Hamilton City Council
Te kaunihera o Kirikiriroa

DEVELOPMENT CONTRIBUTIONS POLICY

1. PURPOSE OF POLICY

1.1 The purpose of this policy is to:

a) Provide predictability and certainty about the role development contributions play in Council's overall funding and financial strategy;

b) Establish a policy framework for the calculation of development contributions and how they are to be applied to Council activities;

c) Enable the development community to understand how and in what proportions it pays for infrastructure which supports growth;

d) Set development contributions at a level which will assist Council in delivering on its role and purpose as defined under the Local Government Act 2002 (LGA).

2. QUICK REFERENCE GUIDE

2.1 This policy has a significant amount of content that relates to legislative compliance.

2.2 In order to aid practical application and understanding of the policy the following table provides quick references to the sections that most relate to development contributions charges, and application of the Policy, they are:

2.3 These are suggested as sections for first reference, but the Policy needs to be considered in its entirety. The full methodology and supporting information behind the Policy are also available from Council upon request.

2.4 A supplementary document will also be made available that will provide the key content of the Policy in a more practical and simplified form.

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4. POLICY BACKGROUND

4.1 Hamilton has grown rapidly over the past few decades and although the rate of growth has slowed in recent years due to the decline in local and global economic conditions, ongoing growth is projected for Hamilton into the foreseeable future.

4.2 Council is required to ensure that this growth can be efficiently managed and accommodated within the City so that growth benefits the entire community. The primary way that Council performs this function is by delivering infrastructure to support this growth in an efficient and cost-effective manner. That infrastructure can include reserves, network infrastructure such as roads and stormwater systems, and community infrastructure such as libraries, theatres and museums.

4.3 Council must plan for this future demand for infrastructure that comes from growth, and establish a capital expenditure programme which provides for these activities over time. It must also determine how these activities are to be paid. It has a range of funding sources available to it, including rates, financial contributions under the Resource Management Act 1991, grants, and development contributions.

4.4 Council is required to determine how each activity is to be funded, including what activities should be funded wholly, or in part, by development contributions, which are a direct method of targeting the developer community as a funding source. The need for some infrastructure, for example, is brought about solely to meet additional demand created by development, and so it is fair that the developer community contributes significantly to these costs. However, new infrastructure may also benefit the wider community, and so it is appropriate that they also contribute to the costs. An appropriate balance must be struck, depending on the activity.

4.5 This policy establishes a framework for determining what level of funding an activity will receive by way of development contributions, and assists developers in determining the level of development contributions payable by them on a development by development basis.

4.6 This policy was adopted by Council on 29 June 2013 and will apply to consents or service connections granted on or after 1 July 2013. Applications for consents or authorisations lodged with the Council prior to 1 July 2013 but not granted until after 1 July 2013 will be considered to be within the scope of this version of the policy, not the previous version.

5. WHAT IS A DEVELOPMENT CONTRIBUTION?

5.1 A development contribution (DC) is a contribution made by a developer to Council which is provided for in this policy and calculated in accordance with the methodology set out in this policy, and can comprise money, land or a combination of both.

5.2 A development contribution may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity, and as a consequence, Council incurs capital expenditure to provide appropriately for reserves, network infrastructure or community infrastructure.

5.3 Council can require a development contribution in order to pay for capital expenditure already incurred by it in anticipation of the development.

5.4 Before any development contribution can be levied in respect of development, it must be demonstrated that the development, which can be any subdivision or other development, generates a demand for reserves, network infrastructure or community infrastructure. Community infrastructure means land or development assets on land, owned or controlled by Council to provide public amenity, such as libraries, museums and theatres. Network infrastructure means the provisions of roads and other transport, water, wastewater and stormwater collection and management.

5.5 Council can require a development contribution to be made to it upon a resource consent being granted under the RMA for a development, or a building consent being granted for building work associated with the development, or upon the authorisation of a service connection being granted.

5.6 A development contribution cannot be levied if Council has imposed a financial contribution condition under the RMA in respect of the same development for the same purpose, or the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure, or Council has received or will receive funding from another source.

6. DEFINITIONS

6.1 **10-Year Plan** means councils adopted long term plan in accordance with the LGA.

6.2 **allotment means:**

a) Any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:
   i. The subdivision shown on the survey plan has been allowed, or subdivision approval has been granted by Council.
   ii. A subdivision consent for the subdivision shown on the survey plan has been granted under the Act.

b) Any parcel of land or building or part of a building that is shown or identified separately:
   i. On a survey plan.
   ii. On a licence within the meaning of Part 7A of the Land Transfer Act 1952.

c) Any unit on a unit plan.

d) Any parcel of land not subject to the Land Transfer Act 1952.

6.3 **ancillary residential unit** means a self-contained residential unit with a gross floor area not more than 60m^2 and held in common ownership with the primary activity on the site. To be self-contained the ancillary residential unit must have a kitchen, bathroom, bedroom(s), and a living room. The ancillary residential unit can be attached to the principal building, or be a detached stand-alone structure. In the Industrial and Ruakura Logistics Zone it means any residential unit ancillary to any activity undertaken on site such as a caretaker's residence, live-in employees or security staff accommodation.

6.4 **capex** means capital expenditure

6.5 **catchment** means an area shown in Maps 1- 10 (refer Schedule 9 below) within which a separately calculated and specified set of development contributions charges apply.

6.6 **citywide** means the catchment that covers the entire city. The citywide charge forms a component of all other development contribution charges.

6.7 **commercial development** means any development involving the use of premises (land and buildings) for administration or professional activities, leisure and recreation activities, mobile accommodation, motels and short-term rental apartments, and all other activities not covered by the definitions of residential, retail, and industrial development.

6.8 **Council** means the Hamilton City Council and includes any committee, subcommittee or person acting under delegated authority.

6.9 **developer** means any individual entity or group undertaking development.

6.10 **development** means—

a) any subdivision or other works undertaken by way of a resource consent, building consent or service connection 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

6.11 **granted** means the date that an application for a consent or service connection is approved by Council.

6.12 **greenfield** means all catchments other than the citywide, infill, and CBD catchments

6.13 **gross floor area (GFA)** means the sum of the gross floor area of all floors of all buildings on a site measured from the exterior faces of the exterior walls or from the centrelines of walls separating two buildings. Gross floor area shall:

a) include elevator shafts, stairwells and lobbies at each floor and mezzanine floors and balconies;
b) exclude any provided car-parking, loading and servicing areas and access thereto and building service rooms containing equipment such as lift machinery, tanks, air conditioning and heating plants;
c) for the purposes of this policy, include car parking provided on a commercial basis; and
d) in cases where there is no constructed floor or in which existing floor area is covered for the first time by a roof, includes the area under the roof.

6.14 **household unit equivalent** (HUE) means demand for council services, equivalent to that produced by an average household.

6.15 **higher density residential** means residential development with a net site area of less than 350m^2 per unit, either in a Comprehensive Development Plan or Master Plan area, or as two or more attached dwellings in a Residential Intensification Zone (RIZ) as defined by the Proposed District Plan.

6.16 **industrial development** means any development involving the use of premises (land and buildings) for manufacturing, processing, bulk storage, warehousing, servicing and repair activities, or if the use of premises is unknown, any development in an industrial zone.

6.17 **infrastructure** means network infrastructure, reserves, or community infrastructure as defined by the LGA.

6.18 **LGA** means the Local Government Act 2002

6.19 **net site area** means the area of the site, excluding any entrance strip with a width of 6m or less, or any right of way, private way or access lot.

6.20 **residential development** means new buildings or parts of buildings designed to be used by persons living alone, or by a family or non-family group. This includes but is not limited to apartments, semi-detached and detached houses, ancillary residential units, units, town houses, private units within a retirement village, self-contained accommodation, and new allotments on land which is zoned residential.

6.21 **retail development** means any development involving the use of land or buildings where goods and services are offered or exposed to the general public for sale, hire or utilisation. For the purposes of this policy, this definition shall include restaurants, licensed premises and drive-through services.

6.22 **site** means an area of land which is:

a) Comprised in a single certificate of title or in respect of which a single certificate of title could be issued without further consent from the Council.
b) Composed of two or more lots held together in one (or more) certificate(s) of title and where no single lot can be dealt with separately without the prior consent of the Council.
c) An area of land which has been defined for the purpose of transferring it from one certificate of title to another.
d) An area of land which is, or is to be, used or developed as one property whether or not that use or development covers the whole or a part(s) of one or more lots.

6.23 **wet industries** means industrial developments that is assessed to or will utilise more than 15,000 kL of water per day.

7. GROWTH-RELATED CAPITAL EXPENDITURE

7.1 ***Summary and explanation of growth-related capital expenditure (s106(2)(a) LGA)***

7.2 Based on demographic and economic data, Council forecasts that Hamilton will continue to grow over the next few decades. Some of this growth can be supported by existing council infrastructure, but council has identified that there will also be a need for a number of new assets and to increase the capacity of a number of existing assets.

7.3 Major growth-related infrastructure projects over the next 10 years (as detailed in the supplementary 'Top 10 Reports' document) includes further extensions of the Hamilton Ring Road, capacity increases to wastewater headworks, and extensions to water, wastewater, transport and stormwater infrastructure in Rototuna, Rotokauri, and Peacockes Stage 1.

7.4 Not all growth-related projects can be funded from development contributions. For example, capital expenditure incurred to meet increased demand on infrastructure generated solely by a change in short term demographics or community behaviours, cannot be funded by development contributions. A development contribution can only be levied where it can be demonstrated that the effect of the development, either alone or in combination with other developments, is to require new or additional assets or assets of increased capacity, and as a consequence, Council incurs capital expenditure to provide that infrastructure.

7.5 Where this criteria can be met, Council has chosen to recover some of the costs for these infrastructure projects from development contributions. Development contribution components and proportion of growth-related capital expenditure funded by development contributions (s199(1), 106(2)(b) LGA)

7.6 The growth-related capital expenditure that Council has incurred and will incur over the 10-Year Plan period is allocated to a number of groups of activities that are impacted by increased demand, and will be funded from a mix of development contributions, rates, reserves, and NZTA subsidies set out in Schedule 2 below.

7.7 The six development contribution accounts cover the three types of infrastructure for which Council is able to take development contributions as defined by the LGA: reserves, community infrastructure, and network infrastructure – further divided here into transport, water, wastewater and stormwater.

7.8 The proportion of costs that will be funded by development contributions has been determined using the methodology set out under 10.77 below, which is based on the following rationale.

7.9 ***Rationale for using development contributions as a funding source (s106(2)(c), 101(3) LGA)***

7.10 **Community Outcomes**

7.11 Council's growth-related capital expenditure primarily contributes to the following outcomes and goals identified to guide the 10-Year Plan:

i. "Our city grows and prospers in a sustainable way".
ii. "Council's finances are sustainable for the long term".

7.12 Council considers that this principal message of sustainability is best promoted by:

a) the timely provision of infrastructure to support growth in the city, while protecting ratepayers from unacceptable annual rates increases by taking development contributions to fund a portion of growth-related capital expenditure,
b) using conservative assumptions to forecast or project development contribution revenue; and
c) allocating costs of growth related expenditure to reflect the causes and benefits of growth infrastructure provision and hence encouraging sustainable development activity by ensuring that developers have a financial interest in the infrastructure provided.

7.13 Additionally, in the process of allocating costs to development contributions, community outcomes specific to each major project were identified and taken into consideration.

7.14 ***Extent to which development causes expenditure***

7.15 It is councils view that development is a major cause of costs identified in Schedule 2, and that this growth related expenditure is necessary to enable the growth of the city to continue without reducing the current levels of service provided.

7.16 Developers will significantly benefit from this expenditure via the profits of their developments, and so should pay for a reasonable portion of these costs through development contributions.

7.17 Capital projects undertaken by Council which are assessed to have been caused by new developments or where new developments receive benefits, are referred to as 'growth

projects'. A cost allocation process is undertaken to assess the extent that new developments should fund those capital projects.

7.18 Components of the total cost of these capital projects will be excluded from charging, including growth caused from outside the city, growth that is caused and benefits only the general rating community, and the level of service improvements.

7.19 The remaining portion will be funded from other sources, including central government subsidies and rates loans – recognising that some of the benefits derived from these assets accrue both to the existing community and to future ratepayers.

7.20 Cost allocations have been evaluated on a project-by-project basis, by way of a substantive template "the template" that for each project and/or component of a project records and considers the project description, the purpose and key outcomes of project, related projects and project dependencies, catchment rationale, multiple LOS considerations (including breadth, depth, and the use of assessment bands), growth benefits, duration and comments/rationale, non-DC growth, growth causation rationale, and a number of other considerations.

7.21 Consideration has also been given to the overall significance of each project for the existing and growth communities as expressed in the ratio of development contributions paid per new HUE to rates paid per existing HUE. Adjustments have been made in cases in which this ratio was deemed to be unreasonably high (i.e. growth pays an unreasonably high proportion of the total costs).

7.22 Projects considered to be of greatest significance in terms of quantum of cost, complexity, or other reasons, including community considerations, have been assessed in substantially more detail, including a 'top ten' list of such projects where individual substantive engineering reports were compiled for the purposes of allocating costs, including disaggregation of projects into component projects for finer grained analysis, and detailed project and asset metrics under guidance from an external asset management specialist.

7.23 The purpose of these reports and the wider analysis via the template was to rigorously capture what is meant by Levels of Service (LOS) and its different dimensions and significance and to assess capital projects on the extent to which they are driven by LOS.

7.24 Costs by project have been allocated to development contributions by deriving a percentage figure to reflect the extent to which the development community causes the need for the expenditure, and the extent to which developers benefit from the expenditure. The average of the two percentages is used as the final percentage of growth related project costs for development contributions funding.

7.25 The percentage figure for developer causation has been derived in the template referred to in section 7.20 above by considering the extent to which the project would be needed if there was no development, and excluding the portion of each project that contributes to renewals or changes in level of service (LOS) and/or remedying existing level of service deficiencies (backlog).

7.26 Level of service assessments are derived by considering the breadth of LOS improvements addressed by provision of each project, and by the significance of the LOS improvements of each project in the context of the wider project or projects.

7.27 For Transport projects for which NZTA subsidies are available, the amount of these subsidies is removed from the total cost prior to applying the development contributions allocation.

7.28 Council has determined under s101(3) that growth caused by development, or other factors, that do not attract development contributions ('non-DC growth') should be funded primarily by the ratepayer.

7.29 Significant assumptions in the cost allocation process are described under 10.77 below. Full details of methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project are available on request, if not otherwise provided for in the supporting documents of this policy.

7.30 ***The distribution and timing of benefits***

7.31 The timing of profits accruing to developers and the need for the capital expenditure both align more closely with the timing of the consents required by developers than they do with the annual rates payments made by residents, so it is appropriate that a portion of the costs be imposed as development contributions through the consenting process.

7.32 For each project, consideration has also been given to the period over which the benefits are expected to occur or over which the capacity provided by the project will endure, and recovery of costs from development contributions has been timed to align with this period.

7.33 The cost allocation percentage figure for growth benefits has been derived on the basis of assessed growth benefits accruing to new residents compared to existing residents, and by considering the rate of expected growth over the recovery period.

7.34 Finally, the portion of expenditure funded from rates loans has been adjusted to take account of the rates paid by new developments. This adjustment is made by assuming that each new Household Unit Equivalent (HUE) will pay the same amount of rates per year as each existing HUE towards the rates-funded portion of each project. The amount of such rates paid by new HUEs is then calculated and deducted from the total amount of development contributions payable, so that there is no "double-dip". Each HUE pays only once for the same piece of infrastructure.

