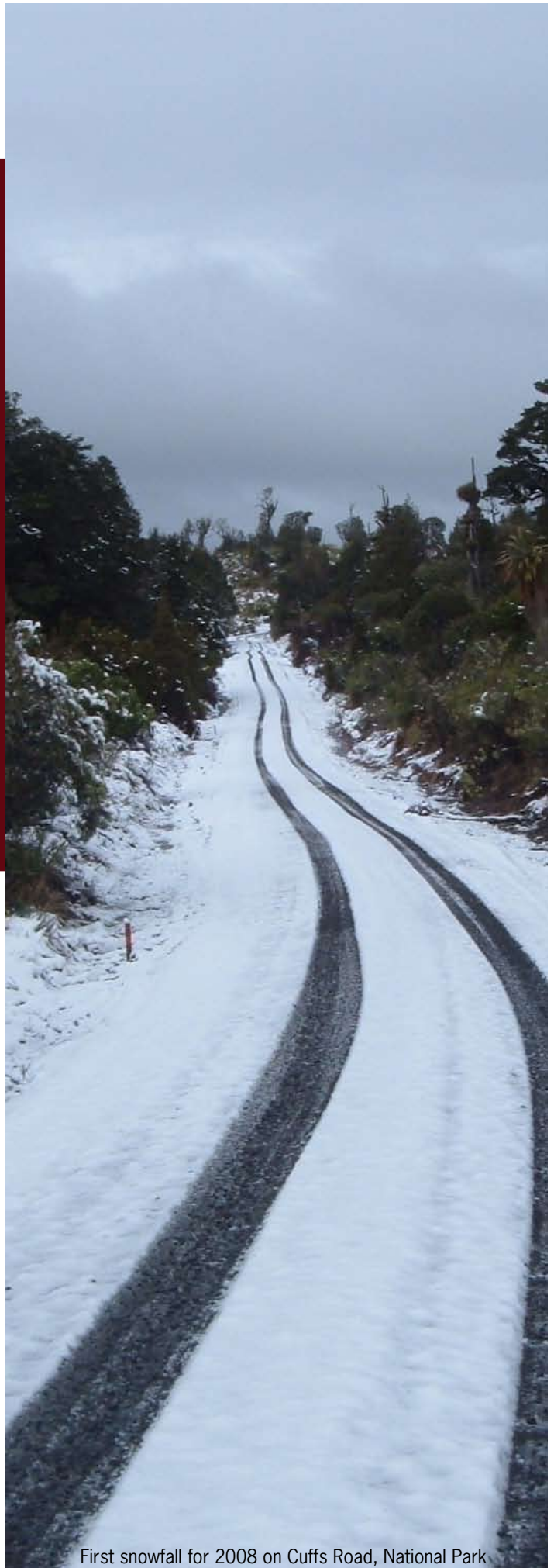


# Part 6: Amendments to LTP 2006-16



First snowfall for 2008 on Cuffs Road, National Park



# Development Contributions Policy

The following is the amended Development Contributions Policy

## 1.0 Summary

- 1.1 Development can result in Council being required to undertake projects involving the upgrade, extension or creation of new infrastructural assets. It is important to ensure that the groups and individuals who create the demand for increases in infrastructural capacity fund that work. A Development Contributions Policy (formed under the Local Government Act, 2002 (LGA)) can be used in many instances to effectively address this issue.
- 1.2 Section 104 (2) (d) of the LGA prescribes that Council must adopt a development contributions policy or a financial contributions policy.
- 1.3 It is proposed that development contributions be introduced to fund development driven increases in infrastructural capacity for the following network infrastructure:
- 1.4 The table below summarises the development contribution for each new residential development that is required to pay a development contribution.

Town	Development Contribution Payable for one new residential development
District Wide (Land Transport Only)	1,213
Ohura (Land Transport Only)	1,213
Taumarunui and Manunui	1,818
Owhango (Land Transport Only)	1,213
National Park	3,030
Ohakune	9,353
Raetihi	4,479
Rangataua	1,526
Waiouru (Land Transport Only)	1,213

## 2.0 Objectives

To enable Council to provide necessary services to newly subdivided lots, and developments in anticipation of the likely effects of land use activities on those lots and within the developments.

A more integrated and comprehensive approach to balancing social, economic, environmental and cultural impacts of development driven by increases in infrastructural capacity.

To provide a transparent method of calculating development contributions.

To consistently apply development contribution charges.

## 3.0 Outcomes

To ensure that the development contributions are used for the purpose of recovering the capital expenditure needed to meet the extra demand placed by development on Council's network infrastructure within the Land Transport, Water Supply, Sewerage and Stormwater Activities.

Application of the development contributions policy in a manner that recovers actual costs from the developer but does not act as a disincentive for development.

Council can continue to provide a safe and efficient land transport network.

Water supply, sewerage and stormwater services are provided of sufficient volume and quality, to maintain the agreed Level of Service.

