipment will need to be useable flat land with a target road frontage of 20-30m.

<b>Neighbourhood reserve land purchase price</b>	4,000 m <sup>2</sup>	@ \$467 m <sup>2</sup>	<b>\$1.868million</b>
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Neighbourhood reserves can include a playground, basketball courts, gardens, kick around areas, seating and community buildings.

The scenario below determines the development cost of the establishment of a neighbourhood reserve with play equipment, plants and landscaping, park furniture and some internal pathways.

<b>Development costs of a neighbourhood reserve</b>	
• Play equipment and surfacing	\$110,000
• 250 m of pathways within the reserve	\$37,500
• Park furniture - picnic tables, benches, fixtures, lighting and fencing	\$80,000
• Planting and landscaping an area of 1,000m <sup>2</sup>	\$25,000
• Topsoil and grass	\$15,000
15% design and project management costs	\$40,125
<b>Total development costs for neighbourhood reserve costs</b>	<b>\$290,375</b>

The total costs for the establishment of a neighbourhood reserve with the above characteristics would be:

	\$1.868 million	land costs
+	\$290,375	development cost
	<b>\$2.158</b>	<b>Total</b>
	<b>million</b>	

Neighbourhood reserve connections are an essential part of the reserve network in Porirua City. They connect neighbourhoods to one another as well as providing connections between reserves and increasing connectivity throughout the city. The current level of service for these neighbourhood connections is 3 metres of walkway per household unit. This does not include the length of strategic walkways in Porirua. However as this includes the unformed walkways a base level of 2 metres of walkway per household will be used to determine the cost per household unit of providing these linkages on quality land.

2 metres walkway per household	X 400 household units	= 800 m
800 metres x 5 metre width	With a gradient of 2-5 %	= 4000 m <sup>2</sup>
<b>Land Value</b>	<b>4000 m<sup>2</sup> x \$467 m<sup>2</sup></b>	<b>= \$1.868 million</b>

The width of the land where the neighbourhood walkway is constructed in the example above is 5 metres. This width would only be possible where the land was flat, otherwise in order to construct the width of the pathway with a width of 2.6 metres and with an appropriate 2-5% gradient the land area would need to be larger. If the land was steeper it can be expected that the pathway construction costs would be higher and the land value would be reduced. Where land is steeper additional development costs such as revegetation may be required to increase the overall value of the land that Council would be accepting.

Based on an area of 4,000 m<sup>2</sup> for neighbourhood walkway connections for 400 household units, the land required per household unit for neighbourhood walkways is 10 m<sup>2</sup>.

#### Walkway development costs for neighbourhood connections

Path formation \$150 per m <sup>2</sup> x 800 metres	\$120,000
Assumed 800m <sup>2</sup> is grassed @ \$5 per m <sup>2</sup>	\$4,000
Assumed 800m <sup>2</sup> is landscaped @ \$15m <sup>2</sup>	\$12,000
Signs, bollards, furniture	\$10,000
<b>Subtotal walkway development costs</b>	<b>\$146,000</b>
Project management and design costs 15%	\$21,900
<b>Total path development costs</b>	<b>\$167,900</b>

#### Neighbourhood walkways total cost for 400 household units

\$1.868 million	land costs
+\$167,900	walkway development cost
<b>\$2.0359million</b>	<b>Total</b>

To ensure that the current levels of service for neighbourhood reserves and neighbourhood walkway connections are maintained, the amount per household would be:

\$2.158 million	Neighbourhood reserve cost
+\$2.0359 million	Neighbourhood walkway connections
<b><u>\$4.194.275million</u></b>	Total Cost Neighbourhood Reserves
<u>/400 household units</u>	
<b><u>\$10,485.69</u></b>	Per household unit

Catchment mapping and the growth model have identified that in addition to the Whitby reserve projects that have been identified or are subject to existing development agreements an additional 2320 greenfield allotments are expected in the greenfield reserve catchments.

## Appendix Three – Schedule of Assets

### Schedule of assets for which development contributions will be used

LGA2002 s201A requires a schedule of each new asset, additional asset, asset of expanded capacity or programme of works for which development contributions are intended to be used or have already been used.