7.35 ***Transparency and accountability***

7.36 Growth costs and their funding source are identified separately and on a project-by-project basis which imposes significant administrative costs on Council, but these are outweighed by the benefits in terms of greater equity (user pays), transparency and accountability.

7.37 The full methodology and rationale that demonstrates how the calculations for the contributions were made is available from the Council upon request.

7.38 ***Overall impact of allocation***

7.39 In some catchments, and for some types of development, council has taken the view that the development contribution charge resulting from the above allocations would have an adverse effect on the development community to an extent that it would hinder growth and development, with negative consequences for the community as a whole. In these cases, Council, with consideration to s101(3)b of the LGA, has opted to moderate the charge and fund any resulting revenue impacts from rates. This approach is consistent with section 4.2 of Council's Revenue and Financing Policy.

7.40 Having taken advice from external specialists, it is the view of Council that overall the allocation of growth-related capital costs to development contributions as summarised in Schedule 2 below and the resulting development contribution charges as specified in Schedule 1 below are reasonable and consistent with the statutory framework.

7.41 ***Total amount of development contributions funding sought (s106(2)(d) LGA)***

7.42 The total amount sought from development contributions funding, including financing costs, is set out in Schedule 3 below. These costs have been adjusted to take account of any historical shortfalls in previous forecasts for development contributions revenue, so that future developers are not penalised by compounding interest costs.

8. EXPLANATION AND JUSTIFICATION FOR CALCULATION OF CHARGES (S201(1)(A) LGA)

8.1 ***Development contributions catchments***

8.2 Different areas of the city ("catchments") have been allocated different amounts of growth-related capital expenditure (Schedule 2 below) and are forecast to have different amounts of growth (see Schedule 8 below). Financing costs have been allocated to them in proportion to the balance of expenditure and growth within each area (Schedule 3 below).

8.3 It is not practical to define catchments that precisely fit each individual growth project that Council undertakes. Taking this into account, Council considers that it is most equitable to divide the city into catchments as is shown in the maps in Schedule 9 below.

8.4 Within each of these catchments, unless a remission, specific agreement or where credits apply (see sections 12 and 13 below), all developments will pay the same development contribution, regardless of their location within the catchment and regardless of their proximity to any particular projects that council has undertaken or will undertake in that catchment.

8.5 This will ensure that the historical and future costs of growth-related capital works in that catchment are shared amongst all developments that benefit from them to the best practicable extent, whether directly or indirectly.

8.6 Some growth-related capital expenditure cannot adequately be confined to individual areas, and so will need to be recovered on an equal basis from all developments, regardless of location. For this purpose, a citywide catchment is used. For more details on catchments, see 10.64 below.

8.7 ***Calculation of charges (s203(2), Schedule 13 LGA)***

8.8 For each growth related capital expenditure project within each catchment, the development contribution charges per household unit equivalent are calculated as follows:

8.9 $$\text{Charge} = \frac{\text{net present value of capex allocated to development contributions funding}}{\text{net present value of the number of units of growth benefiting from capex}}$$

8.10 Capital expenditure and growth (which is proportional to revenue) for the purposes of generating the charge are expressed in present value terms in order to account for financing costs.

8.11 For each development contributions account within each catchment, the charge is the sum of the charges for the individual expenditure items.

8.12 The same result can also be expressed by the following formula, which can be applied to each development contributions account as a whole in order to illustrate how the charge for that account is derived.

8.13 Charge = $\frac{\text{capex allocated to development contributions funding plus financing costs}}{\text{total number of units of growth benefiting from capex}}$

8.14 Details of the charges for each account, calculated in accordance with this formula, are shown in Schedule 4 below.

9. DOWNWARD MODIFICATION TO BASE CHARGES (S101(3)(B) LGA)

9.1 Some development contribution charges calculated by the calculation model have been moderated downwards to take account of considerations outside the scope of the DC model parameters.

9.2 The calculation model produces mathematically and legally justifiable theoretical development contribution charges **"base charges" (refer** , but whether these base charges are to be levied is required to be tested in accordance with s101(3)b of the LGA which is a critical filter through which all proposed development contributions must pass.

9.3 Council has considered the base charges in light of the critical filter set out in s101(3)b and concluded that if the base charges were adopted, in some cases this would represent an allocation of liability for revenue needs which would not deliver the most advantageous impacts on the community. Accordingly, Council has decided to reduce certain base charges as set out below.

9.4 It is important to note that the difference between the base charge and the modified charge is already funded through the 10-Year Plan as a result of conservative revenue assumptions (refer section 10.17 below), so Council requires no additional rates funding, nor does it increase any of the non-modified DC charges, or place additional burden on other parts of the development community.

9.5 ***Modifications to base development contribution charges***

9.5.1. ***Capped Non-residential development charges***

9.5.1.1. Non-residential development charges capped to be no greater than the previous Development & Financial Contributions Policy 2010/11 charges.

9.5.1.2. Base non-residential charges are significantly higher than current charges due to:

a) reallocation of costs towards catchments from citywide;
b) increase in number of catchments means less spreading of costs across multiple areas;
c) lower growth projections – see significant assumptions in 10.3 below;

9.5.1.3. Charges set at the higher base level could jeopardise economic and financial viability with respect to reliability of forecasts and market competitiveness, and this was supported by benchmarking analysis.

9.5.1.4. Council has made substantial infrastructure investments based on long-term city growth planning and land use strategies, which if materially compromised due to low uptake would have substantial negative impacts on Council's ability to

recover these costs via development contributions revenue, and consequently on the on the wider community and city ratepayers.

9.5.1.5. In this respect, allocation of liability for revenue needs according to the base charges will have a potentially adverse impact on the community and to avoid this impact, the base charge has been modified as set out above.

9.5.2. ***Reduction in charges for certain higher density developments in Infill 'RIZ' areas***

9.5.2.1. A 67% total reduction from base charges for higher density developments in the infill Residential Intensification Zones (RIZ) (refer map 7 in Schedule 9 – DC Catchment Maps)

9.5.2.2. Higher density developments and urban intensification are important strategic goals for Council, leading to efficient use and development of resources, increased amenity and improved urban form. These outcomes are consistent with Council's Proposed District Plan and the Hamilton Urban Growth Strategy (HUGS). These community outcomes are more likely to be achieved through an allocation of liability for revenue needs based on a reduction in the infill base charge.

9.5.3. ***Temple View residential charges to be capped at the level of the Rototuna charge (Excluding bulk wastewater and stormwater charges)***

9.5.3.1. This modification has been made principally because the base charge is disproportionately high due to lack of information or certainty around anticipated growth in absence of a structure plan, such that growth infrastructure in place in anticipation of growth is spread over very few units of growth.

9.5.3.2. Allocation of liability for revenue needs according to the base charge will likely be prohibitive to development in this area. The proposed modified charge represents an allocation of liability for revenue needs which is fair and more likely to enable sustainable development within Temple View.

9.5.3.3. Growth forecasts for Temple View will be reviewed when more certainty exists around anticipated development in that catchment.

9.6 ***Council's decision to modify charges***

9.7 Council considers that its decision to modify these charges represents a proper exercise of its discretion under s101(3). Council's decision in respect of these modified charges has not impacted on its decision making in respect of the balance of this policy. To that extent, Council would have adopted the balance of this policy regardless of whether the modifications to these charges were made. In addition, if the modifications were not made under s101(3), the same community outcomes would have been achieved through additional remission criteria aimed at delivering lower than modelled charges for these developments.

9.8 ***Further Reduced Higher Density Charges Based on Lower Actual Demand***

9.9 The following charge categories are similar on the surface to modifications described in section 9 above, but are however not s101(3) modifications, but rather a direct calculation-model output resulting from lower actual demand when compared to a standard HUE.

*9.9.1. **Comprehensive Development and Master Plan Areas***

Higher density developments in the Comprehensive Development and Master Plan areas identified in part of the Proposed District Plan greenfield areas of Rototuna, Rotokauri, Ruakura and Peacockes (refer to the areas shaded green in Schedule 9, map 2-5) attract charges 33% lower than the relevant base charge due to lower actual demand on council services.

*9.9.2. **Ancillary Units***

Ancillary units attract charges 67% lower than the relevant base charge due to lower actual demand on council services in areas excluding in the Residential Intensification Zones (RIZ) as defined in the Proposed District Plan (refer to the areas shaded green in Schedule 9, map 7).

9.10 Refer to 10.50 below for more information on higher density development and ancillary unit assumptions.

10. SIGNIFICANT ASSUMPTIONS AND ESTIMATES OF POTENTIAL EFFECTS OF UNCERTAINTY (S201(1)(B) LGA)

10.1 The Development Contributions policy incorporates a number of assumptions underlying the calculation of development contributions, principally around city growth, the demands placed on infrastructure by different types of developments, the allocation of costs and ultimately how these costs will be recovered from different types of development.

10.2 These assumptions, and an assessment or estimate of the effects of the uncertainty surrounding them, are detailed in this section.

10.3 ***Growth forecasts***

10.4 Demand for growth is assumed to be constrained by the number of employment opportunities in Hamilton. People generally migrate to Hamilton to work, for education, or for closer proximity to the healthcare facilities centred around Waikato Hospital. It is assumed that employment growth will have the most impact on demand for housing, and that it can also be used as a proxy for the other major drivers of migration.

10.5 Conservative long-term employment forecasts for Hamilton, produced by Infometrics in November 2011, have been used to scale back the low series of the labour-force, population and household projections done by the University of Waikato Population Studies Centre in 2008 to a level more reflective of medium and longer term growth in the context of current local and depressed global economic conditions.

10.6 The low series of non-residential land use, GFA and employment projections produced by Property Economics in 2010, has also been scaled in this manner, but additional allowance has been made for accelerated growth in the Ruakura and Rotokauri catchments that was not foreseen at the time the projections were made.

10.7 To facilitate calculations, the underlying demand growth is assumed to be linear and the Infometrics employment projections have been averaged and aggregated to inform growth in the number of residential sections titled. These projections are line with the annual average number of sections actually titled over the last 4 years.

10.8 It is possible to have sustained periods of negative job or population growth, but it is likely that housing development in Hamilton will continue even in these periods, as there will be some demand for new houses from within the existing population, or other non employment related sources.

10.9 Although linear projections are used as a basis, depending on the area and sector, final growth projections may be non-linear after factoring in a significant number of other assumptions, such as those described elsewhere in this section.

10.10 Growth projections will be reviewed annually.

10.11 Summary growth projection tables for the 10-Year Plan period are presented in Schedule 8 below.

10.12 Effects of uncertainty

10.13 Projecting or forecasting growth over the long term across the city and for individual areas and types of development within the city naturally involves a significant amount of uncertainty, and this will become more pronounced as time progresses. Growth inputs are a core component of the charge calculations, and there is a real likelihood that even a robust growth model would generate outputs that vary significantly from actual growth.

10.14 Forecasts that are lower than 'actual' growth would retrospectively have returned charges set at a level that is too high, and vice versa.

10.15 The divergence may also vary according to catchment and industry sector, resulting in charges that are weighted too heavily to some areas or some types of development. The effect of citywide growth variations would be expected to be less because forecasting across a city has a lower error margin than by individual catchment, and historical data will inform forecasts better across a city compared with a catchments or growth cells.

10.16 In order to minimise the effects of uncertainty, growth demand forecasts and assumptions will be monitored and regularly reviewed in light of new information, such as that which will be provided by the 2013 census.

10.17 ***Conservative revenue assumptions***

10.18 The theoretical revenue generated by the DC model assumes that all HUEs return full revenue in accordance with the applicable base charges.

10.19 Forecasts for development contributions revenue for the purposes of the 10-Year Plan are conservative estimates including allowances made for future remissions, historical consents issued at lower charge rates as per the policy of that time, and to reflect the current and anticipated future uncertain economic environment.

10.20 Effects of uncertainty

10.21 Revenue forecasting has a high margin of error due to substantial underlying assumptions including economic outlook and projections, growth forecasts, undeterminable developer and market behaviour, the property market volatility and unpredictability, and other wider considerations including government policy changes.

10.22 Setting revenue forecasts too high will adversely affect Council's 10-Year Plan financial strategy, with consequent impacts on the level of rates funding required. Setting revenue forecasts too low means that ratepayers are paying more than their fair share of costs with

respect to the cost allocations process. Any additional revenue received must be used to reduce DC funded debt, with consequent reductions in the level of DC charges.

10.23 Council has attempted to strike a balance in its forecasts, based on historical levels of revenue and the best information that it has available about likely future revenues, but with a view to conservatism.

10.24 ***Supply of land***

10.25 The supply of development land within the 10-Year Plan period is assumed to be constrained by the current and future availability of infrastructure – whether planned to be provided by council or likely to be able to be provided by developers. Growth is expected to be especially constrained in the next 3 years due to Council's constrained financial position and capital programme, and this has a significant effect on the final growth projections.

10.26 The land supply assumptions are well informed from the perspective that Council is providing much of the growth infrastructure and has good information on yield and land availability. Private land owners however will bring sections to market using rationale that is not entirely predictable from Council's perspective, and as a result there will inevitably be inaccuracies in the land supply forecasts.

10.27 Effects of uncertainty

10.28 If the 'actual' supply of land for development is higher than was forecast, then potentially more development could go ahead, spreading capex costs over more growth which would have retrospectively reduced the DC charge.

10.29 The significance of this impact is estimated to be low because supply generally exceeds demand and market forces will dis-incentivise developers bringing significant areas of land to market when there are perceived supply excesses elsewhere.

10.30 The supply assumptions that have been made are based on the best knowledge of Council's Development Unit at the current time.

10.31 10-Year Plan land supply forecasts are shown in Schedule 8, and full details of these are available from Council upon request.

10.32 ***Vacant sections***

10.33 350 existing vacant titled sections are assumed to soak up demand without returning any revenue at a rate of around 80 residential units per year for the early years of the 10-Year Plan, and thereafter at a lower level until exhausted.

10.34 This is a conservative estimate of the number of vacant sections available, and is based an analysis of Council's rating database. The rate of uptake is based on recent levels as evidenced by the same data source.

10.35 Effects of uncertainty

10.36 A larger number of sections or a higher rate of uptake would increase the development contribution charges, and a lower number or lower rate of uptake would reduce them, because vacant sections soak up demand but to not generate any DC revenue and hence do not contribute to cost recovery.

10.37 The impact of this assumption significant to the extent that the level of vacant sections as a proportion of projected revenue generating sections is material, but mitigated by the smoothing of uptake, and that the proportion is still relatively low, at around 10%.

10.38 Information on vacant sections itself has uncertainty, and this impacts the actual uptake, but at this stage information to make better assumptions is not currently available subsequent to current Council investigation of land supply, but will be reviewed when such new information is obtained, and upon review of the policy.

10.39 ***Legacy sections***

10.40 Sections consented under some older versions of this policy will soak up demand but return lower levels of revenue compared to the current policy due to the lower charges specified in the policies under which they were consented.

10.41 The key assumption is that these will all come to market before these consents are due to expire, typically a period of 8 years. Sections from some larger consents have been phased over several years in order to smooth the level of demand leakage from these sections.

10.42 Effects of uncertainty

10.43 Using different assumptions around the number and timing of these sections would have an effect on the development contributions charges. If a consent were to lapse and the correlating assumed revenue were not received then there would be a negative impact on forecast revenue, but it may also mean that the section would be re-consented under current policy charges and ultimately result in a positive impact on future revenue.

10.44 The level of uncertainty is significant because there is a lack of information to predict it accurately, but necessary assumptions have been made, and these will be monitored and modified each time this policy is reviewed.