## 4.0 Interpretation

**Catchments:** Geographically different areas within the Ruapehu District based on network supply areas, for example Owhango, Ohakune or Taumarunui water supply network or the Rangataua or Raetihi sewerage network.

**Developer:** A person, persons, organisation, company or legal entity that proposes to, or is in the process of, subdividing or improving land.

**Development:** Has the same meaning as "development" in Section 197 of the LGA.

**Development Contribution:** Has the same meaning as "development contribution" in Section 197 of the LGA.

**Financial Contribution:** The Financial Contribution specified in the Ruapehu District Plan (unless otherwise specified) and collectable under the provisions of the Resource Management Act, 1991 (RMA 1991).

**Historical Credit** A lot or building that existed prior to the Development Contribution Policy being adopted in June 006 is deemed to have an Historical Credit, and will not need to pay development contributions, until it creates extra demand by being developed.

**Impermeable Surface:** Any area covered by polythene, impervious geotextile fabric, roofing or impervious pavement or impervious coating or surface of any kind, including paving stones, cobblestones, concrete, tarseal or asphalt.

**Inhabitable Unit:** Any house/dwelling/flat or unit where people can live.

**Land in the Subdivision:** Land that is the subject of a “subdivision of land”, as defined by Section 218 of the RMA 1991.

**Land Transport Activity:** Any Council-owned road which meets the criteria of a road, in Section 315 of the Local Government Act 1974, and the management thereof.

Any Council-owned street furniture, footpath, streetlights or access-way and the management thereof.

Any Council-owned car parks and the management thereof. (Council has planned no car parking development in the LTP 2006-16)

Any Council managed drain associated with roads except for identified urban drains (as defined in the current Stormwater Contract documents) and the management thereof.

**Lot and Allotment:** Has the meaning given to it in Section 218 (2) of the RMA 1991.

**Network Infrastructure:** Has the same meaning as “Network Infrastructure” in Section 197 of the LGA.

**Non-Residential Development:** Development for service, commercial, industrial, recreational, or community activity or for visitor accommodation purposes.

**Parent Lot:** The remnant of the original lot that was subdivided.

**Required Toilet Pans:** The minimum number of toilet pans required in the current Building Code (based on a 50:50 ratio of males and females).

**Sewerage Activity:** Council-owned sewerage and waste water treatment network infrastructure and the management thereof, including “waste water services” as defined in Section 5 (1) of the LGA.

**Site:** Has the same meaning as lot and allotment and is an area of land which complies with the provisions of the Ruapehu District Plan, as regards to minimum frontage, and configuration and which (being all the land comprised in one Certificate of Title) may be disposed of separately.

**Stormwater Activity:** Council owned stormwater drainage; including identified urban drains, natural watercourses within urban areas of Ruapehu District, and the management thereof, but excluding stormwater drains that are managed as part of the Land Transport Activity.

**Subdivision Consent:** As defined in Section 87 (b) of the Resource Management Act 1991.

**Subdivision of Land and to Subdivide Land:** As defined in Section 218 of the Resource Management Act 1991.

**Visitor accommodation:** Residential buildings aimed at housing visitors for a financial consideration and include, but is not limited to, boarding houses, chalets, backpackers hostels, motels and hotels.

**Water Supply Activity:** Council-owned water network infrastructure and the management thereof including “water works” as defined in Section 5 of the LGA.

## 5.0 Policy and Criteria

5.1 Summary and Explanation of Capital Expenditure to Meet Increased Demand for Network Infrastructure

5.2 The projects for which the expenditure is to be undertaken have been identified as part of the Asset Management Plan (AMP) for the respective Activity. An explanation of the major projects is reflected under each Activity in Part Two of the LTP. These will be updated and amended as necessary by resolution of Council, and will form part of the AMPs. The capital expenditure required due to development, levels of service increases and renewal is shown in the cost of service statement in the LTP.

### 5.3 Funding of Development Driven Increases or Expansion of Network Infrastructure

5.4 The tables set out in schedule 2 show the portion of capital expenditure that will be funded by Development Contributions, Financial Contributions and other sources of funding.

5.5 The cost of capital expenditure required to cater for development will generally be recovered by means of development contributions from developers who benefit from the increased capacity created to cater for development. Exceptions to this include developments where grants or subsidies are received to fund development driven increases in infrastructural capacity. The proportion of capital expenditure that will be funded by development contributions, financial contributions and other sources of funding will depend on the ability of Council infrastructure to accommodate an increase in demand for each activity.

5.6 The portion of capital expenditure that must be undertaken to renew infrastructure or to provide increased levels of service will be funded from the Council's normal sources of funding.

## **5.7 Justification for Charging Development Contributions**

5.8 Section 106 (2) (c) of the LGA requires Council to justify charging developers for the cost of development driven increases in infrastructural capacity for Land Transport, Water Supply, Sewerage and Stormwater activities.

This justification must be based on a consideration of Section 101 (3) of the LGA:

The community outcomes to which the activity primarily contributes

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

The distribution of benefits over time

The extent to which the actions or inaction of individuals or a group contribute to the need to undertake the activity (Section 101)

The costs and benefits of funding the activity differently to other activities.