**Table 8: Schedule of assets for which development contributions will be used**

The Schedule of Assets shows the estimated capital cost of each asset, the proportion the capital cost to recover through development contributions, and the proportion of the capital cost to be recovered from other funding sources. This schedule contains both historic and proposed future capital expenditure providing capacity for growth.

Council may also amend this Schedule at any time without consultation provided the change is made to reflect a change in circumstances (or to add an asset) and does not increase the total or overall development contribution that will be required.

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
<b>City Wide Reserves</b>					
Bothamley Park Restoration	\$308,881.00		\$63,733.00	\$63,733.00	20.63%
Titahi Bay Community Park	\$3,700,000.00		\$3,700,000.00	\$3,700,000.00	100.00%
Splash Pad	\$1,056,363.00		\$103,168.00	\$103,168.00	9.77%
Ascot Postgate Link	\$320,000.00		\$320,000.00	\$320,000.00	100.00%
Colonial Knob MTB	\$915,961.00		\$38,997.00	\$38,997.00	4.26%
Pauatahanui Pathway	\$1,333,072.00		\$262,330.00	\$262,330.00	19.68%
Ridgeline Walkway	\$1,100,000.00		\$1,100,000.00	\$1,100,000.00	100.00%
Te Ara Tawa	\$831,809.00		\$88,487.00	\$88,487.00	10.64%
Rangituhi Connection	\$1,500,000.00		\$1,500,000.00	\$1,500,000.00	100%
<b>Roading</b>					
Access Kenepuru					
Kenepuru Corridor improvements including Ambulance	\$173,000.00	\$66,605.00	\$121,100.00	\$54,495.00	31.50%

<b>Project Name</b>	<b>Gross Cost</b>	<b>Third-Party Growth Funding</b>	<b>Growth Cost</b>	<b>Development Contribution Funded Cost</b>	<b>% funding from Development Contribution</b>
Kenepuru Dr / Lwr Main Dr, Lyttelton Ave intersection	\$5,882,000.00	\$3,878,591.00	\$5,882,000.00	\$2,003,409.00	34.06%
Kenepuru Dr/Titahi Bay Rd intersection upgrade - Stage 1	\$500,000.00	\$137,500.00	\$250,000.00	\$112,500.00	22.50%
Kenepuru Dr/Titahi Bay/Walton Leigh Ave / Mungavin Stage 2	\$10,655,000.00	\$4,155,450.00	\$7,991,250.00	\$3,835,800.00	36.00%
Kenepuru / Raiha Intersection Upgrades Stage 1 and 2	\$2,488,000.00	\$895,680.00	\$1,658,667.00	\$762,987.00	30.67%
Main Rd/Wall PI intersection upgrade	\$200,000.00	\$66,000.00	\$120,000.00	\$54,000.00	27.00%
Prosser Street/Titahi Bay Road	\$604,000.00	\$332,200.00	\$604,000.00	\$271,800.00	45.00%
Raiha/Broken Hill Rd intersection upgrade	\$390,000.00	\$214,500.00	\$390,000.00	\$175,500.00	45.00%
Raiha/Prosser St corridor	\$200,000.00	\$104,000.00	\$200,000.00	\$96,000.00	48.00%
Raiha St/Prosser St intersection upgrade	\$459,000.00	\$252,450.00	\$459,000.00	\$206,550.00	45.00%
City Centre Revitalisation Improvements					
Jellico Realignment	\$1,400,000.00	\$291,222.00	\$560,041.00	\$268,819.00	19.20%
Kenepuru Landing Connections	\$200,000.00	\$27,000.00	\$50,000.00	\$23,000.00	11.50%
Lyttelton Avenue/Norrie Street	\$1,400,000.00	\$728,000.00	\$1,400,000.00	\$672,000.00	48.00%
Norrie St / Parumoana St Intersection Upgrade	\$1,400,000.00	\$728,000.00	\$1,400,000.00	\$672,000.00	48.00%
Parumoana Street/Lyttelton	\$1,400,000.00	\$728,000.00	\$1,400,000.00	\$672,000.00	48.00%
Titahi Bay Rd/Semple St & Lyttelton St Intersections	\$2,200,000.00	\$1,144,000.00	\$2,200,000.00	\$1,056,000.00	48.00%
Special Projects					
Transmission Gully Link Roads - Waitangirua and James Cook	\$53,117,000.00	\$17,204,982.00	\$31,861,078.00	\$14,656,096.00	27.59%
Porirua Station Access	\$2,200,000.00	\$635,555.00	\$1,222,222.00	\$586,667.00	26.67%
Whitby Active Mode and Traffic Improvements					
Facilities, speed and traffic management	\$2,300,000.00	\$598,000.00	\$1,150,000.00	\$552,000.00	24.00%
Spinnaker / Discovery	\$330,000.00	\$171,600.00	\$330,000.00	\$158,400.00	48.00%
Traffic Efficiency and Safety improvements	\$900,000.00	\$234,000.00	\$450,000.00	\$216,000.00	24.00%
Whitford Brown Corridor Improvements					
Whitford Brown Corridor - Okowai Rd Intersection	\$750,000.00	\$103,496.00	\$199,030.00	\$95,534.00	12.74%
Whitford Brown Corridor - Papakowhai Rd Intersection	\$1,789,000.00	\$289,535.00	\$567,716.00	\$278,181.00	15.55%
Whitford Brown Routeburn Intersection Improvements	\$286,000.00	\$92,516.00	\$171,326.00	\$78,810.00	27.56%