10.45 ***Types of development (sectors)***

10.46 Developments are assumed to be of seven basic types (sectors): residential, higher density residential, ancillary residential units, retail, commercial, industrial, and wet industries. Within these sectors, there will be a range in the amount of benefit derived from Council's growth-related capital expenditure.

10.47 With the exception of wet industries, which will be assessed on a case by case basis, all developments within a sector will be charged development contributions at the rate applicable to that sector as a whole.

10.48 Effects of uncertainty

10.49 Using a wider range of sectors would theoretically allow a closer fit between the assumed demand generated and the actual demand produced by different types of development. But, although it might seem to be more equitable, this is not currently practical, as growth would need to be forecast separately for each sector and insufficient data is available for this task. The range of sectors will however be reviewed periodically, and will be expanded as and when appropriate and feasible.

10.50 ***Higher density and ancillary residential units***

10.51 On average, on a per dwelling basis, individual ancillary residential units and individual higher density dwellings place less demand on Council infrastructure than standard detached dwellings.

10.52 Accordingly, ancillary residential units will attract a charge ⅔ lower than the standard residential charge for each catchment, and higher-density residential dwellings (that meets

the criteria set out in section 6.15 above) will attract a charge ⅓ less than the standard residential charge.

10.53 The maximum floor area of an ancillary residential unit is 60m^2, and this is approximately ⅓ of the average floor area of a standard dwelling. Occupancy, and therefore demand on Council services is assumed to be correspondingly lower than the average occupancy of standard dwellings which Census figures put at three persons per dwelling.

10.54 Similarly, Census figures indicate that the average occupancy of an individual higher-density (multi-unit) dwelling in Hamilton is two persons, and demand is assumed to be correspondingly lower than for standard dwellings.

10.55 The growth forecasts described under section 10.3 above have been discounted to allow for the lower charges that will be paid by these dwellings.

10.56 In addition to this, higher density residential units in Residential Intensification Zones identified by the Proposed District Plan will be charged ⅔ less than the standard residential charge for each catchment. This is to incentivise this type of development in line principally with the Proposed District Plan and the Hamilton Urban Growth Strategy. The growth forecasts have not been discounted to allow for this incentive, but revenue forecasts have been adjusted to allow for it.

10.57 <u>Effects of uncertainty</u>

10.58 The stated assumptions are broad and basic in construction and hence from one residential unit to another the assumptions may not correlate exactly with the actual demand placed on council infrastructure, however these types of development constitute only a small proportion of total demand and revenue, and this mitigates the effects of uncertainty.

10.59 ***Non-Residential Demand Conversion factors***

10.60 In order to provide a common denominator for the purposes of calculating the development contribution charges using the equations given in 8.7 above, conversion factors have been used to equate all of the other sectors to the residential sector by estimating the number of household unit equivalents (HUEs) of demand that they produce. Data from various sources (e.g. Census, water-metering, traffic studies) has been used to estimate the average demand placed on Council infrastructure per 100m^2 of non-residential floor area (site area for stormwater) or per non-standard residential dwelling. Details of these are set out and described in Schedule 6 below.

10.61 <u>Effects of uncertainty</u>

10.62 The effect on the DC charges of variances due to the choice of conversion factors can be significant, but the current figures reflect the best information that Council has available at this time. Using a wider range of conversion factors would allow charges to be more closely tailored to individual types of development, but would also require individual forecasting of each of these types, with a resulting increase in forecasting error.

10.63 The wider significance of the assumption that HUEs can be used as a proxy for non-residential demand based on floor area by way of a fixed factor is more difficult to assess, but this method is common to most councils' DC policies and no ready alternative is available.

10.64 ***Catchments***

10.65 The Peacockes, Rototuna, and Rotokauri catchments (refer Schedule 9) are based on the Operative District Plan structure plan areas. The Temple View, Te Rapa North, and Ruakura catchments are areas that have been added to the city through recent boundary changes.

10.66 The CBD area is based on the Business Improvement District, as defined in Council's rating policy, and the Infill catchment is defined as the remainder of the developed area of the city.

10.67 The stormwater catchments are based on monitored and modelled stormwater flows, and the wastewater catchments are reflect the gravity fed network, the natural boundary of the Waikato River, and the relative network impact of the eastern and western wastewater interceptors.

10.68 It is assumed that all developments within a catchment contribute to the need for and benefit equally from Council's growth related expenditure, both in that catchment and the same portion of citywide infrastructure allocated to that catchment having the effect that like developments in a catchment attract the same charge.

10.69 <u>Effects of uncertainty</u>

10.70 Where there are developments in close proximity but in different catchments, significantly different charges may be payable when the demand they place on infrastructure may be very similar. Conversely, not all developments within the same catchment will benefit equally from the infrastructure provided in that catchment.

10.71 Using a greater number of catchments would lessen the effect of the first of these issues, and strengthen the causal link between developments and the infrastructure that they require, but would heighten the effect of the second consideration and also entail higher error margins due to the requirement to forecast growth for smaller areas.

10.72 Council has tried to strike a balance in its choice of catchments (see 8.1 above).

10.73 ***Cost recovery periods***

10.74 A 30 year maximum cost recovery period has been used. For capital expenditure providing capacity that will be exhausted prior to 30 years, the estimated length of remaining capacity has been used as the recovery period. For each project, the recovery period has been set to start 8 years prior to the commencement of expenditure on the project. This aligns with the typical duration of a subdivision consent.

10.75 <u>Effects of uncertainty</u>

10.76 The option of using a shorter maximum period (e.g. 20 years) was modelled and significantly increased the development contribution charges. Using a period longer than 30 years did not significantly reduce the charges, as interest costs and the basic amount allocated to development contributions funding (see Schedule 3 below) were also greater.

10.77 ***Allocation of capital costs to growth***

10.78 Capital costs have been allocated to development contributions funding only for projects that provide new assets or assets of increased capacity and that are necessitated by growth or will provide benefit to growth.

10.79 These project costs have been allocated under the assumptions set out in the Covec methodology paper titled 'Cost Allocation Guidelines for Development Contributions', available on request from Council.

10.80 The underlying rationale for these allocations is set out in the LGA and addressed in section 7.9 above.

10.81 A substantive and comprehensive spreadsheet template (as described in section 7.20) for project by project analysis was developed under guidance from an expert asset consultant for the purpose of allocating project costs to growth in accordance with the LGA and Covec methodology.

10.82 Programmes of work have been split into their component projects to allow for a more fine grained analysis. Costs have been allocated spatially and by activity while considering a number of factors and circumstances, principally based on growth causation, benefits, and levels of service.

10.83 The template uses standardised bands for generating the causation and benefit assessments. The 'top 50' projects (which represent 80% of total DC costs), were assessed using this template, and then another 600 minor projects were allocated based on this top 50 analysis. Detailed individual reports were produced for the 'top 10' projects (25% of total DC costs).

10.84 It is assumed that the two key allocation aspects, being causation and benefits of growth, that are required to be considered under this rationale should be weighted equally in generating an allocation after excluding growth caused by developments, or other factors, that do not attract development contributions ('non-DC growth').

10.85 <u>Effects of uncertainty</u>

10.86 Weighting allocations more heavily towards causation versus benefits would increase the charges. Weighting it more towards benefits would decrease them.

10.87 The assumption relating to the amount of non-DC growth has the effect that the development community is not paying for capital expenditure required to meet this demand. In most cases these costs are then met by ratepayers. Uncertainty around this assumption lies in projecting the extent of such non-DC growth, and may be significant, but is based on the best information available through specialist assessment and modelling. To the extent that the amount of non-DC growth is overestimated, the ratepayer is most affected.

10.88 Allocating growth costs in any different manner than that described in this section and section 7.9 above would have an impact on the development contribution charges. Council has used best practice methods, internal specialist analysis and external consultants, and is satisfied that the allocations as described are reasonable.

10.89 Full details of methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project are available on request.

10.90 ***Limits of Modelling***

10.91 The calculation model that generates DC charges is a pure mathematical model that produces theoretical charges based on a large number of inputs that in isolation contain significant assumptions as detailed in section 10 above.

10.92 Although the model produces numerically precise charges, the nature of cumulative uncertainty means that the greater the number and significance of input assumptions, the greater the potential variation of outputs to changes in these assumptions.

10.93 The calculation model used to generate the charges in Schedule 1 below includes the best numerical assumptions available to Council, and is the most appropriate tool to guide Council in setting development contribution charges.

10.94 Effects of uncertainty

10.95 Calculation of development charges therefore is limited to an extent by the sensitivity of the model to inputs, and the degree of certainty and reliability relating to those inputs. As a result modelled demand may be different to actual or realised demand.

11. PAYMENT OF DEVELOPMENT CONTRIBUTIONS (S208 LGA)

11.1 For contributions required on subdivision consents, payment will be required prior to uplifting s224 certificates, and these will not be released until payment is received.

11.2 For staged developments where all other Council planning requirements have been met, payment will only be required for the s224 certificates issued at each stage.

11.3 For contributions required on land use consents, payment will be required prior to commencement of the consent, and the consent shall not be put into effect until payment is received.

11.4 For contributions required on building consents, payment will be required prior to the issuing of a code of compliance certificate, and this certificate will not be released until payment is received.

11.5 For contributions required for a service connection, payment will be required prior to the service connection being actioned.

11.6 To clarify, no work will be permitted or undertaken until payment is received.

11.7 For non-residential developments where development contributions are assessed on resource consents and the scale of the development is unknown, the assessment will be based on the type of development that most closely matches the zoning of the land.

11.8 The gross-floor area of the development will be assumed to be a fixed percentage of the site area being 70% retail developments, 40% for commercial, and 30% for industrial. These figures being the floor area to site area ratio used in Council's growth forecasts.

11.9 Such developments will be reassessed at building consent stage, and any additional floor area above that assumed and paid for at resource consent stage will be required to be paid at building consent stage.

11.10 No refund will be given if the building results in a lesser amount of floor area than was assumed, but credit will be retained for the full amount of floor area that was paid for.

11.11 ***Invoicing***

11.12 Invoices relating to subdivision applications will be at the time of request for a s224 certificate. Invoices related to land use resource consents that are not linked to building consents will be raised at the time of granting the consent. In both of these cases, if the developer wishes to pay prior to this, an invoice will be raised at the time of actual payment by the developer.

11.13 Development contributions for land use resource consents that are linked to building consents will be assessed and estimated at the resource consent stage, however such development contributions will only be formally charged at building consent stage. Invoices relating to building consents and service connections will be raised prior to issuing a code of compliance certificate, or actioning a service connection, or at the time of actual payment by the developer if prior to this.

11.14 All invoices will be raised at the rates applicable at the time the consent is granted, excepting that development contributions assessed against resource consents will be adjusted annually at 1 July using the Producers Price Index (Outputs) for Construction as published by Statistics New Zealand.

11.15 No refunds will be given for previously assessed development contribution charges in cases where the charges in this policy (as presented in Schedule 1) are lower.

11.16 For reasons of administrative efficiency, where the total amount payable is assessed as being less than $50, no payment will be required and no invoice will be raised.

12. LIMITATIONS AND CALCULATION OF CREDITS AND EXEMPTIONS (S199,S200(1) LGA)

12.1 A development contribution will only be required if the development, either alone or cumulatively, creates a demand for new or additional assets, or assets of increased capacity, and as a consequence Council has incurred or will incur capital expenditure to provide for this new infrastructure.

12.2 Development contributions are calculated based on increased units of demand (HUEs). Council will provide a credit against the standard calculated charges where it can be demonstrated to Council's satisfaction that:

a) pre-existing units of demand existed on the subject site and placed actual demand on Council's infrastructure within three years prior to the application for a resource consent, building consent, or service connection; and/or

b) development contributions or financial contributions have previously been paid for those increased units of demand generated by the development. The balance of development contributions for all additional units of demand not previously paid for will be payable, including for all components of the charge.

12.3 Credits for existing HUEs will attach to the parent lot and are not transferable.

12.4 Credits for HUEs will not be provided for commercial or industrial activities undertaken in an area of a site that is not included within the definition of gross floor area.

12.5 Any project undertaken by Council that has been funded in whole or in part by development contributions will itself not be liable to pay development contributions.

13. REMISSIONS (SEE ALSO S201(1)C, 200(2) LGA)

13.1 Upon application made by a developer, Council through its Chief Financial Officer, may at its sole discretion remit part or all of a development contribution levied on that developer.

13.2 Any application for a remission shall be lodged with Council within 20 working days of the development contribution charge being advised in writing to the developer.

13.3 All actual and reasonable costs incurred by Council in determining the remission application, including staff time, consultant and legal costs, and administration costs shall be paid by the applicant. If a remission is granted, these costs will be deducted from the total remission due prior to payment. In calculating any remission on a modified base charge as set out in section 9 and Schedule 5 – Base Charges for Reference in Calculating Remissions of this policy, the calculation shall be based, as its starting point, on the base charge without modification. A remission will then only be made if, based on calculations applying the criteria set out in section 13.5.2 below, the final charge is less than the standard modified charge.

13.4 The amount of any remission will be assessed on a case by case basis having regard to the extent to which the remission criteria is met.

13.5 There are three categories of remissions, as follows:

13.5.1. ***CBD Remission***

The CBD area is the Business Improvement District (BID) as defined from time to time in Council's Rating Policy. Council has a CBD revitalisation strategy and is prepared to consider a DC remission in respect of development within the CBD provided the development assists Council in achieving its strategic goals.

13.5.2. CBD Remission Criteria

In applying for a remission in respect of a development within the CBD, the applicant must demonstrate the development meets Council's strategic objectives to improve the vitality and functionality of the CBD by improving and enhancing one or more of the following:

- commercial/retail or residential activity within the CBD area;
- employment opportunities within the CBD area;
- public space and amenity values within the CBD area;
- urban design outcomes in the CBD, as set out in Council's Technical Specifications, Design Guidelines and Proposed District Plan.

13.5.3. ***Actual Demand Remission***

Development contributions are calculated based on modelled demand, measured in Household Unit Equivalents (HUEs). Council will consider a remission where actual demand is significantly lower than modelled demand.

13.5.4. Actual Demand Remission Criteria

In applying for a remission based on actual demand, the applicant must demonstrate to Council's satisfaction that:

i. the actual HUEs of demand generated by the development are significantly lower than the HUEs of demand assessed under the methodology set out in this policy and in any event are not less than 10 HUEs of demand, and;

ii. for an activity, the reduction in HUEs create capacity in Council's infrastructure network which Council is satisfied is material having regard to the nature of the development, its location, and implications for Council's infrastructure programme.

13.5.5. ***Private Developer Agreement (PDA) Remission***

Council has adopted a Growth Funding Policy (GF Policy) which guides Council in its dealings with developers seeking to undertake development, requiring infrastructure not adequately provided for in Council's 10-Year-Plan. All development contributions in respect of such development will be calculated in accordance with this policy, but may be subject to a remission, if provided for in a Private Developer Agreement entered into between Council and the developer pursuant to the GF Policy.

13.5.6. PDA Remission Criteria

In applying for a remission in respect of development contributions levied against development in unfunded areas and/or associated with unfunded growth projects as set out in the Growth Funding Policy, Council and the developer shall have first entered into a binding Private Developer Agreement in accordance with the criteria and principals set out in the Growth Funding Policy. Council will set the total remission, if any, in a manner consistent with the Growth Funding Policy and the total remission shall be recorded as a term and condition of the Private Developer Agreement.

13.6 Decisions on individual requests will not alter the basis of the policy itself.

14. POSTPONEMENT OF PAYMENT

14.1 Upon written application from the developer, Council through its Chief Financial Officer, may on a case by case basis and at its sole discretion, consider deferring payment of development contributions for subdivision consents granted between 1 July 2008 and 30 June 2014 ("deferral of payment").