5.9 The analysis in terms of Section 101 of the LGA is set out below:

5.10 Community Outcomes, Section 101 (3) (a) (i) of the Local Government Act 2002

5.11 Capital expenditure is undertaken for renewal, improving levels of service and development. Expenditure for renewal and increasing levels of service benefits the whole District and hence it is funded via loans and rates. The following Community Outcomes signal the community's desire for a high standard of infrastructure, funded from those who benefit.

Core facilities, services and infrastructure planning and provision (water, sewerage, solid waste, power, roading and medical) keep pace with development.

Key organisations facilitate business growth through a coordinated approach and support beneficial business and economic conditions.

A community that encourages participation in planning around Community or District issues and promotes community responsibility.

5.12 Charging new developments for the additional infrastructure ensures a fair contribution to Community Outcomes. This means, for example, that:

- Traffic resulting from development is managed by a programme of works that maintains existing traffic flow, pedestrian and cycle access, parking and safety standards.
- Appropriately sized, efficient water reservoirs, water and sewerage treatment plants, pumping stations

and networks are built to appropriately cater for extra consumption/output resulting from development and maintain the existing level of service.

5.13 Distribution of Benefits, Section 101 (3) (a) (ii) of the Local Government Act 2002

5.14 Developers benefit as infrastructure makes their property more marketable/valuable attracting increased value/profit. Council considers it is unreasonable to expect ratepayers to fund this.

5.15 Developers are the main beneficiaries from the infrastructural capacity increases Council has to make due to development.

5.16 The Community in which the development is located and the District as a whole also benefit from non-residential developments. This benefit arises from having more access to a greater range of retail outlet or services, through increased capital gain on existing properties caused by the new developments, or through the increased amount of money flowing through the local economy, however this benefit is secondary to the primary benefit that is received by developers.

5.17 It is appropriate that development contributions target the developers as the primary beneficiary to fund the provision of additional capacity in Land Transport, Water Supply, Sewerage and Stormwater activities. The benefits of this additional capacity accrue to new units generating demand for that capacity.

5.18 The distribution of benefit may change over time as ownership is transferred, however, the cost of the contribution will also transfer by way of purchase price. Development contributions paid by developers are likely to be passed on to land purchasers through purchase price. Existing landowners who undertake no development, however, gain no direct benefit from, and should not be required to fund, the addition of capacity to existing networks that adequately meet their needs.

## **5.19 Distribution of Benefits Spread Over Time, Section 101 (3) (a) (iii) of the Local Government Act 2002**

5.20 Development contributions are also imposed because of the principle that it is not considered appropriate to fund development driven increases in infrastructural capacity on an inter-generational basis. This is because the demand for these services is being generated now and the benefits created are focussed on meeting demand, rather than providing benefits. Future generations will be required to fund any renewal or changes to the level of service that might be required on Council infrastructure.

- 5.21 The levying of development contributions is aimed at recovering the cost of Council's development driven expansion of infrastructure from developers responsible for the increased demand. In most instances the development driven capital expenditure will be recouped over a period of time as and when additional units of demand are connected to Council's infrastructural network.

### **5.22 Actions or Inactions of Individuals, Section 101 (3) (a) (iv) of the Local Government Act 2002**

- 5.23 For every activity where a development contribution is required, new developments will drive the need for the expansion of network infrastructure. Assuming no change in the level of service, if the development did not take place, there would be no demand for expanded or enhanced assets. The cost of development driven expansion of infrastructure should be collected from developers as they exacerbate the need to undertake development.

### **5.24 Costs and Benefits, Section 101 (3) (a) (v) of the Local Government Act 2002**

- 5.25 The benefits of funding development-driven additions to infrastructural capacity through development contributions, where possible, include greater transparency by passing on the actual costs to developers. The future capital expenditure for maintenance and levels of service are then borne by the users in their capacity as beneficiaries, thus maintaining the principle of exacerbator pays.
- 5.26 Development contributions for Land Transport will be charged District wide except for specific projects relating to the construction of car parking. (Council has not planned for the development of any car parks in the LTP 2006-16) Council manages its roads as a network and all residents of the District benefit from the ability to use the road network.
- 5.27 Development Contributions for Water Supply, Sewerage and Stormwater will be charged only when developments are created that are able or are expected to be able to connect to a Council owned or operated network. The development contribution payable will vary depending on the network that the development will connect to.
- 5.28 The benefit of recovering the cost of Council's development driven expansion of infrastructure by charging development contributions is considered to outweigh the risk of potentially stifling development.

### **5.29 Overall Impact on Funding Revenue Liability, Section 101 (3) (b) of the Local Government Act 2002**

- 5.30 Ensuring adequate levels and balance between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural well-being of the Ruapehu District by placing the onus for funding infrastructure on the direct beneficiary.
- 5.31 Recovering the cost of Council's development driven expansion of infrastructure from developers by means of either development contributions or financial contributions promotes equity between existing landowners and persons benefiting from development.
- 5.32 The use of development contributions enables Council to fund additional planned capacity in network infrastructure and spread the impact over a longer period whereas financial contributions are necessary to fund capital expenditure to cater for unforeseen development or developments of a scale or type not provided for in this Policy.