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
<b>Community Facilities</b>					
Eastern Porirua Community Centre	\$8,000,000.00		\$5,269,917.00	\$5,269,917.00	65.87%
Kenepuru Toilet	\$700,000.00		\$573,897.00	\$573,897.00	81.99%
Northern Hub	\$8,000,000.00		\$6,160,312.00	\$6,160,312.00	77.00%
<b>Cycleways</b>					
Harbourside / Streamside Park	\$300,000.00		\$300,000.00	\$300,000.00	100.00%
Kenepuru Landing (Lwr Main Dr) to Te Ara Tawa	\$800,000.00	\$408,000.00	\$800,000.00	\$392,000.00	49.00%
Kenepuru Landing to city centre	\$400,000.00		\$400,000.00	\$400,000.00	100.00%
Kenepuru Station to Bluff Rd shared path (Ref 6)	\$600,000.00	\$312,000.00	\$600,000.00	\$288,000.00	48.00%
Paremata to CBD	\$1,400,000.00	\$235,150.00	\$452,212.00	\$217,062.00	15.50%
Postgate Drive from Whitby to SH58	\$200,000.00	\$104,000.00	\$200,000.00	\$96,000.00	48.00%
Streamside Park - 1	\$275,000.00	\$143,000.00	\$275,000.00	\$132,000.00	48.00%
Streamside Park - 2	\$270,000.00	\$140,400.00	\$270,000.00	\$129,600.00	48.00%
Wi Neera to Onepoto	\$7,500,000.00	\$2,448,268.00	\$4,708,209.00	\$2,259,941.00	30.13%
<b>New Greenfield Reserves</b>					
Greenfield Reserves	\$24,325,200.00		\$24,325,200.00	\$24,325,200.00	100%
Whitby Neighbourhood (Community) Park	\$1,300,000.00	\$279,859.44	\$1,300,000.00	\$1,020,140.56	78.47%
Whitby Connections and Reserves	\$1,500,000.00		\$1,500,000.00	\$1,500,000.00	100%
Mainsail walkway upgrade and realignment	\$370,063.00		\$370,063.00	\$370,063.00	100%
Navigation Drive play	\$484,497.39		\$484,497.39	\$484,497.39	100%
<b>Sportsfields</b>					
Mungavin Park Upgrade	\$389,000.00		\$80,265.00	\$80,265.00	20.63%
New Artificial Turf	\$1,800,000.00		\$1,689,750.00	\$1,689,750.00	93.88%
Sports Fields Upgrades	\$595,000.00		\$219,200.00	\$219,200.00	36.84%
<b>Stormwater</b>					
Rangituhi Improvements	\$73,346.00		\$7,340.00	\$7,340.00	10.01%
Takapuwahia Network Improvements	\$3,000,000.00		\$2,875,000.00	\$2,875,000.00	95.83%