14.2 Approval will only be given in cases in which the development leverages off existing catchment-specific infrastructure and does not require any new or unbudgeted Council-funded catchment-specific infrastructure (as of 30 June 2013) in order to proceed.

14.3 Any deferral of payment will apply to a maximum of ten allotments in any subdivision, and if the subdivision is staged all allotments must be within a single stage, and will be referred to as ("lots deferred").

14.4 The terms of deferral of payment will be subject to Council approval on a case by case basis, and shall be recorded in a formal written agreement between Council and the developer ("deferral agreement"). Such terms may include at Council's discretion (without limitation):

a) the requirement for a bank bond or other enforceable security acceptable to Council, securing the deferred sum, interest and costs;

b) registration of a Statutory Land Charge under s208 of the Local Government Act against the title to each lot in respect of which development contributions are outstanding specifying the amount owing to Council in relation to that lot;

14.5 Development contributions in respect of all lots deferred shall be paid in full on the sooner of:

a) The date upon which the developer settles the sale of the last of the lots deferred; or

b) The date upon which the developer settles the sale of the same number of lots in the subdivision as the number of lots deferred; or

c) The date upon which the developer ceases to be registered proprietor of the lots deferred; or

d) The date two years after the issue of the earliest s224 certificate(s) for the lots deferred or as part of the subdivision.

14.6 Interest will be added quarterly on all deferred payments at Council's rate of borrowing as applicable at the time.

14.7 Any reasonable costs incurred by council associated with the deferral agreement, or the provision of security to the Council, shall be paid by the applicant prior to Council formally entering into the deferral agreement. The developer shall be responsible for all costs incurred by the Council as a result of any default by the developer under the arrangement.

14.8 If any section remains unsold after two years, full payment including all outstanding contributions, interest and other costs will be required and if necessary Council will enforce its security to effect recovery of those monies.

14.9 Approval of the deferral will lapse if the s224 certificate in respect of the subdivision consent is not uplifted within one month of Council and the developer agreeing to the terms for deferral.

15. VALUATION OF LAND FOR DEVELOPMENT CONTRIBUTIONS PURPOSES (SEE ALSO S201(1)(D), 203(1) LGA)

15.1 The development contribution charge for reserves will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

15.2 On the basis of the charges expressed in this policy, such a cap would apply to allotments or sections of land value (per unit) less than the values shown in Schedule 7.

16. SCHEDULE 1 -DEVELOPMENT CONTRIBUTION CHARGES (S201(2), S202 LGA)

Table 1 - Development contribution payable in each catchment and for each sector (excl. GST)

Residential Charge Including Citywide							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	$306	$359	$269	$2,262	$2,493	$2,682	**$8,371**
Te Rapa North	$306	$359	$269	$2,262	$2,493	$2,682	**$8,371**
Peacocke Stage 2	$306	$359	$269	$2,262	$2,493	$2,682	**$8,371**
Infill	$323	$521	$605	$2,741	$2,772	$3,419	**$10,380**
Peacocke Stage 1	$306	$2,085	$269	$3,046	$9,259	$4,854	**$19,819**
Rotokauri	$306	$5,570	$269	$5,597	$3,535	$4,137	**$19,412**
Rototuna	$846	$9,363	$269	$6,640	$4,220	$4,063	**$25,402**
Ruakura	$306	$359	$269	$2,262	$2,493	$2,682	**$8,371**
Temple View*	$306	$359	$269	$2,262	$10,656	$11,551	**$25,402**
SW - City Centre	$0	$0	$321	$0	$0	$0	**$321**
SW - Hamilton East	$0	$0	$18	$0	$0	$0	**$18**
SW - Kirikiriroa	$0	$0	$674	$0	$0	$0	**$674**
SW - Lake Rotokauri	$0	$0	$1,505	$0	$0	$0	**$1,505**
SW - Mangaheka	$0	$0	$133	$0	$0	$0	**$133**
SW - Mangakotukutuku	$0	$0	$1,396	$0	$0	$0	**$1,396**
SW - Mangaonua	$0	$0	$7	$0	$0	$0	**$7**
SW - Otama-ngenge	$0	$0	$1,157	$0	$0	$0	**$1,157**
SW - River North	$0	$0	$901	$0	$0	$0	**$901**
SW - Te Awa o Katapaki	$0	$0	$2,649	$0	$0	$0	**$2,649**
SW - Te Rapa Stream	$0	$0	$418	$0	$0	$0	**$418**
SW - Waitawhiriwhiri	$0	$0	$387	$0	$0	$0	**$387**
WW - East	$0	$0	$0	$0	$1,459	$0	**$1,459**
WW - West	$0	$0	$0	$0	$3,359	$0	**$3,359**

Higher Density Residential Charge Incl Citywide							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	**$204**	**$239**	**$179**	**$1,508**	**$1,662**	**$1,788**	**$5,580**
Te Rapa North	$204	$239	$179	$1,508	$1,662	$1,788	**$5,580**
Peacocke Stage 2	$204	$239	$179	$1,508	$1,662	$1,788	**$5,580**
Infill (RIZ)	$108	$174	$202	$914	$924	$1,140	**$3,460**
Peacocke Stage 1	$204	$1,390	$179	$2,031	$6,173	$3,236	**$13,213**
Rotokauri	$204	$3,713	$179	$3,731	$2,357	$2,758	**$12,941**
Rototuna	$564	$6,242	$179	$4,426	$2,813	$2,709	**$16,934**
Ruakura	$204	$239	$179	$1,508	$1,662	$1,788	**$5,580**
Temple View*	$204	$239	$179	$1,508	$7,104	$7,700	**$16,934**
SW - City Centre	$0	$0	$214	$0	$0	$0	**$214**
SW - Hamilton East	$0	$0	$12	$0	$0	$0	**$12**
SW - Kirikiriroa	$0	$0	$450	$0	$0	$0	**$450**
SW - Lake Rotokauri	$0	$0	$1,003	$0	$0	$0	**$1,003**
SW - Mangaheka	$0	$0	$89	$0	$0	$0	**$89**
SW - Mangakotukutuku	$0	$0	$931	$0	$0	$0	**$931**
SW - Mangaonua	$0	$0	$5	$0	$0	$0	**$5**
SW - Otama-ngenge	$0	$0	$772	$0	$0	$0	**$772**
SW - River North	$0	$0	$601	$0	$0	$0	**$601**
SW - Te Awa o Katapaki	$0	$0	$1,766	$0	$0	$0	**$1,766**
SW - Te Rapa Stream	$0	$0	$279	$0	$0	$0	**$279**
SW - Waitawhiriwhiri	$0	$0	$258	$0	$0	$0	**$258**
WW - East	$0	$0	$0	$0	$973	$0	**$973**
WW - West	$0	$0	$0	$0	$2,239	$0	**$2,239**

Ancillary Residential Unit Charge Incl Citywide							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	$102	$120	$90	$754	$831	$894	**$2,790**
Te Rapa North	$102	$120	$90	$754	$831	$894	**$2,790**
Peacocke Stage 2	$102	$120	$90	$754	$831	$894	**$2,790**
Infill	$108	$174	$202	$914	$924	$1,140	**$3,460**
Peacocke Stage 1	$102	$695	$90	$1,015	$3,086	$1,618	**$6,606**
Rotokauri	$102	$1,857	$90	$1,866	$1,178	$1,379	**$6,471**
Rototuna	$282	$3,121	$90	$2,213	$1,407	$1,354	**$8,467**
Ruakura	$102	$120	$90	$754	$831	$894	**$2,790**
Temple View*	$102	$120	$90	$754	$3,552	$3,850	**$8,467**
SW - City Centre	$0	$0	$107	$0	$0	$0	**$107**
SW - Hamilton East	$0	$0	$6	$0	$0	$0	**$6**
SW - Kirikiriroa	$0	$0	$225	$0	$0	$0	**$225**
SW - Lake Rotokauri	$0	$0	$502	$0	$0	$0	**$502**
SW - Mangaheka	$0	$0	$44	$0	$0	$0	**$44**
SW - Mangakotukutuku	$0	$0	$465	$0	$0	$0	**$465**
SW - Mangaonua	$0	$0	$2	$0	$0	$0	**$2**
SW - Otama-ngenge	$0	$0	$386	$0	$0	$0	**$386**
SW - River North	$0	$0	$300	$0	$0	$0	**$300**
SW - Te Awa o Katapaki	$0	$0	$883	$0	$0	$0	**$883**
SW - Te Rapa Stream	$0	$0	$139	$0	$0	$0	**$139**
SW - Waitawhiriwhiri	$0	$0	$129	$0	$0	$0	**$129**
WW - East	$0	$0	$0	$0	$486	$0	**$486**
WW - West	$0	$0	$0	$0	$1,120	$0	**$1,120**

(Schedule 1 Table 1 continued)

Commercial Charge Including Citywide*							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	$74	$87	$94	$4,524	$930	$778	**$6,487**
Te Rapa North	$74	$87	$94	$4,524	$930	$778	**$6,487**
Peacocke Stage 2	$74	$87	$94	$4,524	$930	$778	**$6,487**
Infill	$42	$67	$112	$2,909	$548	$526	**$4,204**
Peacocke Stage 1	$74	$506	$94	$6,093	$3,452	$1,408	**$11,628**
Rotokauri	$58	$1,063	$74	$8,799	$1,036	$943	**$11,973**
Rototuna	$136	$1,501	$62	$8,766	$1,039	$778	**$12,282**
Ruakura	$74	$87	$94	$4,524	$930	$778	**$6,487**
Temple View*	$74	$87	$94	$4,524	$3,973	$3,350	**$12,102**
SW - City Centre	$0	$0	$112	$0	$0	$0	**$112**
SW - Hamilton East	$0	$0	$6	$0	$0	$0	**$6**
SW - Kirikiriroa	$0	$0	$236	$0	$0	$0	**$236**
SW - Lake Rotokauri	$0	$0	$526	$0	$0	$0	**$526**
SW - Mangaheka	$0	$0	$47	$0	$0	$0	**$47**
SW - Mangakotukutuku	$0	$0	$488	$0	$0	$0	**$488**
SW - Mangaonua	$0	$0	$3	$0	$0	$0	**$3**
SW - Otama-ngenge	$0	$0	$405	$0	$0	$0	**$405**
SW - River North	$0	$0	$315	$0	$0	$0	**$315**
SW - Te Awa o Katapaki	$0	$0	$926	$0	$0	$0	**$926**
SW - Te Rapa Stream	$0	$0	$146	$0	$0	$0	**$146**
SW - Waitawhiriwhiri	$0	$0	$135	$0	$0	$0	**$135**
WW - East	$0	$0	$0	$0	$544	$0	**$544**
WW - West	$0	$0	$0	$0	$1,252	$0	**$1,252**
Industrial Charge Including Citywide**							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	$51	$59	$77	$2,036	$417	$314	**$2,954**
Te Rapa North	$51	$59	$77	$2,036	$417	$314	**$2,954**
Peacocke Stage 2	$51	$59	$77	$2,036	$417	$314	**$2,954**
Infill	$27	$43	$88	$1,027	$210	$202	**$1,597**
Peacocke Stage 1	$51	$345	$77	$2,742	$1,548	$568	**$5,330**
Rotokauri	$44	$801	$67	$4,376	$513	$421	**$6,222**
Rototuna	$97	$1,078	$54	$4,159	$491	$331	**$6,211**
Ruakura	$51	$59	$77	$2,036	$417	$314	**$2,954**
Temple View*	$51	$59	$77	$2,036	$1,781	$1,351	**$5,355**
SW - City Centre	$0	$0	$92	$0	$0	$0	**$92**
SW - Hamilton East	$0	$0	$5	$0	$0	$0	**$5**
SW - Kirikiriroa	$0	$0	$194	$0	$0	$0	**$194**
SW - Lake Rotokauri	$0	$0	$433	$0	$0	$0	**$433**
SW - Mangaheka	$0	$0	$38	$0	$0	$0	**$38**
SW - Mangakotukutuku	$0	$0	$401	$0	$0	$0	**$401**
SW - Mangaonua	$0	$0	$2	$0	$0	$0	**$2**
SW - Otama-ngenge	$0	$0	$333	$0	$0	$0	**$333**
SW - River North	$0	$0	$259	$0	$0	$0	**$259**
SW - Te Awa o Katapaki	$0	$0	$762	$0	$0	$0	**$762**
SW - Te Rapa Stream	$0	$0	$120	$0	$0	$0	**$120**
SW - Waitawhiriwhiri	$0	$0	$111	$0	$0	$0	**$111**
WW - East	$0	$0	$0	$0	$244	$0	**$244**
WW - West	$0	$0	$0	$0	$561	$0	**$561**
Retail Charge Including Citywide**							
	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	$74	$87	$94	$6,220	$930	$778	**$8,183**
Te Rapa North	$74	$87	$94	$6,220	$930	$778	**$8,183**
Peacocke Stage 2	$74	$87	$94	$6,220	$930	$778	**$8,183**
Infill	$47	$75	$126	$4,491	$616	$591	**$5,946**
Peacocke Stage 1	$74	$506	$94	$8,378	$3,452	$1,408	**$13,913**
Rotokauri	$57	$1,042	$72	$11,850	$1,015	$924	**$14,959**
Rototuna	$133	$1,472	$61	$11,820	$1,019	$763	**$15,267**
Ruakura	$74	$87	$94	$6,220	$930	$778	**$8,183**
Temple View*	$74	$87	$94	$6,220	$3,973	$3,350	**$13,799**
SW - City Centre	$0	$0	$112	$0	$0	$0	**$112**
SW - Hamilton East	$0	$0	$6	$0	$0	$0	**$6**
SW - Kirikiriroa	$0	$0	$236	$0	$0	$0	**$236**
SW - Lake Rotokauri	$0	$0	$526	$0	$0	$0	**$526**
SW - Mangaheka	$0	$0	$47	$0	$0	$0	**$47**
SW - Mangakotukutuku	$0	$0	$488	$0	$0	$0	**$488**
SW - Mangaonua	$0	$0	$3	$0	$0	$0	**$3**
SW - Otama-ngenge	$0	$0	$405	$0	$0	$0	**$405**
SW - River North	$0	$0	$315	$0	$0	$0	**$315**
SW - Te Awa o Katapaki	$0	$0	$926	$0	$0	$0	**$926**
SW - Te Rapa Stream	$0	$0	$146	$0	$0	$0	**$146**
SW - Waitawhiriwhiri	$0	$0	$135	$0	$0	$0	**$135**
WW - East	$0	$0	$0	$0	$544	$0	**$544**
WW – West	$0	$0	$0	$0	$1,252	$0	**$1,252**

The charge payable for any particular development will be the sum of all charges for all catchments within which that development is situated, including bulk wastewater (WW) and stormwater (SW) catchments if applicable. All charges are expressed inclusive of the citywide component of the charge.

**As described in section 9 above, the Temple View charge is capped at the level of Rototuna charge. Bulk wastewater and stormwater catchment charges will apply in addition to this charge.*

***Refer to section 9.5.2 for further explanation and section 6.15 above for the definition of higher density residential.*

****Non-residential charges have been capped so that the maximum total payable, including stormwater and bulk wastewater, is no greater than the level of the total charges set out in Council's previous Development & Financial Contributions Policy 2010/11.*

Note 1 – Charges for non-residential developments

Non-residential charges are average charges for a typical development per 100m^2 GFA (Site Area for Stormwater).

Non-residential developments will be charged in accordance with the average number of household unit equivalents of demand generated by the category into which they fall. These will be calculated by using the factors given in Schedule 6 below.