### **5.33 Calculating Development Contributions**

#### **5.34 Assumption - Planned Costs of Development Driven Increase in Infrastructural Capacity**

- 5.35 Development contributions will be calculated using the cost of development driven expansion of infrastructure as described in the LTP. It is assumed that all projects detailed in the LTP will be carried out.
- 5.36 The planning assumptions on which the forecasts for development driven demand have been based are contained in Part Three – Planning Assumptions in the LTP.

#### **5.37 The Development Contributions Formula**

- 5.38 The schedules of this policy summarise and explain the cost of the development driven infrastructural capacity increases Council is planning over the next ten years. This does not include the infrastructure that is being built to improve the existing level of service, or to fund historical upgrades, renewals or maintenance.
- 5.39 Development contributions for Land Transport, Water Supply, Sewerage and Stormwater activities will be calculated using the following development contribution assessment:

$$DC = D_u * C \notin N_u$$

Symbol	Description
DC	Development contribution
$D_u$	The number of units of demand for which a development must be paid
C	The development component of the capital cost of a project providing additional capacity to Council's infrastructure
$N_u$	The total additional capacity that any particular upgrade or replacement project will provide, divided by the activity specific expression of one unit of demand

### 5.40 The Unit of Demand for Residential Development

- 5.41 For the purposes of the residential development part of this policy, the average impact of the addition of one average inhabitable unit to the system is one unit of demand for all applicable forms of network infrastructure, hereinafter referred to as residential unit of demand.
- 5.42 Table two below summarises the units of demand for each activity, the source that the units are based on and the area within which the development contributions are chargeable for each activity:

Activity	Source	Catchment	Unit of Demand (U)
Land Transport	Other councils & Transit NZ	Whole District	10 vehicle movements/house/day
Sewerage	Industry standard	Sewerage reticulation area	730L sewage/house/day
Water Supply	Industry standard	Water reticulation area	1,000L water/house/day
Stormwater	Horizons rainfall data	Urban areas with identified urban drains	*See note below

\* The unit of demand for Stormwater will vary with each development, in terms of:

- Capacity of stormwater pipes (potential flow) depends on the diameter thereof and the gradient at which it is installed.
- For each development of stormwater infrastructure, the capacity will therefore determine the potential flow of the pipes to be able to calculate the unit of demand.

### 5.43 Residential Unit of Demand for Land Transport

- 5.44 Council manages the roading network through the Land Transport Activity. The roading network is managed as a district wide network. This is because all individuals have access and may travel along all district roads.
- 5.45 For the purpose of the Development Contributions Policy it is estimated that each residential household will undertake 10 vehicle movements per day. This figure was generated through Transit New Zealand vehicle movement estimates and is consistent with Council's own observations of vehicle movements within the District.

### 5.46 Residential Unit of Demand for Sewerage

- 5.47 The New Zealand Standard NZS 4404:2004 Land Development and Subdivision Engineering states that sewerage networks should be developed to cater for between 180 – 250 litres of sewerage per person per day. NZS 4404:2004 states that peak flows may be up to 4.5 times higher than this estimate. However not all houses will use the maximum sewerage flow at any one time. Council has taken a conservative approach to the peak flow calculation and estimated that the peak flow averaged out across the community is approximately 1.7 times that of the average flow.
- 5.48 Most houses have approximately 2.4 people living in them at any one time. As stated above Council has estimated that the maximum peak flow will be approximately 1.7 times the standard flow rate. So therefore 2.4 people x 1.7 averaged peak flow x 180 Litres of sewerage per person per day results in Council needing to provide capacity for 734 Litres of sewerage per household per day this figure has been rounded to approximately 730 Litres of sewerage per household per day this is the residential unit of demand for sewerage.

### 5.49 Residential Unit of Demand for Water Supply

- 5.50 The calculation for the residential unit of demand for water supply is calculated in a similar way to the residential unit of demand for sewerage. Again the New Zealand Standard NZS 4404:2004 Land Development and Subdivision Engineering estimates are used.
- 5.51 NZS 4404:2004 states that the average person requires and average of 250 Litres of water per day. Again NZS 4404:2004 states that peak flows may be higher than the average flow. Council considers that it is unlikely that all

houses will use the maximum amount of water at any one time. Council has estimated that the peak flow averaged across the community will be approximately 1.7 times the average flow.

- 5.52 Most houses have approximately 2.4 people living in them at any one time. As stated above Council has estimated that the maximum peak flow will be approximately 1.7 times the standard flow rate. So therefore 2.4 people x 1.7 averaged peak flow x 250 Litres of water per person per day results in Council needing to provide capacity for 1020 Litres of water per household per day this figure has been rounded to approximately 1000 Litres of water per household per day, this is the residential unit of demand for water supply.