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
CBD Improvements	\$6,581,841.00		\$510,914.00	\$313,814.00	4.77%
Stormwater upgrades	\$6,998,000.00		\$2,998,910.00	\$2,998,910.00	4.77%
<b>Wastewater</b>					
Paremata Papakowhai gravity sewer capacity increase	\$41,115,857.00		\$16,460,871.00	\$16,460,871.00	40.04%
PS6B pump station upgrade	\$1,795,371.00		\$718,468.00	\$718,468.00	40.02%
WSB Rising main upgrade	\$7,514,988.00		\$3,007,335.00	\$3,007,335.00	40.02%
Whitby Paremata gravity sewer	\$17,083,542.00		\$4,390,927.00	\$4,390,927.00	25.70%
Local Sewer Storage Tanks	\$51,754.00		\$10,411.00	\$10,411.00	20.12%
Whitby storage tank 2018-21	\$1,979,365.00		\$792,322.00	\$792,322.00	40.03%
Bothamley Park Sewer Upgrade	\$40,000,000.00	\$30,001,539.00	\$10,969,239.00	\$9,998,461.00	25.00%
Plimmerton-Mana-Camborne gravity sewer capacity increase	\$13,177,028.00		\$5,273,255.00	\$5,273,255.00	40.02%
PS38 WW rising main upgrade	\$2,108,314.00		\$842,803.00	\$842,803.00	39.98%
SH1 gravity sewer capacity increase (Pukerua to Plimmerton)	\$23,984,228.00		\$9,598,140.00	\$9,598,140.00	40.02%
Takapuwahia-Eldson gravity sewer capacity increase	\$13,207,371.00		\$5,284,713.00	\$5,284,713.00	40.01%
PS01, PS02, PS04, PS05, PS38 WW pump station upgrade	\$13,025,000.00		\$5,206,769.00	\$5,206,769.00	39.98%
PS07a, PS08 and PS09 WW pump station upgrade	\$1,334,000.00		\$533,847.00	\$533,847.00	40.02%
Pump station upgrades 2017-21	\$1,330,827.00		\$53,360.00	\$53,360.00	4.01%
Wastewater - Update and Calibration 2018-21	\$348,232.00		\$85,802.00	\$85,802.00	24.64%
WW Network Improvement Programme 2018/19	\$338,506.00		\$91,394.00	\$91,394.00	27.00%
Rawhiti Road Wastewater Upgrades	\$379,500.00		\$182,160.00	\$182,160.00	48.00%
Titahi Bay WW pipeline re-lining	\$759,489.00		\$127,079.00	\$127,079.00	16.73%
<b>Wastewater Treatment Plant</b>					
Central City WW Storage (PS20)	\$42,889,425.00		\$12,340,108.00	\$12,340,108.00	28.77%
North Plimmerton WW storage	\$30,016,800.00		\$11,995,010.00	\$11,995,010.00	39.96%
Paremata WW storage	\$38,932,457.00		\$15,557,795.00	\$15,557,795.00	39.96%
Whitby Storage Tank	\$8,316,668.00		\$3,323,423.00	\$3,323,423.00	39.96%
Major Pump Station Upgrade PS20 pump station upgrade	\$20,418,171.00		\$6,037,884.00	\$6,037,884.00	29.57%