Some of these factors operate on sliding scales, so the applicable charges for any specific development may differ from those shown here. A more precise estimate of the development contributions payable for any particular development can be provided by Council on request.

In assessing HUEs for mixed-use developments such as a retirement village, a separate assessment will be made for all residential, higher density residential, retail, commercial and industrial components of the development.

Note 2 – Assessment of Reserves component through resource consent applications

On a case by case basis Council may take land of dollar value equivalent to the required development contribution rather than money as a condition of resource consent in accordance with Rule 6.5 of the Hamilton City Operative District Plan, which provides a resource management context for requiring land for reserve purposes to mitigate the effects of development. This rule will continue to operate to the extent that it will determine the need for land in preference to cash. The requirement to provide esplanade reserves under Rule 6.6 of the Proposed District Plan is unaffected by this policy.

The developer's financial liability will be determined on a per lot basis through the Development Contributions Policy as it applies to each lot. Any shortfall between the development contribution payable and the current market value of the land will be met by Council.

Note 3 – PPI adjustment

Development contributions assessed on subdivision or land use resource consents but which have not yet been paid will be adjusted annually on 1 July of each year by the annual percentage change in the Producers Price Index for Construction (outputs) for the March quarter as published by Statistics New Zealand. Development contributions assessed prior to 1 July 2006 are exempt from PPI adjustments.

Note 4 – GST

Development contributions are calculated exclusive of Goods and Services Tax (GST). GST will be added at the rate prevailing at the time of payment after the calculation of any contributions required under this policy.

Note 5 – Full methodology (s106(3) LGA)

The full methodology demonstrating how the calculations have been made for the contributions in this schedule is available from Council upon request.

Note 6 – Stages at which development contributions are required (s198, 202(1)(b) LGA)

For all catchments, all development contributions will be imposed at the earliest statutory opportunity. Where multiple consents apply to a site, the first opportunity reached will create the requirement for a contribution. This may be at the granting of resource consent, a building consent or upon a request for a service connection. The timing of payment will be as set out in section 11 above. When the contributions are paid, the HUEs that they provide for will be recorded and will be credited against any subsequent consent or service connection application as it relates to the original consent. Accordingly, whilst subsequent applications will enable a reassessment and recalculation to be made, additional contributions will only be required where there will be an increase in HUEs arising from the development.

17. SCHEDULE 2 – GROWTH-RELATED CAPITAL EXPENDITURE

Table 2 – Growth related capital expenditure by Council Activity Group ($000s)

	Arts & Rec	City Prosperity	Community Services	Parks & Open Spaces	Stormwater Drainage	Transportation	Waste water	Water Supply	Grand Total
Historical Subsidies	3,815	48		1,285	1	77,013	244	237	**82,642**
Future Subsidies						2,608			**2,608**
Total Subsidies	**3,815**	**48**		**1,285**	**1**	**79,621**	**244**	**237**	**85,250**
Historical Rates Capex	20,939	39,434	177	16,765	2,522	97,805	34,595	69,484	**281,722**
Future Rates Capex				1,456	1,424	6,070	8,419	9,939	**27,308**
Total Rates Capex	**20,939**	**39,434**	**177**	**18,221**	**3,946**	**103,875**	**43,014**	**79,423**	**309,030**
Historical DC Capex	982	452	1,319	32,410	6,537	50,138	36,944	22,350	**151,132**
Future DC Capex	0	0	0	6,453	11,068	13,169	44,963	20,764	**96,417**
Total DC Capex	**982**	**452**	**1,319**	**38,862**	**17,606**	**63,307**	**81,907**	**43,115**	**247,549**
Total Capex excl Subsidies	**21,922**	**39,886**	**1,496**	**57,084**	**21,551**	**167,182**	**124,920**	**122,538**	**556,579**
Total Capex Incl Subsidies	**25,737**	**39,933**	**1,496**	**58,369**	**21,552**	**246,803**	**125,164**	**122,774**	**641,829**
Percentage DC Funding Incl Subsidies	4 %	1 %	88 %	67 %	82 %	26 %	65 %	35 %	**39 %**
Percentage DC Funding Excl Subsidies	4 %	1 %	88 %	68 %	82 %	38 %	66 %	35 %	**44 %**

Table 3 – Growth-related capital expenditure by DC Account ($000s)

	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Future Subsidies				2,608			**2,608**
Historical Subsidies	3,877	1,270	1	77,013	244	237	**82,642**
Total Subsidies	**3,877**	**1,270**	**1**	**79,621**	**244**	**237**	**85,250**
Historical Rates Capex	64,187	13,129	2,522	97,805	34,595	69,484	**281,722**
Future Rates Capex	88	1,368	1,424	6,070	8,419	9,939	**27,308**
Total Rates Capex	**64,275**	**14,497**	**3,946**	**103,875**	**43,014**	**79,423**	**309,030**
Historical DC Capex	3,020	32,143	6,537	50,138	36,944	22,350	**151,132**
Future DC Capex	757	5,696	11,068	13,169	44,963	20,764	**96,417**
Total DC Capex	**3,776**	**37,839**	**17,606**	**63,307**	**81,907**	**43,115**	**247,549**
Total Capex excl Subsidies	**68,052**	**52,336**	**21,551**	**167,182**	**124,920**	**122,538**	**556,579**
Total Capex Incl Subsidies	**71,929**	**53,606**	**21,552**	**246,803**	**125,164**	**122,774**	**641,829**
Percentage DC Funding Incl Subsidies	5 %	71 %	82 %	26 %	65 %	35 %	**39 %**
Percentage DC Funding Excl Subsidies	6 %	72 %	82 %	38 %	66 %	35 %	**44 %**

Note 1 – Historical capex refers to capital expenditure incurred before 1 July 2012, and future capex refers to capital expenditure specified in the 2012/22 10-Year Plan.

18. SCHEDULE 3 – TOTAL FUNDING SOUGHT FROM DEVELOPMENT CONTRIBUTIONS

Table 4 – Total amount of development contributions funding by Activity Group ($000s)

		Arts & Recreation	City Prosperity	Community Services	Parks & Open Spaces	Stormwater Drainage	Transportation	Wastewater	Water Supply	Grand Total
Citywide	DC Capex	262	452	1,319	5,489	4,681	35,814	34,801	30,916	**113,735**
	DCL INT	242	222	398	975	2,429	23,648	9,758	15,221	**52,884**
Infill	DC Capex				819	1,613	3,146	1,704	3,289	**10,571**
	DCL INT				83	693	1,950	(45)	529	**3,212**
Peacocke Stg 1	DC Capex				598		404	2,862	1,479	**5,343**
	DCL INT				527		85	1,670	42	**2,323**
Rotokauri	DC Capex				2,957		8,088	1,948	1,781	**14,774**
	DCL INT				2,292		6,158	990	1,133	**10,546**
Rototuna	DC Capex	721			28,998		15,854	5,970	4,774	**56,317**
	DCL INT	398			4,938		6,813	1,651	383	**14,192**
Temple View	DC Capex							694	876	**1,570**
	DCL INT							748	693	**1,440**
SW - City Centre	DC Capex					387				**387**
	DCL INT					333				**333**
SW - Hamilton East	DC Capex					24				**24**
	DCL INT					21				**21**
SW - Kirikiriroa	DC Capex					1,596				**1,596**
	DCL INT					419				**419**
SW - Lake Rotokauri	DC Capex					1,338				**1,338**
	DCL INT					292				**292**
SW - Mangaheka	DC Capex					247				**247**
	DCL INT					205				**205**
SW - Mangakotukutuku	DC Capex					1,135				**1,135**
	DCL INT					267				**267**
SW - Mangaonua	DC Capex					11				**11**
	DCL INT					16				**16**
SW - Otama-ngenge	DC Capex					44				**44**
	DCL INT					1				**1**
SW - River North	DC Capex					60				**60**
	DCL INT					70				**70**
SW - Te Awa o Katapaki	DC Capex					5,459				**5,459**
	DCL INT					964				**964**
SW - Te Rapa Stream	DC Capex					488				**488**
	DCL INT					480				**480**
SW - Waitawhiriwhiri	DC Capex					522				**522**
	DCL INT					100				**100**
WW - East	DC Capex							10,803		**10,803**
	DCL INT							2,250		**2,250**
WW - West	DC Capex							23,015		**23,015**
	DCL INT							6,834		**6,834**
Total DC Capex		**982**	**452**	**1,319**	**38,860**	**17,606**	**63,307**	**81,798**	**43,115**	**247,438**
Total DCL INTEREST		**640**	**222**	**398**	**8,788**	**6,290**	**38,655**	**20,586**	**23,856**	**93,580**
Grand Total		**1,623**	**673**	**1,716**	**47,675**	**23,896**	**101,961**	**105,654**	**61,116**	**344,315**

Table 5 – Total amount of development contributions funding by DC Account ($000s)

		Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water	Grand Total
Citywide	DC Capex	2,281	5,239	4,681	35,814	34,801	30,916	**113,735**
	DCL INT	909	927	2,429	23,648	9,758	15,221	**52,884**
Infill	DC Capex	91	729	1,613	3,146	1,704	3,289	**10,571**
	DCL INT	(10)	94	693	1,950	(45)	529	**3,212**
Peacocke Stg 1	DC Capex		598		404	2,862	1,479	**5,343**
	DCL INT		527		85	1,670	42	**2,323**
Rotokauri	DC Capex		2,957		8,088	1,948	1,781	**14,774**
	DCL INT		2,292		6,158	990	1,133	**10,546**
Rototuna	DC Capex	1,404	28,314		15,854	5,970	4,774	**56,317**
	DCL INT	437	4,899		6,813	1,651	383	**14,192**
Temple View	DC Capex					694	876	**1,570**
	DCL INT					748	693	**1,440**
SW - City Centre	DC Capex			387				**387**
	DCL INT			333				**333**
SW - Hamilton East	DC Capex			24				**24**
	DCL INT			21				**21**
SW - Kirikiriroa	DC Capex			1,596				**1,596**
	DCL INT			419				**419**
SW - Lake Rotokauri	DC Capex			1,338				**1,338**
	DCL INT			292				**292**
SW - Mangaheka	DC Capex			247				**247**
	DCL INT			205				**205**
SW - Mangakotukutuku	DC Capex			1,135				**1,135**
	DCL INT			267				**267**
SW - Mangaonua	DC Capex			11				**11**
	DCL INT			16				**16**
SW - Otama-ngenge	DC Capex			44				**44**
	DCL INT			1				**1**
SW - River North	DC Capex			60				**60**
	DCL INT			70				**70**
SW - Te Awa o Katapaki	DC Capex			5,459				**5,459**
	DCL INT			964				**964**
SW - Te Rapa Stream	DC Capex			488				**488**
	DCL INT			480				**480**
SW - Waitawhiriwhiri	DC Capex			522				**522**
	DCL INT			100				**100**
WW - East	DC Capex					10,803		**10,803**
	DCL INT					2,250		**2,250**
WW - West	DC Capex					23,015		**23,015**
	DCL INT					6,834		**6,834**
Total DC Capex		**3,776**	**37,836**	**17,606**	**63,307**	**81,798**	**43,115**	**247,438**
Total DCL INTEREST		**1,336**	**8,739**	**6,290**	**38,655**	**20,586**	**18,001**	**93,580**
Grand Total		**5,112**	**46,575**	**23,896**	**101,961**	**105,654**	**61,116**	**344,315**

19. SCHEDULE 4 - DEVELOPMENT CONTRIBUTION CHARGE CALCULATIONS

Table 6 – Details of residential development contribution charge calculations (s201(1)(a) LGA)

		DC Capex (C)	DCL INTEREST (I)	Average no of Full Price HUEs per Project (G)	DC Charge = (C+I)/G	DC Charge Incl Citywide
Citywide	Community Infrastructure	2,281	909	10,441	$306	$306
	Reserves	5,239	927	17,194	$359	$359
	Stormwater	4,681	2,429	26,434	$269	$269
	Transport	35,814	23,648	26,288	$2,262	$2,262
	Wastewater	34,801	9,758	17,871	$2,493	$2,493
	Water	30,916	15,221	17,201	$2,682	$2,682
Infill	Community Infrastructure	91	(10)	4,739	$17	$323
	Reserves	729	94	5,059	$163	$521
	Stormwater	1,613	693	6,871	$336	$605
	Transport	3,146	1,950	10,631	$479	$2,741
	Wastewater	1,704	(45)	5,952	$279	$2,772
	Water	3,289	529	5,185	$736	$3,419
Peacocke Stg 1	Community Infrastructure					$306
	Reserves	598	527	652	$1,726	$2,085
	Stormwater					$269
	Transport	404	85	624	$785	$3,046
	Wastewater	2,862	1,670	670	$6,766	$9,259
	Water	1,479	42	700	$2,172	$4,854
Rotokauri	Community Infrastructure					$306
	Reserves	2,957	2,292	1,007	$5,211	$5,570
	Stormwater					$269
	Transport	8,088	6,158	4,272	$3,335	$5,597
	Wastewater	1,948	990	2,821	$1,042	$3,535
	Water	1,781	1,133	2,004	$1,454	$4,137
Rototuna	Community Infrastructure	1,404	437	3,404	$541	$846
	Reserves	28,314	4,899	3,689	$9,004	$9,363
	Stormwater					$269
	Transport	15,854	6,814	5,178	$4,378	$6,640
	Wastewater	5,970	1,651	4,413	$1,727	$4,220
	Water	4,774	383	3,734	$1,381	$4,063
Ruakura, Peacocke Stg 2	Community Infrastructure					$306
Te Rapa North	Reserves					$359
	Stormwater					$269
	Transport					$2,262
	Wastewater					$2,493
	Water					$2,682
Temple View	Community Infrastructure					$306
	Reserves					$359
	Stormwater					$269
	Transport					$2,262
	Wastewater	694	748	75	$10,656	$10,656
	Water	876	693	75	$11,551	$11,551
SW - Kirikiriroa	Stormwater	1,596	419	2,988	$674	$674
SW - Lake Rotokauri	Stormwater	1,338	292	1,082	$1,505	$1,505
SW - Mangaheka	Stormwater	247	205	3,392	$133	$133
SW - Mangakotukutuku	Stormwater	1,135	267	1,005	$1,396	$1,396
SW - Mangaonua	Stormwater	11	16	3,789	$7	$7
SW - Te Awa o Katapaki	Stormwater	5,459	964	2,424	$2,649	$2,649
SW - Te Rapa Stream	Stormwater	488	480	2,314	$418	$418
SW - Waitawhiriwhiri	Stormwater	522	100	1,608	$387	$387
SW - Otama-ngenge	Stormwater	44	1	39	$1,157	$1,157
SW - City Centre	Stormwater	387	333	2,247	$321	$321
SW - Hamilton East	Stormwater	24	21	2,533	$18	$18
SW - River North	Stormwater	60	70	145	$901	$901
WW - East	Wastewater	10,803	2,250	8,945	$1,459	$1,459
WW - West	Wastewater	23,015	6,834	8,887	$3,359	$3,359
Grand Total		**247,438**	**96,877**	**3,296**		

20. SCHEDULE 5 – BASE CHARGES FOR REFERENCE IN CALCULATING REMISSIONS

Table 7 - Base Charges (for remission reference purposes only (section 13 above)

The following 'base charges' represent raw calculation model outputs, and if applicable, are for reference use only to guide the calculation of a remission as outlined in the remissions provisions in section 13. Refer to Schedule 1 -Development Contribution charges (s201(2), S202 LGA) for development contribution charges applicable in ordinary circumstances.