### 5.53 Residential Unit of Demand for Stormwater

- 5.54 The measure for units of demand for stormwater is a 500m<sup>2</sup> of allotment area. This will apply to all developments regardless of the ability to manage stormwater within the development

- 5.55 The contribution is calculated on the cost of the capital expenditure associated with constructing the stormwater systems, and then dividing it by the number of new units of demand that will be established within the area being serviced as per the current planning assumptions. The result is the cost that will apply to each new lot.

- 5.56 This means that the Development Contributions =  $c/n$

Where: c = capital expenditure of designing and establishing stormwater systems to provide for growth and n = total estimated number of new units of demand in the area planned to be serviced over a ten year period (2009-19).

- 5.57 All residential developments of 500m<sup>2</sup> are assumed to create one unit of demand. Therefore each new 500m<sup>2</sup> of lot is an additional unit of demand. The development contribution payable will be levied on the number of additional units of demand being created in excess of any such existing units of demand.

Note: All development is assumed to create demand. Each new lot is determined by its area. As subdivisions are not always equal to 500m<sup>2</sup>, the Development Contribution payable will be assessed for the area of the lot created as *pro rata* of the 500m<sup>2</sup>.

- 5.58 Individual developments may create multiple units of demand.

\* The number of units of demand is the total allotment area divided by the measure of 500m<sup>2</sup> where the area is greater than or smaller than 500m<sup>2</sup>.

- 5.59 The stormwater development contribution is applied

only to National Park Stormwater catchment area\*. This contribution was arrived at by looking at the growth over the past two years and the predicted growth over the next three years of 2.8% (based on current Planning Assumptions) which came to 11 more units per year. The AMP have \$500,000 planned expenditure, 30% which is development driven. The \$150,000 development expenditure is then divided over ten years and then by the 11 extra units of demand per year, arriving at a total of \$1363.00 per unit of demand.

\*Note – The National Park Catchment Area is as per Map one.

### 5.60

- To avoid all confusion – each 500m<sup>2</sup> of new subdivision equals one unit of demand on a pro rata basis. All new developments (residential or commercial buildings) that have not paid development contributions at the subdivision stage, will attract one unit of development contribution on a pro rata basis for each 500m<sup>2</sup> allotment area.
- Examples of pro rata Development Contributions on 500m<sup>2</sup>.

Each 500m<sup>2</sup> subdivision will attract one unit of Development Contributions on a pro rata basis, for example:

A 400m<sup>2</sup> lot will attract 4/5 of one development contribution; a 600m<sup>2</sup> lot will attract 1 full development contribution plus 1/5 of one development contribution. A 1200m<sup>2</sup> lot will attract two full development contributions and 2/5 of one development contribution.

### 5.61 The Unit of Demand for Non-Residential Development

Activity	Source	Catchment	Unit of Demand (U)
Land Transport (District Wide)	Council estimated approximation in terms of the residential unit of demand	Whole District	Number of Toilet Pans in terms of the Building Act 2004
Sewerage	Council estimated approximation in terms of the residential unit of demand	Sewerage reticulation area	Number of Toilet Pans in terms of the Building Act 2004

Activity	Source	Catchment	Unit of Demand (U)
Water Supply	Council estimated approximation in terms of the residential unit of demand	Water reticulation area	Number of Toilet Pans in terms of the Building Act 2004
Stormwater	Horizons rainfall data	Urban areas with identified urban drains	*See note below

- 5.62 Non-residential developments may place more load on Council infrastructure than residential developments. For example a restaurant / bar will have use a greater amount of water and sewerage than a residential development. This same restaurant/ bar will likely place a greater load on the roading network as individuals will often travel along Council owned roads from their home to the restaurant / bar.
- 5.63 Council decided that the fairest proxy for determining the unit of demand for water supply, sewerage and district wide land transport development contributions for non-residential developments is the number of toilet pans required under the Building Act 2004. The more toilet pans that are located in a non-residential development directly impacts on the amount of sewerage and water used by that development. The higher number of toilet pans also provide an approximation for the number of vehicle movements. For example a café with one toilet pan is likely to see a lower number of vehicle movements per day than a restaurant / bar with two toilet pans. A Supermarket with 3 toilet pans is likely to see more vehicle movements per day than a fish and chip shop with one toilet pan.
- 5.64 Tourist accommodations are treated as commercial units and will be charged Development Contributions by the number of toilets pans as per other Commercial units.
- 5.65 Council is aware that the number of toilet pans provides a conservative estimate, however Council has also considered the wider implication on the improved social and economic outcomes that non-residential developments can contribute to and feels that this conservative estimate is appropriate.

### **5.66 Events and Activities Triggering The Charging of Development Contributions**

- 5.67 Development contributions will be required when there is a subdivision or development generating a need for additional network infrastructure capacity and such additional network infrastructure capacity is planned for in the LTP. Pursuant to Section 199(2) of the LGA a development contribution may

be required to pay, in full or in part, for capital expenditure for network infrastructure already incurred by the Council in anticipation of the subdivision or development.