<b>Project Name</b>	<b>Gross Cost</b>	<b>Third-Party Growth Funding</b>	<b>Growth Cost</b>	<b>Development Contribution Funded Cost</b>	<b>% funding from Development Contribution</b>
Major Pump Station Upgrade PS34 pump station upgrade	\$3,988,800.00		\$1,179,533.00	\$1,179,533.00	29.57%
Sludge Handling / Dewatering and upgrade	\$11,399,117.00		\$2,375,862.00	\$1,436,548.00	12.60%
Trunk Network Upgrades 2029-33 PS20 rising main duplication	\$10,103,657.00		\$2,987,766.00	\$2,987,766.00	29.57%
Trunk Network Upgrades 2035/36/37 PS34 rising main upgrade	\$4,620,342.00		\$1,366,287.00	\$1,366,287.00	29.57%
Porirua WWTP Outfall upgrade	\$40,856,400.00		\$30,233,736.00	\$30,233,736.00	74.00%
Porirua WWTP Outfall upgrade - UV to drop structure	\$3,240,000.00		\$2,397,600.00	\$2,397,600.00	74.00%
WWTP Hydraulic Improvements	\$562,000.00		\$137,271.00	\$45,496.00	8.10%
WWTP JV Clarifier	\$6,668,340.00		\$4,314,416.00	\$733,450.00	11.00%
WWTP Milliscreen to Aeration Basin Pipe Complete	\$1,432,386.00		\$423,573.00	\$423,573.00	29.57%
WWTP UV Upgrade	\$3,391,149.00		\$2,373,750.00	\$1,718,595.00	50.68%
Trunk Upgrades	\$8,141,184.00		\$5,300,770.00	\$1,328,248.00	16.32%
Major Pump Station Upgrades	\$2,188,729.00		\$31,040.00	\$22,473.00	1.03%
WWTP Discharge Consent Renewal	\$450,000.00		\$166,500.00	\$120,546.00	26.79%
<b>Water Supply</b>					
Whitby high level trunk water main	\$3,729,880.00		\$2,237,928.00	\$2,237,928.00	60.00%
Plimmerton LL Reservoir (Pope Street)	\$16,374,000.00		\$9,824,400.00	\$9,824,400.00	60.00%
Porirua High Level Reservoir No 2 (Stemhead)	\$19,127,136.00	\$9,671,024.00	\$9,456,112.00	\$9,456,112.00	49.44%
Porirua LL Zone Reservoir (Aotea Reservoir)	\$18,407,522.00		\$6,306,281.00	\$6,306,281.00	34.26%
Whitby Booster Pump Station (Navigation Drive)	\$565,043.00		\$565,043.00	\$565,043.00	100.00%
Water supply upgrades	\$5,000,000.00		\$2,333,676.00	\$2,333,676.00	46.67%



**Table 9: Schedule of assets funding catchments**

Table 9 outlines the funding catchments for infrastructure which is charged at a locality level. All other projects are charged through city-wide charges.

<b>New Greenfield Reserves</b>	<b>New Reserve Catchments</b>
Greenfield Reserves	Plimmerton Farm, Kenepuru, Aotea, Takapūwāhia
Whitby Neighbourhood (Community) Park	Whitby
Whitby Connections and Reserves	Whitby
Mainsail walkway upgrade and realignment	Whitby
Navigation Drive play	Whitby
<b>Wastewater</b>	<b>Wastewater Catchments</b>
Paremata Papakowhai gravity sewer capacity increase	Northern, Central Northern, North Eastern
PS6B pump station upgrade	Northern, North Eastern
WS6B Rising main upgrade	Northern, North Eastern
Whitby Paremata gravity sewer	North Eastern, Central Northern
Local Sewer Storage Tanks	City Wide
Whitby storage tank 2018-21	City Wide
Bothamley Park Sewer Upgrade	Eastern
Plimmerton-Mana-Camborne gravity sewer capacity increase	Northern
PS38 WW rising main upgrade	North Eastern
SH1 gravity sewer capacity increase (Pukerua to Plimmerton)	Northern
Takapūwāhia-Eldson gravity sewer capacity increase	Central
PS01, PS02, PS04, PS05, PS38 WW pump station upgrade	North Eastern
PS07a, PS08 and PS09 WW pump station upgrade	Northern
Pump station upgrades 2017-21	City wide
Wastewater - Update and Calibration 2018-21	City wide
WW Network Improvement Programme 2018/19	City wide
Rawhiti Road Wastewater Upgrades	Northern
Titahi Bay WW pipeline re-lining	Western
<b>Water Supply</b>	
Whitby high level trunk water main	Whitby High, Whitby
Plimmerton LL Reservoir (Pope Street)	Plimmerton North
Porirua High Level Reservoir No 2 (Stemhead)	Porirua High
Porirua LL Zone Reservoir (Aotea Reservoir)	Porirua Low
Whitby Booster Pump Station (Navigation Drive)	Whitby
Water supply upgrades	Urban Standard, Porirua Low