Base Charges for Stormwater and Wastewater catchments and other catchments not listed here are the same as the charges in Schedule 1. Only charges for some of the General Catchments (and some sectors) have been modified.

Residential BASE Charges Including Citywide							
Catchment	Community Infrastructure	Reserves	Stormwater	Transport	Waste water	Water	Grand Total
Temple View	$306	$359	$269	$2,262	$21,768	$23,595	**$48,559**

High Density Residential BASE Charges Including Citywide							
Catchment	Community Infrastructure	Reserves	Stormwater	Transport	Waste water	Water	Grand Total
Infill	$215	$347	$403	$1,828	$1,848	$2,279	**$6,920**

Commercial BASE Charges Including Citywide							
Catchment	Community Infrastructure	Reserves	Stormwater	Transport	Waste water	Water	Grand Total
Infill	$78	$127	$211	$5,483	$1,034	$991	**$7,924**
Rotokauri	$74	$1,353	$94	$11,193	$1,318	$1,200	**$15,232**
Rototuna	$206	$2,274	$94	$13,279	$1,574	$1,178	**$18,605**

Industrial BASE Charges Including Citywide							
Catchment	Community Infrastructure	Reserves	Stormwater	Transport	Waste water	Water	Grand Total
Infill	$53	$86	$174	$2,036	$417	$400	**$3,644**
Rotokauri	$51	$921	$77	$5,037	$591	$484	**$7,161**
Rototuna	$140	$1,549	$77	$5,976	$705	$475	**$8,923**

Retail BASE Charges Including Citywide							
Catchment	Community Infrastructure	Reserves	Stormwater	Transport	Waste water	Water	Grand Total
Infill	$78	$127	$211	$7,538	$1,034	$991	**$9,980**
Rotokauri	$74	$1,353	$94	$15,390	$1,318	$1,200	**$19,429**
Rototuna	$206	$2,274	$94	$18,259	$1,574	$1,178	**$23,585**

21. SCHEDULE 6 – DEMAND CONVERSION FACTORS

Table 8 – Types of development and household unit equivalents (HUEs)

HUEs (per 100m^2 GFA)	Commercial	Industrial	Retail
Community Infrastructure	0.243	0.165	0.243
Reserves	0.243	0.165	0.243
Stormwater*	0.350	0.287	0.350
Transport	2.000	0.900	2.750**
Wastewater	0.373	0.167	0.373
Water	0.290	0.117	0.290

** Stormwater is calculated per 100m^2 of site area.*
*** Retail Transport operates on a sliding scale ranging from 1.2 to 3.5. Retail developments are assumed to generate different numbers of trips depending on their size (refer Table 8).*

Note 1 – Developments for which floor area cannot be used as a proxy for demand

Developments for which, in the opinion of Council (but subject to section 12 & 13 above) floor area cannot adequately be used as a proxy for demand will be charged based upon the ratio of the increased demand that they produce to the demand assumed to be produced by an average household.

Note 2 – Wet industries

At the discretion of Council, the charges for water and wastewater for wet industries may be assessed on a case by case basis in relation to the level of demand produced by the development and the cost of servicing it, and set by agreement with the developer in accordance with section 200(2) of the LGA. The factors used for calculating the charges for developments that do not fall into this category are averages that have been calculated by excluding usage by wet industries, but wed industry usage has been included in the overall demand growth projections.

Note 3 – Stormwater HUEs

Stormwater HUEs are derived on the basis of the expected runoff from impermeable surfaces. A typical residential greenfield development on a 600m^2 section is assumed to have a runoff coefficient of 55% and represents one HUE. For non-residential developments, development contributions are assessed on site area, and the HUEs for commercial and industrial developments are calculated on the expected run-off from an average site, relative to the run-off from a residential site in accordance with Council's Development Manual. Council provides a stormwater pipe system mainly to drain the primary flow from roads, with roads and parks also receiving the secondary stormwater flow. Where possible, new lots are expected to soak their primary stormwater flow.

Note 4 - Water HUEs

HUEs for water are calculated on the basis of the expected usage. A typical household is assumed to use 702 litres of water a day (in accordance with the Development Manual). The HUEs for commercial and industrial developments are calculated on the expected water usage per 100m^2 of gross floor area, relative to the usage of an average household. This figure is derived from an average over several years of council's water meter readings.

Note 5 - Wastewater HUEs

HUEs for wastewater are based on the HUEs for water with assumed throughput of 70% for residential, 90% for commercial and retail and 100% for industrial developments.

Note 6 - Transport HUEs

HUEs for commercial and industrial transport are calculated on the average daily number of vehicle trips in relation to the ten trips per day assumed to be produced a typical household. These numbers are based on the Transfund 209 and 210 reports as well as two surveys commissioned by Council in 2008 in industrial areas of the city.

Table 9 – Transport HUEs (per 100m^2 of non-residential GFA)

Type of development	Vehicle trips	Number of HUEs
Residential (per household unit)	10	1
Commercial (non-retail)	20	2
Commercial (retail) ≤ 1,000m^2 GFA	35	3.5
Commercial (retail) 1,001 to 3,000m^2 GFA	35 to 20	3.5 to 2
Commercial (retail) 3,001 to 6,000m^2 GFA	20 to 15	2 to 1.5
Commercial (retail) 6,001 to 10,000m^2 GFA	15 to 12	1.5 to 1.2
Commercial (retail) > 10,000m^2 GFA	12	1.2
Industrial (per 100m^2 of GFA)	9	0.9

22. SCHEDULE 7 - CAPPING OF RESERVES DEVELOPMENT CONTRIBUTIONS

Table 10 – Maximum land value per unit for capping of reserves development contributions

Lots of value less than the values shown in the table below are eligible to have the Reserves component of their development contribution charge capped at the greater of 7.5% or 20m^2 of their section value.

Reserves DC Charge	Peacocke St 1	Infill	Rototuna	Te Rapa North	Peacocke St 2	Ruakura	Rotokauri	Temple View
Per HUE	$2,085	$521	$9,363	$359	$359	$359	$5,570	$359
Per higher-density unit	$1,390	$174	$6,242	$239	$239	$239	$3,713	$239
Per ancillary flat	$695	$174	$3,121	$120	$120	$120	$1,857	$120
Maximum section value for capping at 7.5% of value (all development types)								
	$27,801	$6,949	$124,840	$4,782	$4,782	$4,782	$74,260	$4,782
Maximum section value for capping at value of 20m2, and section size must be 267m2 or less (otherwise 7.5% cap will apply)								
	$27,801	$6,949	$124,840	$4,782	$4,782	$4,782	$74,260	$4,782
Maximum section value for capping at value of 20m2, and section size must be 267m2 or less (otherwise 7.5% cap will apply)								
	$15,638	$3,909	$70,223	$2,690	$2,690	$2,690	$41,771	$2,690
Maximum value for 267m2 section - higher density residential								
	$18,534	$2,316	$83,227	$3,188	$3,188	$3,188	$49,507	$3,188
Maximum value for 150m2 section - higher density residential								
	$10,425	$1,303	$46,815	$1,793	$1,793	$1,793	$27,848	$1,793
Maximum value for 150m2 section - ancillary unit								
	$5,213	$1,303	$23,408	$897	$897	$897	$13,924	$897

Note 1 - It will be the responsibility of the developer to demonstrate to the satisfaction of staff that this cap should be applied by providing evidence of the value of the land from an approved registered valuation.

Note 2 - For residential developments, the 20m^2 cap will apply if the section size per unit is less than 267m^2 (20/267=7.5%), and the value of the section will need to be correspondingly less. The value for the minimum allowable section size per residential unit (150m^2) is shown. The value of the section will need to be at an even lower in the case of higher-density or ancillary residential units, as the reserves charge for these is lower. An equivalent section size of 150m^2 has been used for ancillary residential units as an apportionment of the minimum residential site area (600m^2) based on the ratio of the maximum floor area of an ancillary residential unit (60m^2) to the total floor area on the site assuming an average residential floor area of 180m2 (60/(180+60)x600=150).

Note 3 -The non-residential reserves charges are significantly lower than the residential charges, to the extent that they do not approach the capping threshold.

23. SCHEDULE 8 –GROWTH FORECASTS

Table 11 – Forecast annual supply growth (new residential titles)

Year ended June	Rototuna Yield incl Vacant	Peacocke Yield	Rotokauri Yield	Ruakura 1a and b, A and 1 and 2 B	Temple View	Infill Capacity (incl. CBD)	City Total
2014	372	69	41		6	142	629
2015	377	69	41		6	142	634
2016	579	69	41	104	6	142	940
2017	510	69	41	104	6	142	871
2018	489	69	41	104	6	142	850
2019	534	69	41	104	6	142	895
2020	527	69	41	104	6	142	888
2021	558	69	41	104	6	142	919
2022	403	69	41	104	6	142	764

Table 12 – Forecast annual supply growth in titled non-residential site area (ha)

Year ended June	ROTOTUNA-Town Centre	ROTOKAURI Stg 1	RUAKURA Stg 1	Te Rapa North Stg 1	Infill capacity (incl. CBD)	City Total
2014		8.0		8.0	1.2	17.2
2015		5.5		3.0	1.2	9.7
2016		5.5		3.0	1.2	9.7
2017		5.5	13.3		1.2	20.0
2018	1.6	5.5	13.3		1.2	21.6
2019	1.6	5.5	13.3		1.2	21.6
2020	1.6	5.5	13.3		1.2	21.6
2021	1.6	5.5	13.3		1.2	21.6
2022	1.6	5.5	13.3		1.2	21.6

23.1 The above forecasts form part of a more complex growth model used in the calculation of charges, and which is available for inspection by request to Council.

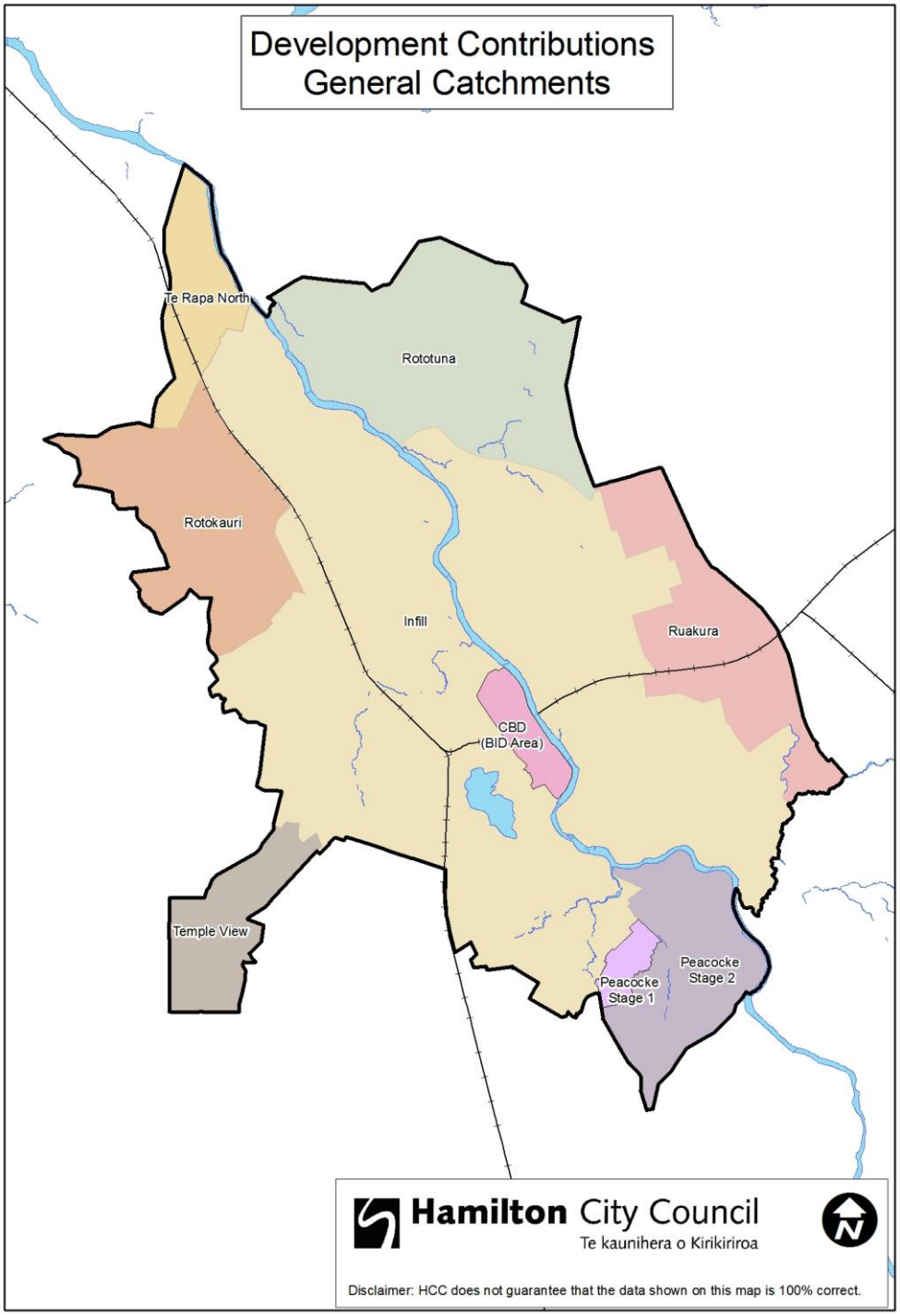
23.2 The charge calculation model converts the basic growth inputs shown here to HUEs that directly generate revenue.