- 5.68 Several developers are often involved with developing the same piece of land consecutively. In such situations it is important that Council is careful to avoid charging development contributions twice for the same development (Section 200 of the LGA). This risk is effectively mitigated by:
- Only charging for developments over and above any previous development on the site.
- 5.69 “Example for new developments: A farmer subdivides bare land into two units, therefore two development contribution are collected. If one of those units is on sold, then and the purchaser subdivides that portion of land into 11 lots. Development Contributions are then paid on 10 of those 11 lots (as one DC has already been paid). If single dwellings are then erected on the lots, no development contributions will be charged, because the contributions have already been collected. Anybody building more than one inhabitable unit per lot will have to pay development contributions on the extra units. To avoid all confusion, parent lots on bare land that is being subdivided will attract Development Contributions”.
- 5.70 Example for extensions to existing buildings: Extensions to existing residential dwelling houses will not trigger the payment of an additional development contribution. An extension to an existing non-residential building will trigger the payment of development contributions for the additional units of demand created for that development.
- 5.71 Example for redevelopments: If an existing building is destroyed or demolished, or removed and the lot redeveloped in such a way that additional demand is placed on Council infrastructure then development contributions will only be levied for the additional units of demand, for example where a non-residential building with one toilet plan is demolished and replaced by a new development requiring two toilet pans in terms of the then current building code then only one development contribution will be charged for the extra resident equivalent unit of demand required.
- 5.72 When a developer triggers the calculation of a development contribution charge, even though the charge for each activity will be calculated separately, the charges will all be added together and charged as one aggregated development contribution charge.
- 5.73 Relocating Houses within the District – Historical Credits.
- 5.74 When a house is moved from one location to another with the district, the Historical Credit remains with the parent lot -the lot from where the house or building was removed. The relocated house or building will attract a development

contribution if the lot on which it is being placed has not already had an existing house or building that has been removed or destroyed, or is adding to the total number of buildings on the lot or has not been subdivided and has already paid development contribution.

### **5.75 Requests for Remission or Postponement of Development Contributions**

- 5.76 Any such request shall be made in writing to Council. This must set out the reasons for the request and it must be made within 15 working days after the assessment of development contributions is notified to that person.
- 5.77 Council or its duly authorised delegate will consider the request as soon as practicable. Council will give at least 5 working days notice of the commencement date and time, and the place, of a hearing, if any, of the request by the person.
- 5.78 In considering the development contribution required, Council or its duly authorised delegate, may, at its full discretion, decide whether to uphold or reduce the original amount of development contributions required.
- 5.79 There are no specific conditions or criteria that apply in relation to the remission, postponement, or refund of development contributions, however in making its decision, Council or its duly authorised delegate may take into account:
- Appropriate statutory considerations, including matters under the LGA.
  - What is fair and reasonable.
  - Consistency.

- Integrity of the development contributions policy.
- Appropriateness of the development contributions policy to a particular development.
- Authorisation for a service connection.

5.80 Having heard the request, Council or its duly authorised delegate, will make its decision and communicate that decision to the person making the request.

5.81 Any such request shall be made in writing to Council. This must set out the reasons for the request and it must be made within 15 working days after the assessment of development contributions is notified to that person.

### **5.82 Refunds**

5.83 Where Council has required development contributions on a resource or building consent application and either no development is undertaken on the site within ten years, or the resource or building consent is surrendered, lapses or expires, then the original development contribution amount less actual and reasonable administrative costs will be refunded to the consent holder (Section 201 (1) (c) and Section 209 of the LGA). This will occur at the time the refund comes due. This refund does not prevent Council requiring development contributions on future resource or building consent applications.

This assumes that there will be highs and lows in the forecast period and that there will be no new significant events that will impact on demand for new dwellings.

The contribution cost per unit of demand is calculated by using the generic development contributions formula shown in the methodology with  $D_U$  being equal to only one unit of demand:

# Schedule 1

## 1.0 Triggers for Charging Development Contributions

- 1.1 Council takes development contributions at the time of resource consent, building consent or service connection (Section 208 of the LGA). The following table sets out the different types of applications that may be made and the services for which development contributions will be assessed and will be collected.
- 1.2 Development contributions will only be levied if and to the extent that they haven't already been charged previously, satisfying Section 200 (1) of the LGA. For residential developments only one development contribution will be charged for every separately inhabitable unit. For non-residential developments only one development contribution will be charged per toilet pan (as required by the Building Act 2004).

Application	Services for which development contributions may be collected
Resource consent under the Resource Management Act 1991	Land transport, water supply, sewerage and stormwater activities
Building consent under the Building Act 2004	Land transport, water supply, sewerage and stormwater activities
Authorisation for service connection	Land transport, water supply, sewerage and stormwater activities

- 1.3 When a developer triggers the calculation of a development contribution charge, even though the charge for each activity will be calculated separately, the charges will all be added together and levied as one aggregated development contribution charge.