**Table 10: Water Supply Catchment Localities**

<b>Water supply catchment</b>	<b>Localities</b>
Porirua Low Level	Cannons Creek North 56 Cannons Creek South 18 Porirua Central Elsdon-Takapūwāhia Paremata SW Onepoto Papakowhai 71 Titahi Bay North Titahi Bay South Porirua East Ranui Heights Aotea West
Porirua High Level	Postgate 10 Cannons Creek East Cannons Creek North 44 Cannons Creek South 82 Papakowhai 29 Aotea East Waitangirua Whitby 10 Ascot Park
Whitby	Whitby 90 Postgate 90 Paremata SE Endeavour
Whitby High	Whitby High
Plimmerton North	Plimmerton Camborne Paekakariki Hill S Paremata North
Urban Standard	Pukerua Bay

**Table 11: Wastewater Catchment Localities**

<b>Wastewater Catchments</b>	<b>Localities</b>
Central	Porirua Central Elsdon-Takapūwāhia
Central North	Paremata SW Papakowhai 29 Papakowhai 71 Aotea West
Eastern	Whitby 10 Postgate 10 Ascot Park Cannons Creek East Cannons Creek North 44 Cannons Creek North 56 Cannons Creek South 18 Cannons Creek South 82 Aotea East Waitangirua Porirua East Ranui Heights
North Eastern	Whitby 90 Postgate 90 Endeavour Paremata SE Pauatahanui Whitby High
Northern	Paremata N Paekakariki Hill S Paekakariki Hill Pukerua Bay Camborne Plimmerton
Western	Onepoto Titahi Bay North Titahi Bay South

## Appendix Four - Water Connection Size

Assessment of Household Equivalent Units for Development Contributions

This Appendix is intended to be read in conjunction with **Table 5: Non-residential conversion factors** of the Porirua City Council Development Contribution Policy. For water connection pipe sizes from **DN 100 – 375**, Water and Wastewater HEUs will be determined by reference to the number of residential lots in **Table 6.2 of NZS 4404:2010 Land Development and Subdivision Infrastructure**:

**NZS 4404:2010 Table 6.2 – Empirical guide for principal main sizing**

Nominal diameter of main DN	Capacity of main (single direction feed only)			
	Residential (lots)	Rural residential (lots)	General/light industrial (ha)	High usage industrial (ha)
100	40	10		
150	160	125	23	
200	400	290	52	10
225	550	370	66	18
250	650	470	84	24
300	1000	670	120	35
375	1600	1070	195	55

For **DN 50** water connection pipes, Water and Wastewater HEUs will be determined by **Table 6.3 of NZS 4404:2010 Land Development and Subdivision Infrastructure** below