23.3 Refer to section 10.3 for further information on growth forecasts.

24. SCHEDULE 9 – DEVELOPMENT CONTRIBUTIONS CATCHMENT MAPS

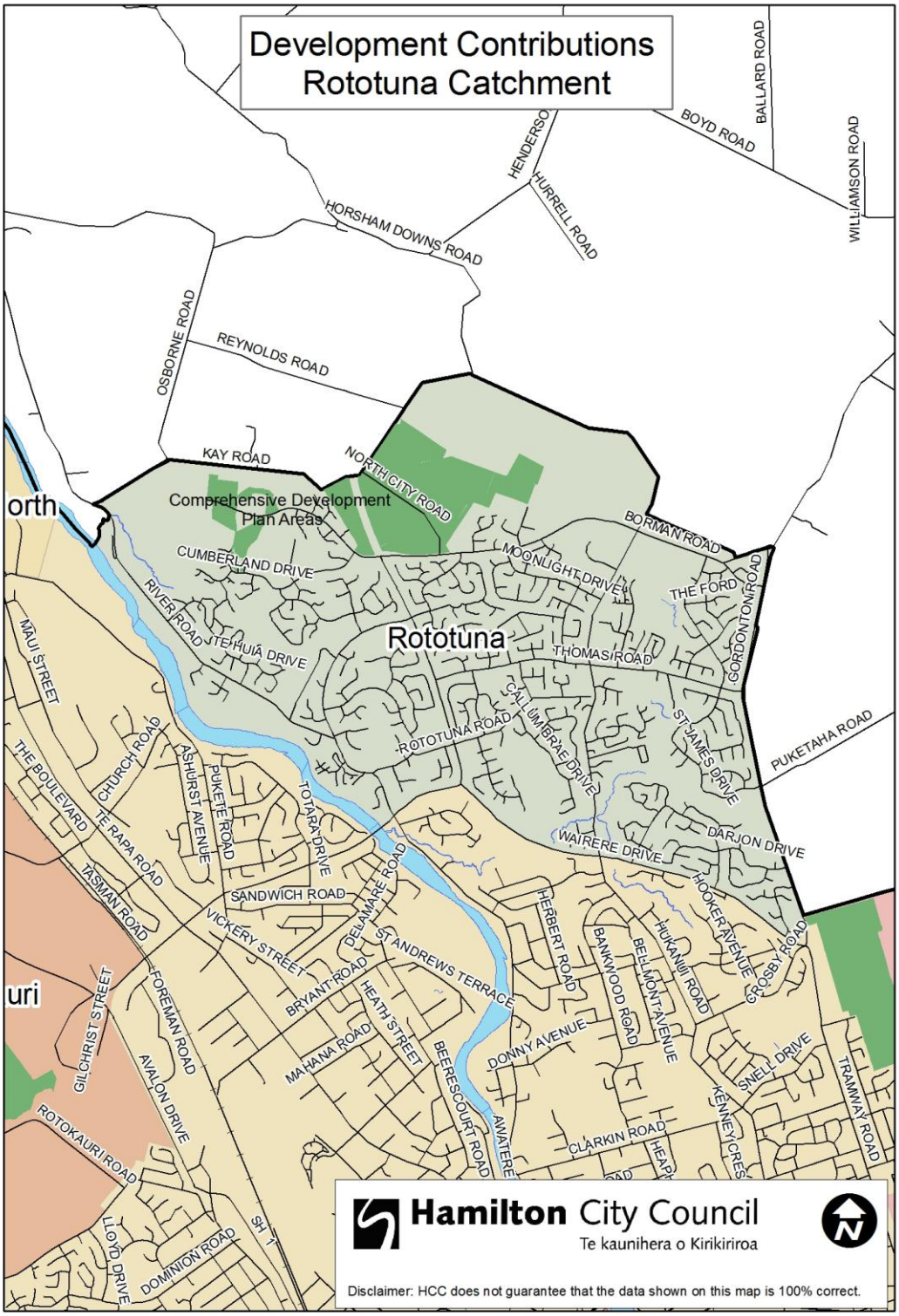
For more detail regarding areas please refer to the GIS viewer at www.hamilton.co.nz/dc

*Map 1 – General Catchments**



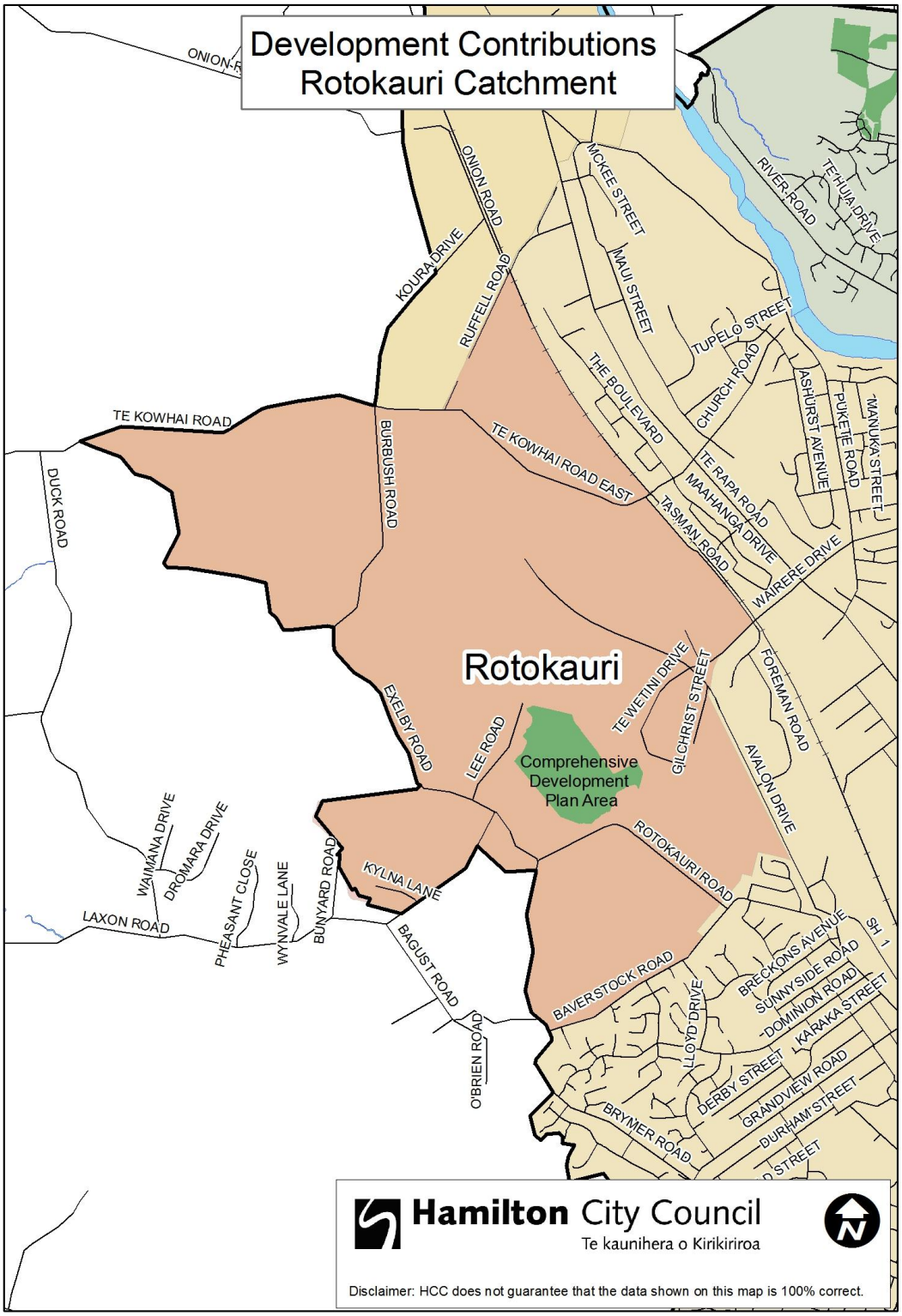
**shows all activities except stormwater & bulk wastewater (maps 9 & 10 below); and an additional "citywide" catchment that includes all other catchments.*

Map 2 – Rototuna catchment



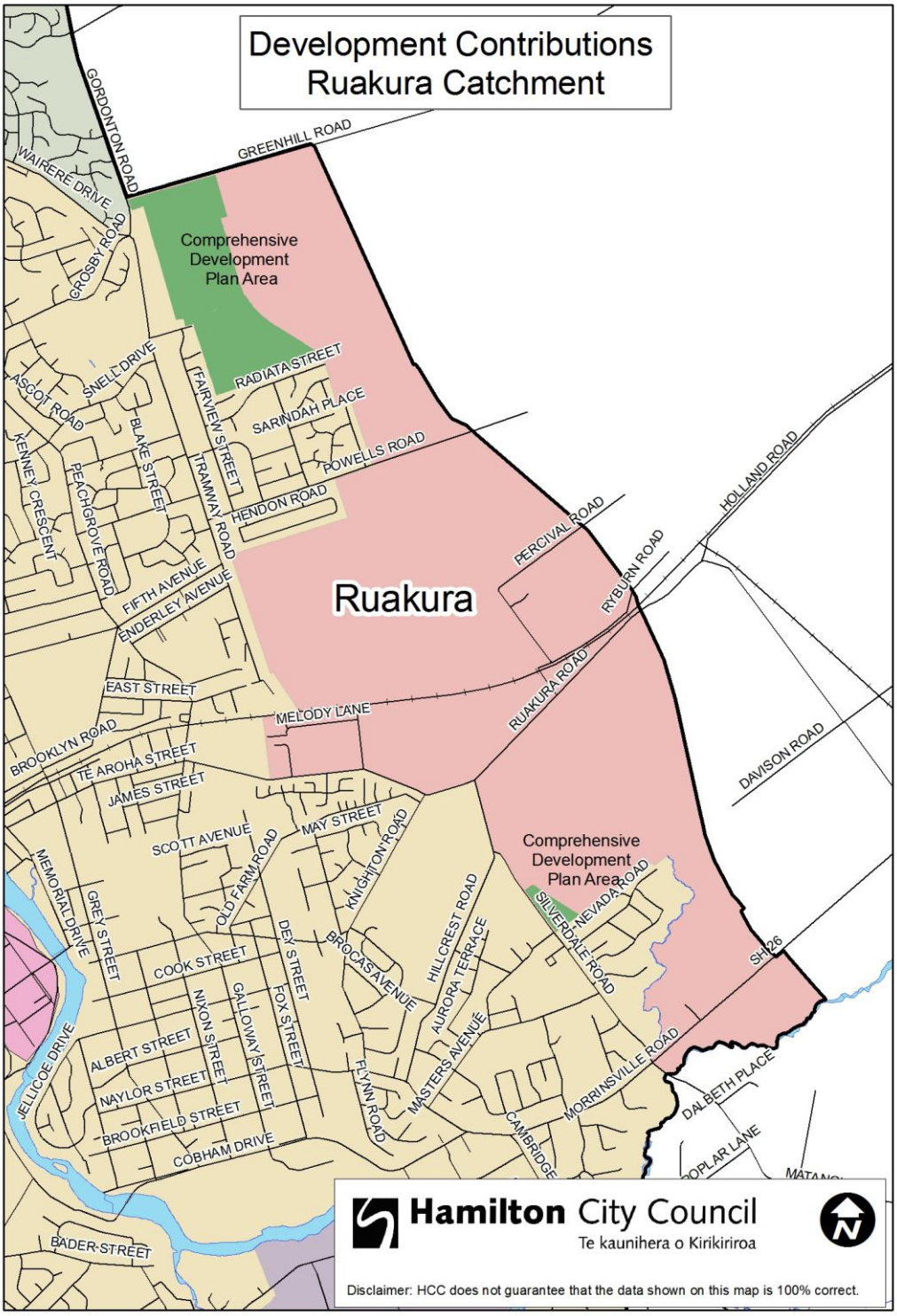
Comprehensive Development Plan or Master Plan Areas	

Map 3 – Rotokauri catchment



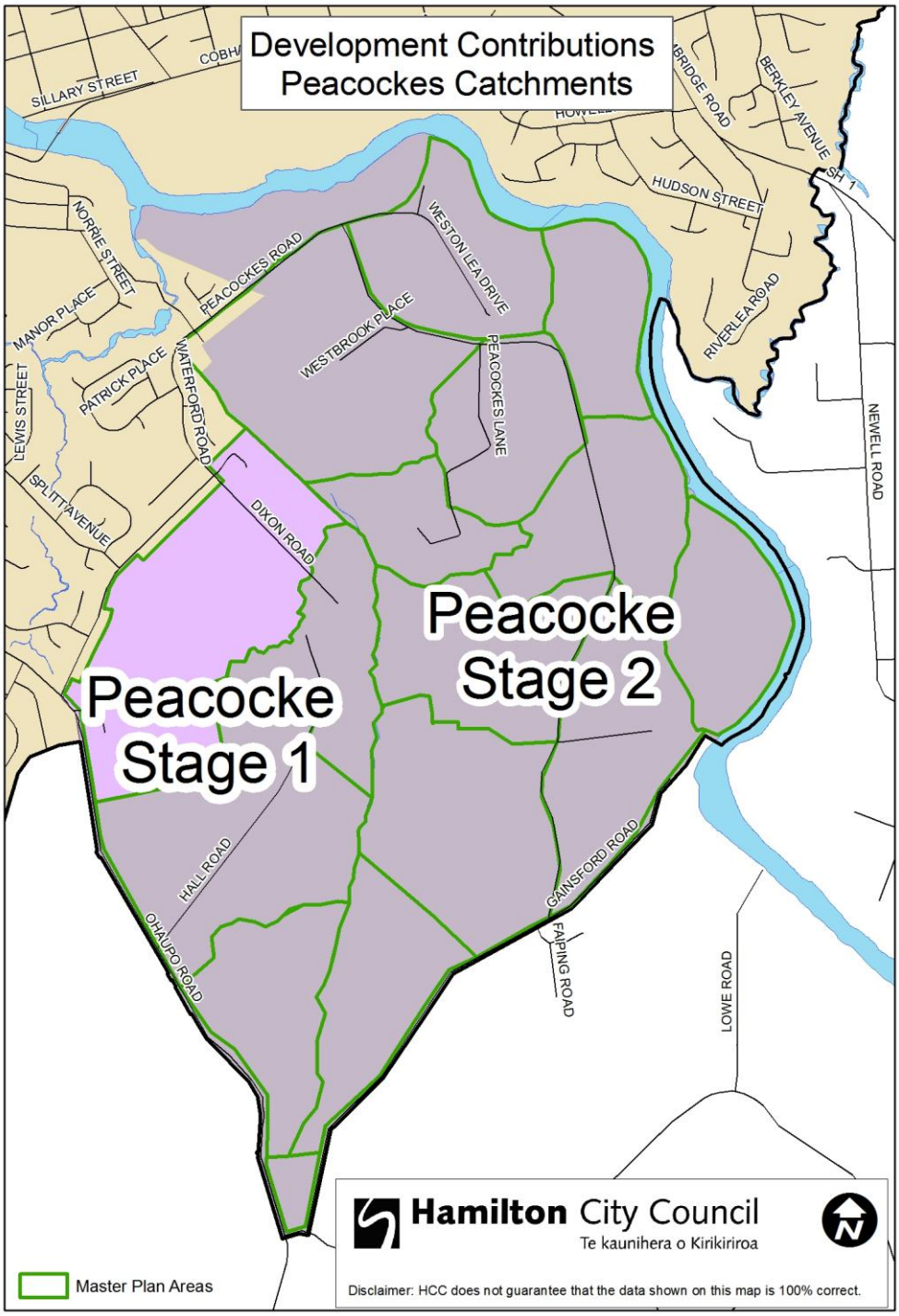
Comprehensive Development Plan or Master Plan Areas	