## Schedule 2

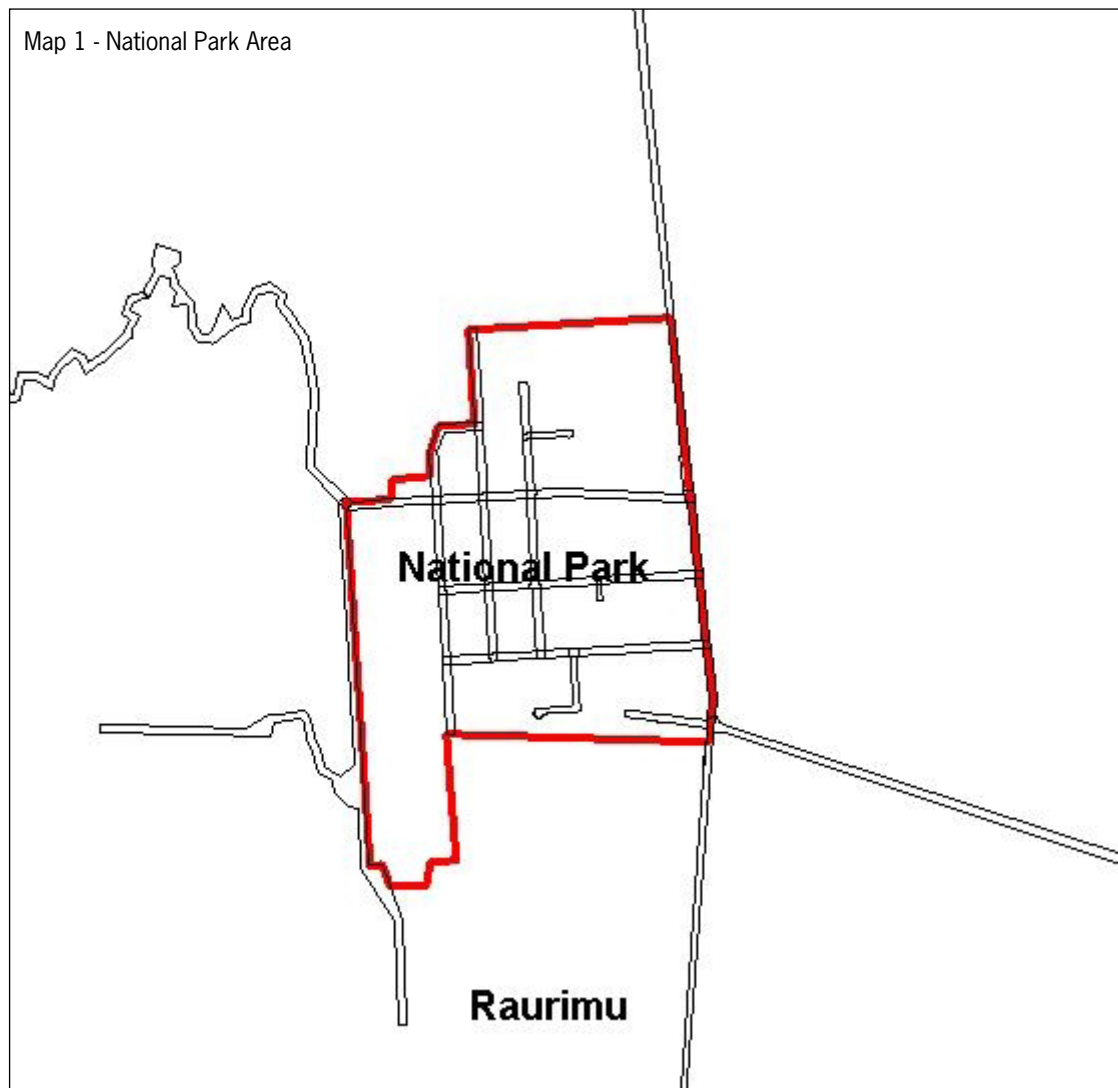
### 1.0 Funding of Development Driven increases in Infrastructural Capacity

#### 1.2 Summary of Funding Sources

The table below shows the proportion of capital expenditure that will be funded by development contributions, financial contributions and other sources of funding for the purposes of Section 106 (2) (b) and (d) of the LGA:

Activity	Capital Expenditure			Other sources of funding \$
	Total development driven capital expenditure \$	Development contributions \$	Financial contributions \$	
<b>Whole District</b>				
Land Transport	10,060,459	403,245	0	9,657,214
Ohura urban area				
Water supply	0	0	0	0
Stormwater	0	0	0	0
<b>Taumarunui, Manunui and Mahoe urban water reticulation areas</b>				
Water supply	11,351	6,627	0	4,724
<b>Taumarunui, Manunui and Mahoe sewerage reticulation areas</b>				
Sewerage	21,964	16,696	0	5,268
<b>Taumarunui and Manunui urban areas</b>				
Stormwater	0	0	0	0
<b>Piriaka urban area</b>				
Water supply	0	0	0	0
Stormwater	0	0	0	0
<b>Owhango water reticulation area</b>				
Water supply	0	0	0	0
<b>Owhango urban area</b>				
Stormwater	0	0	0	0
<b>National Park water reticulation area</b>				
Water supply	7,386	7,106	0	280
<b>National Park sewerage reticulation area</b>				
Sewerage	29,085	3,040	0	26,046
<b>National Park urban area</b>				
Stormwater	500,000	150,000	0	0
<b>Ohakune water reticulation area</b>				
Water supply	1,221,503	981,783	0	239,719
<b>Ohakune sewerage reticulation area</b>				
Sewerage	556,791	442,415	0	114,376
<b>Ohakune urban area</b>				
Stormwater	0	0	0	0
<b>Pipiriki sewerage reticulation area</b>				
Sewerage	5,903	3,137	0	2,766
<b>Raetihi water reticulation area</b>				
Water supply	73,416	14,178	0	59,238