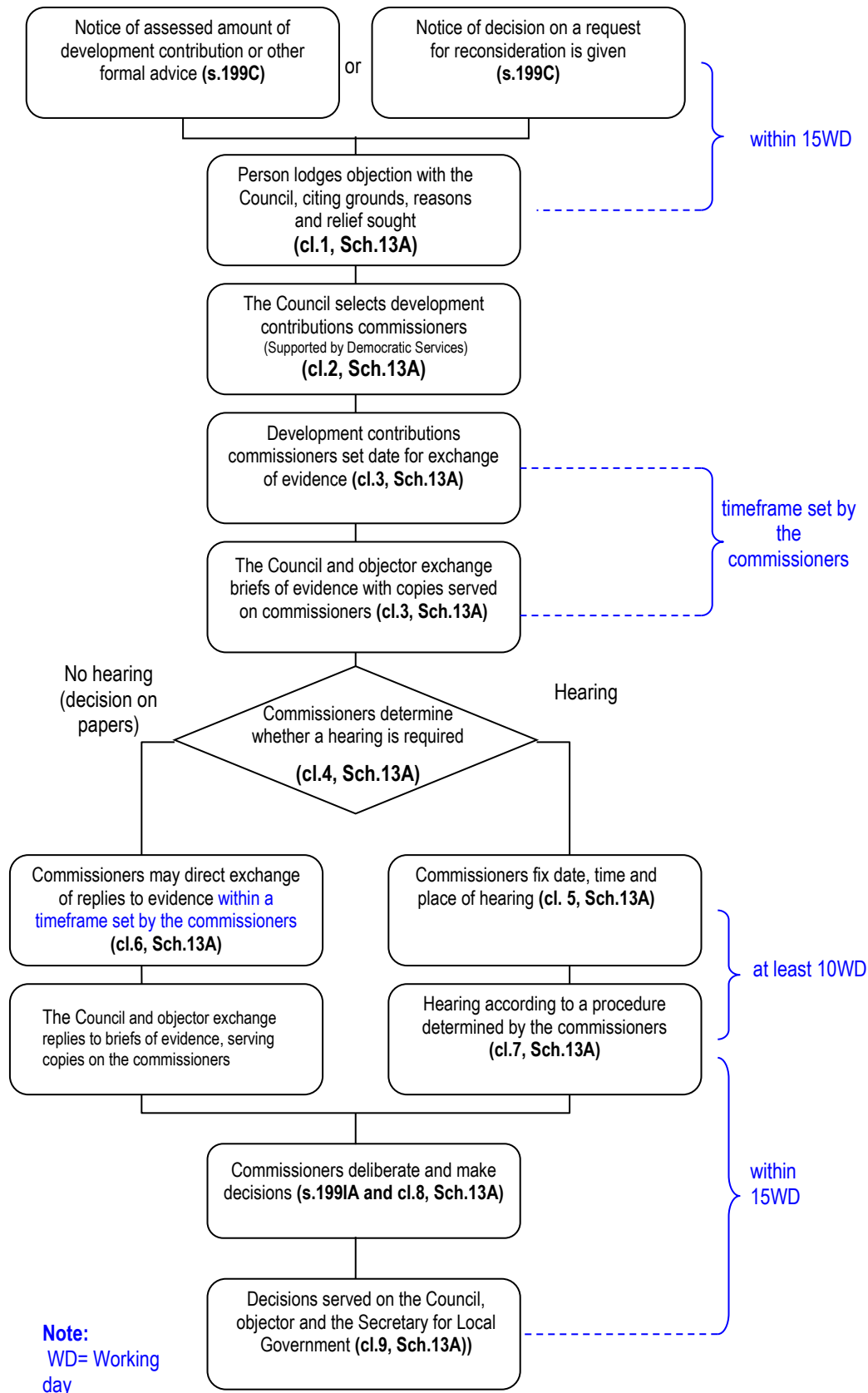
**NZS 4404:2010 Table 6.3 – Empirical guide for sizing rider mains**

DN 50 Rider mains		
Pressure	Max no. of dwelling units	
	One end supply	Two end supply
High > 600 kPa	20	40
Medium 400-600 kPa	15	30
Low < 400 kPa	7	15

For water connection pipe sizes **DN 20 – 40**, Water and Wastewater HEUs will be determined by the following table, based on common industry standard parameters for sizing rider mains.

Water Connection size DN	Residential lots ( = Water and Wastewater HEUs)
20	1
25	2
32	7
40	14
40 (Two end supply)	20

## Appendix Five – Development Contributions Objection process



## Appendix Six – Considerations of activity funding

Council when deciding what sources it will use to meet its funding needs must consider s101(3) of the LGA2002. This provides elected members exercising their political judgement and considering the proposal in the context of Council’s funding decisions as a whole.

S101(3) LGA2002 - The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

- a) in relation to each activity to be funded,—
  - i. the community outcomes to which the activity primarily contributes; and
  - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - iii. the period in or over which those benefits are expected to occur; and
  - iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - v. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

### The community outcomes to which the activity primarily contributes

Development contributions fund the capital costs of parks and reserves, network infrastructure, or community infrastructure. The following table sets out the community outcomes to which each activity contributes:

Activity	Our People	Our Harbour	Our Home
City Wide Reserves	Y		Y
Sports Fields	Y		Y
Community Facilities	Y		Y
Roading	Y		Y
Cycleways	Y		Y
Stormwater		Y	Y
Wastewater		Y	Y
Wastewater Treatment Plant		Y	Y
Water Supply		Y	Y

The nature of each infrastructure group benefits development in different ways. This approach provides for aggregation across different activities to recognise the location and type of infrastructure to be provided.