Map 4 – Ruakura Catchment

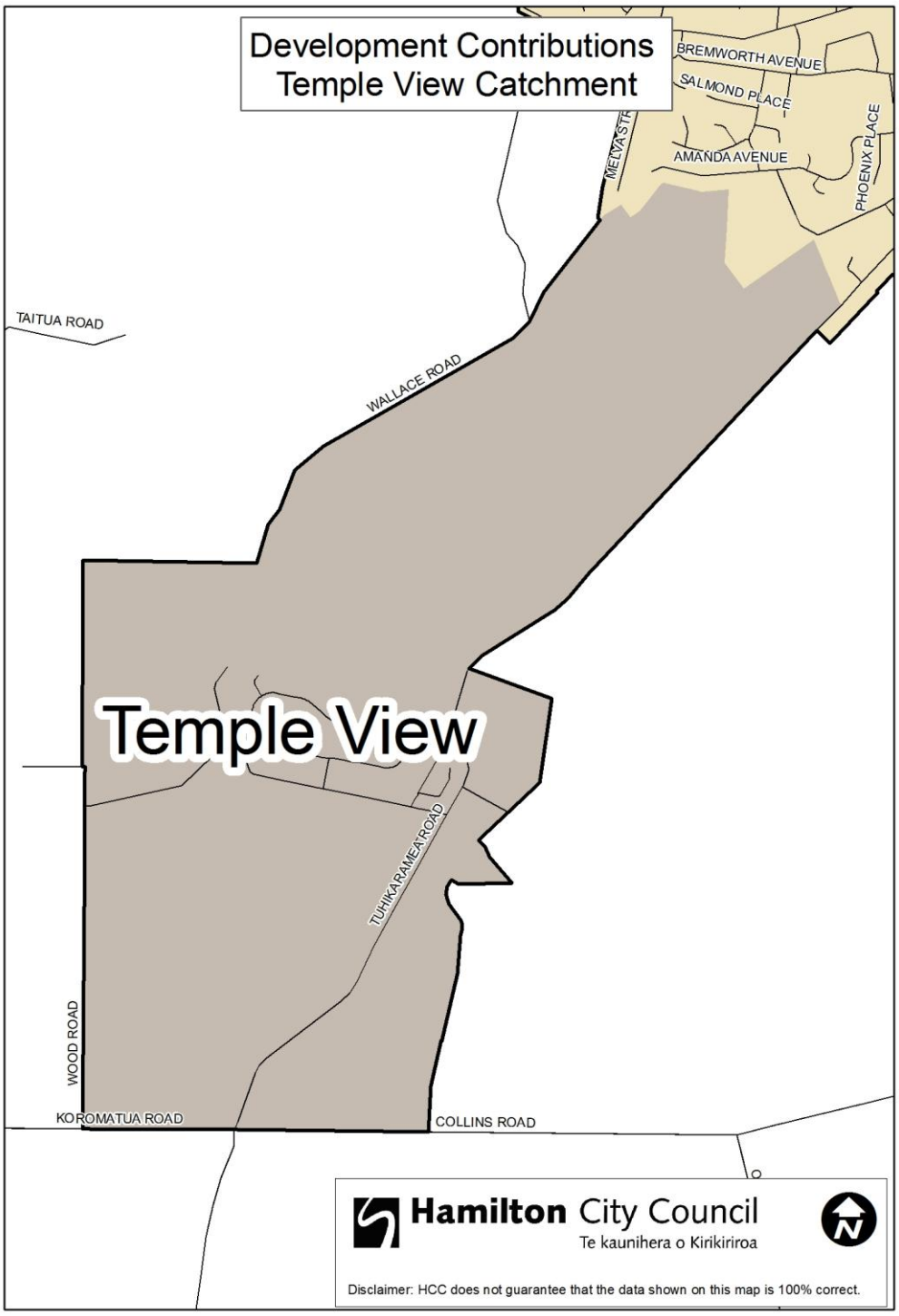


Comprehensive Development Plan or Master Plan Areas	

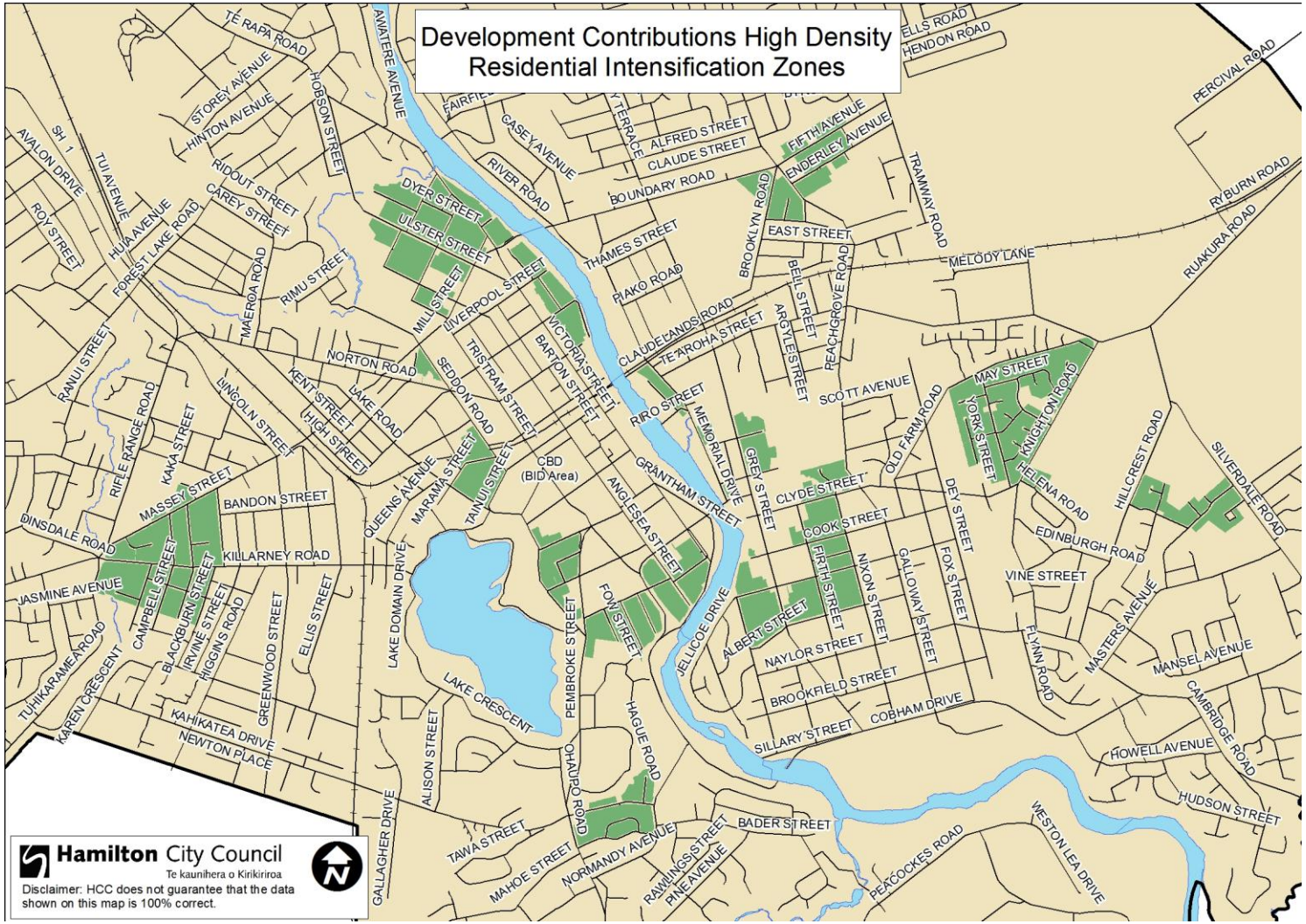
Map 5 – Peacockes Catchments



Map 6 – Temple View Catchment

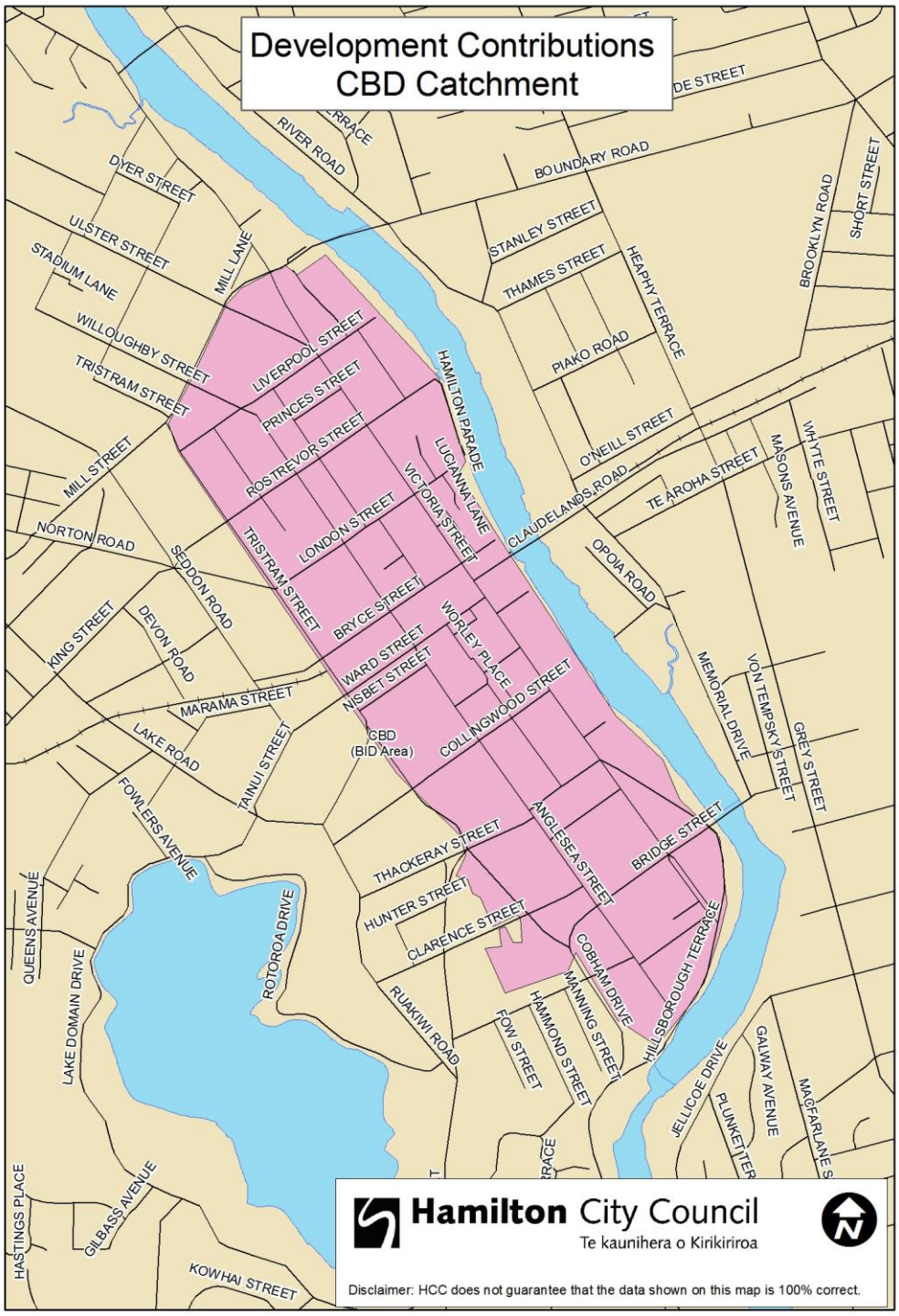


Map 7 – Residential Intensification Zones (RIZ)

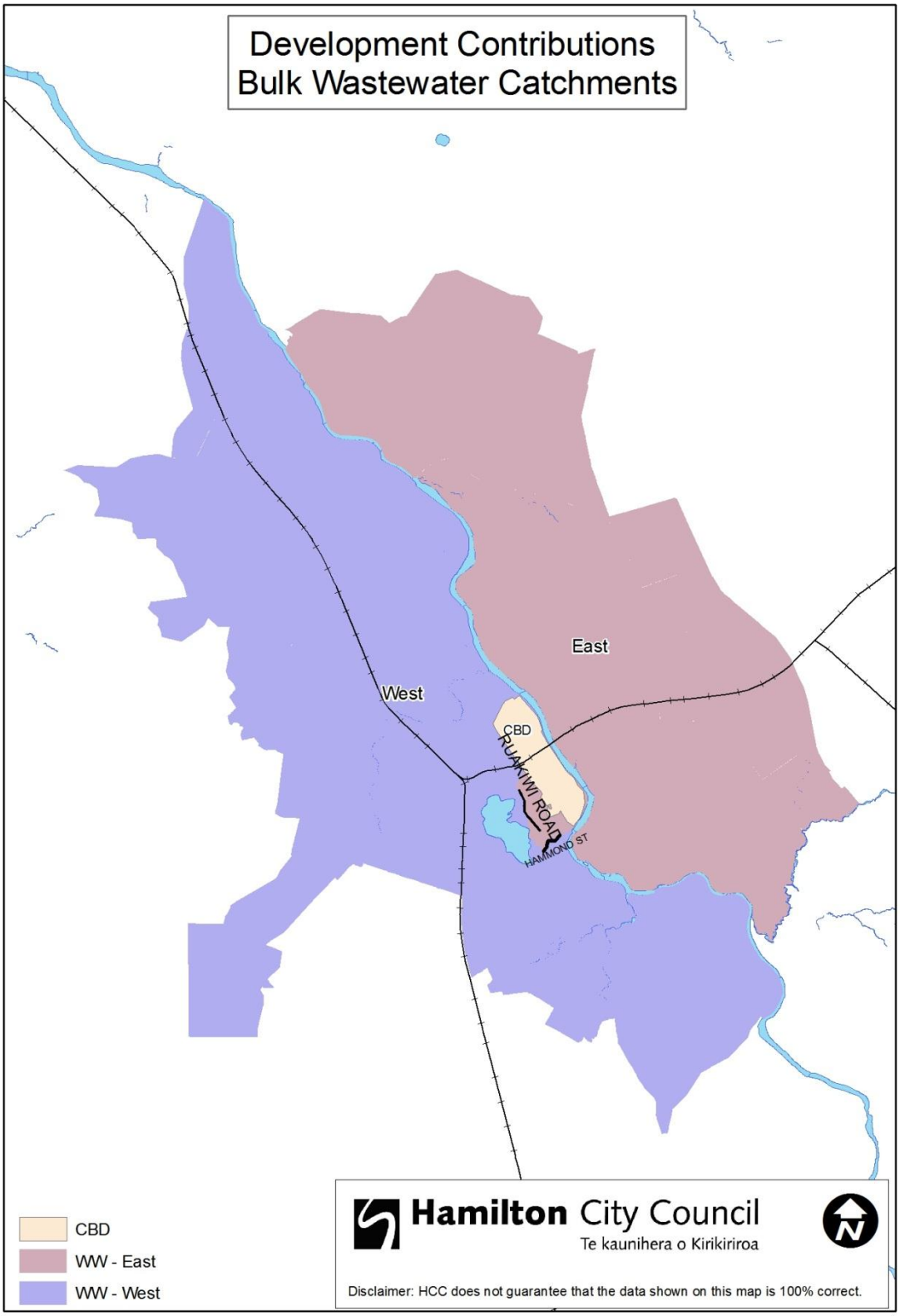


Residential Intensification Zone (RIZ) areas

Map 8 – CBD Catchment



Map 9 –Catchments for Bulk Wastewater Infrastructure



Map 10 –Catchments for Stormwater Infrastructure

END

Schedule 10 – Requests for reconsideration (ss 199A, 199B, 202A LGA)

This Schedule has been inserted in order to comply with the requirements of changes to the LGA pursuant to the Local Government Act 2002 Amendment Act 2014 enacted on 8 August 2014. Accordingly, to the extent that this Schedule is inconsistent with any other part of this Policy, this Schedule shall prevail.

16.1 A request for reconsideration of a requirement to pay a development contribution ("request") must:

a) Be made within ten working days after the date of receipt of notice of the proposed development contribution required by Council.
b) Be made to Council in writing using the Reconsideration of Development Contributions template which can be found on Council's website at www.hamilton.govt.nz/dc;
c) Set out the grounds and reasons for the request;
d) Specify the outcome which is sought; and
e) Include an email address for delivery of Council's decision.

16.2 A request can be withdrawn at any time before delivery of Council's decision on the request.

16.3. A person making a request may provide further information at any time before delivery of Council's decision. Provision of further information will re-start the fifteen working day period for delivery of Council's decision (see s 199B LGA).

16.4 Council may require further information in relation to the request. It is noted that the fifteen working day period for delivery of Council's decision does not begin until Council has received all required relevant information relating to the request (see s 199B LGA).

16.5 Council will consider:

a) The grounds and reasons set out in the written request;
b) The purposes and principles in sections 197AA – 197A LGA; and
c) The application of this Policy in determining the proposed development contribution.

16.6 Council will make decisions on requests without holding a hearing. However, Council may, at its discretion, invite the requester to a meeting in order to discuss the request.

16.7 Council's decisions on requests will:

a) Be in writing;
b) Be provided within fifteen working days after the date on which Council received all required relevant information relating to the request; and
c) State whether the development contribution will be amended and, if so, the new amount.

16.8 Council's decision on requests will be delivered by email to the address nominated by the requester. If Council is unable to contact a requester by email, it will deliver the decision by making it available at its reception to the requester and will attempt to notify the requester by telephone.