Activity	Capital Expenditure			Other sources of funding \$
	Total development driven capital expenditure \$	Development contributions \$	Financial contributions \$	
<b>Raetihi sewerage reticulation area</b>				
Sewerage	81,697	75,970	0	5,727
<b>Raetihi urban area</b>				
Stormwater	0	0	0	0
<b>Rangataua sewerage reticulation area</b>				
Sewerage	12,322	5,097	0	7,225
<b>Rangataua urban area</b>				
Stormwater	0	0	0	0
<b>Waiouru water and sewerage reticulation areas</b>				
Water supply	0	0	0	0
Sewerage	0	0	0	0
<b>Waiouru urban area</b>				
Stormwater	0	0	0	0



## Schedule 3

### 1.0 Contribution Cost per Unit of Demand

The following table outlines the cost of development contributions per unit of demand for each activity and town in the Ruapehu District.

Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty	Source
Higher District growth will put pressure on infrastructure	Low	District growth trends do not seem to change quickly.	Statistics New Zealand Quarterly Report RDC Resource Data Quotable Value
Higher District growth will put pressure on infrastructure	Low	District growth trends do not seem to change quickly.	Statistics New Zealand Quarterly Report RDC Resource Data Quotable Value.

### District Growth

Together, the increase in Rating Units and, the continued increase in the number of building consents for new dwellings allow Council to make an assumption that there is growth in the District. The growth rate that will be assumed over the next ten-year period will be 0.6% per year. This growth rate varies per town. Of the 0.6% growth across the District over the ten-year period a proportion of this growth will occur in different town. The proportion of the .6% growth is summarised in the following table.

Township	Percentage Growth
Ohakune	31%
Raetihi	9%
National Park	10%
Rangatau	13%
Owhango	6%
Taumarunui	2%
Piriaka	12%
Pipiriki	9%
Ohura	0%
Waiouru	3%
Other Locations	5%
<b>Total District Growth</b>	<b>100%</b>

This assumes that there will be highs and lows in the forecast period and that there will be no new significant events that will impact on demand for new dwellings.

The contribution cost per unit of demand is calculated by using the generic development contributions formula shown in the methodology with  $D_u$  being equal to only one unit of demand:

$$DC = D_u * C \div N_u \quad \text{Where } D_u = 1$$

Activity	Development contribution cost per residential equivalent unit of demand (\$)
Whole District	
Land Transport	1,213
Ohura urban area	
Water supply	-
Stormwater	
Taumarunui, Manunui and Mahoe water reticulation area	
Water supply	233
Taumarunui, Manunui and Mahoe sewerage reticulation area	
Sewerage	372
Taumarunui and Manunui urban area	
Stormwater	-
Piriaka urban area	
Water supply	
Owhango water reticulation area	
Water supply	
Owhango urban area	
Stormwater	
National Park water reticulation area	
Water supply	318
National Park sewerage reticulation area	
Sewerage	136
National Park urban area	
Stormwater (new)	1,363
Ohakune water reticulation area	
Water supply	5,730
Ohakune sewerage reticulation area	
Sewerage	2,410
Ohakune urban area	
Stormwater	-
Pipiriki sewerage reticulation area	
Sewerage	1,000
Raetihi water reticulation area	
Water supply	1,622
Raetihi sewerage reticulation area	
Sewerage	1,644
Raetihi urban area	
Stormwater	-
Rangataua sewerage reticulation area	
Sewerage	313
Rangataua urban area	
Stormwater	-
Waiouru water reticulation areas	
Water supply	-
Waiouru sewerage reticulation areas	
Sewerage	-
Waiouru urban area	
Stormwater	-

The table below describes the total development contribution payable per town

<b>Town</b>	<b>Development Contribution Payable for one new residential development (\$)</b>
District Wide (Land Transport Only)	1,213
Ohura (Land Transport Only)	1,213
Taumarunui and Manunui	1,818
Owhango (Land Transport Only)	1,213
National Park	3,030
Ohakune	9,353
Raetihi	4,479
Rangataua	1,526
Waiouru (Land Transport Only)	1,213

All the above charges do not include GST or inflation. GST and inflation in the 2007/08 and 2008/09 years will be added to the final cost.