### The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

Investment in infrastructure to support growth provides benefits to:

- existing landowners
- existing households, ratepayers and businesses

- new households and businesses benefit from the provision of services and amenities.

Landowners receive an immediate benefit through connection to Council services and network assets. The connection allows for development to proceed and increases in land value. Landowners also benefit from the provisions for reserves and community infrastructure through a connected and vibrant city. The provision for such amenities nearby increases the demand for the land and as a result, increases house prices and land values.

Existing households, ratepayers and businesses receive a benefit through the provision for growth-related infrastructure through increases to current levels of services and more effective spatial planning and movement within the city. These capacity increases however will be reduced over time as additional capacity is utilised. The benefits for such properties are funded through general rates.

### **The period in or over which those benefits are expected to occur**

The infrastructure provided by Council has useful lives of various terms however are consider intergenerational, long useful lives. The growth capacity that new infrastructure provides is recovered from development as it occurs over time. Current developers only pay for the proportion of the capacity that they will use. General rates fund the maintenance and renewal of these assets.

### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity**

Growth places additional demands on Council services. Council is required to respond and plan for growth to ensure the infrastructure necessary to support growth is provided for. The additional investment must consider local growth projections and future demand.

The cumulative nature of growth must be considered and the provision and aggregation at both a city and locality level. The nature of each infrastructure group needs to be considered and understood to provide for the collection and funding from revenue streams. The catchment approach leads to address the different nature of infrastructure and the provision for different assets.

Development contributions allow Council to recover the cost of additional infrastructure from new developments at a level that is proportionate to the demand that they create. Council has since the inception of Development Contributions Policy adopted a growth pays for growth principle. The drivers of demand for infrastructure vary based on development type and location. Development contributions are therefore differentiated by development type and location.

### **The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities**

The provision for growth-related infrastructure represents a significant portion of Councils capital expenditure forward programme. The provision for this infrastructure is often required to unlock new growth cells or to allow for development to occur. Development contributions represent, and signal, the costs of facilitating growth to developers and the growth community. Councils approach catchments and charging development contributions provides transparency in the costs of servicing growth and provides certainty to the development community. Through differentiating different

infrastructure categories, and the aggregation of costs, allows Council to transparently reflect the individual nature of different activities, development types and locations. These costs will be reflected through the land value of development. This provides clear signals to developers and growth community of the associated costs of different development areas.

Setting and recovering development contributions separately incurs administration costs. However, these are immaterial compared to the revenue that development contributions generate for Council.

Development contributions provide the ability to record and recover the costs of growth-related infrastructure. This improves both developers' ability to hold Council accountable for its expenditure as well ensure growth services the costs of supporting its development. If all costs were provided through general rates or other funding it would provide less transparency and less accountability and scrutiny.

### **Consideration of the overall impact**

Council has taken this approach, through the consideration of the above criteria, to evaluate the proposal in terms of the overall impact on the community. This involves elected members exercising their judgement and considering the proposal in the context of Council's funding decisions as a whole, not just in relation to these activities.

Matters Council considered as part of this overall political judgement include:

- cost implications of infrastructure funding decisions on development and the challenges developers face in getting their products built. If development costs are too high this may act as a barrier to development and slow down growth.
- economic research indicates that increasing the Development Contributions price will not generally increase house prices. House prices are determined by the balance of supply and demand.
- if the growth does not occur as forecast then there are implications on the general ratepayers of under-recovery of infrastructure costs associated with growth. This will result in the council facing additional financing costs until development occurs. These costs may end up being met by general ratepayers.
- if development contributions are not used then there are financial and service level implications for existing residents and businesses who would have to fund growth-related infrastructure from general rates.

Taking into account all of the above considerations and understanding the projected growth of Porirua City and the need to provide effectively for growth Development Contributions provides the best approach to recognising the needs of the community and meet the needs of funding growth. Otherwise, the cost of the provision of such infrastructure would fall to general ratepayers. Development Contributions provides the costs of providing infrastructure is serviced by those who seek to benefit from the provision, growth pays for growth principle. This approach leads to ensure we reach our visions: "Porirua City, a great place to live, work, and raise a family".