
Thursday, 20 July 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Attachments Vol 1

Te Rā Hui:
Meeting date: **Thursday, 20 July 2023**

Te Wā:
Time: **3.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

**Watch Council meetings
streamed live on our website
www.hastingsdc.govt.nz**

HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone **06 871 5000** | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

ITEM	SUBJECT	PAGE
5.	ADOPTION OF LONG TERM PLAN AMENDMENT AND DEVELOPMENT CONTRIBUTIONS POLICY	
	Attachment 1: Development Contributions Policy Final 2023/24	3
6.	ADOPT REMISSION OF RATES - DWELLINGS AND LAND AFFECTED BY NATURAL DISASTER POLICY	
	Attachment 1: Policies, Procedures, Delgtns, Warrants & Manuals - Policies - Rating Policies - Natural Disaster Rates Remission Policy Customer Feedback July 2023	83
7.	CLIMATE ACTION JOINT COMMITTEE TERMS OF REFERENCE	
	Attachment 1: Climate Action Joint Committee amended ToR for July adoption	103
10.	NAPIER-HASTINGS FUTURE DEVELOPMENT STRATEGY JOINT COMMITTEE - MINUTES OF MEETING HELD ON THE 27TH APRIL 2023	
	Attachment 1: Minutes of the Napier-Hastings Future Development Strategy Joint Committee - 27 April 2023	111
11.	HAWKE'S BAY CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE: ADOPTION OF AMENDED TERMS OF REFERENCE	
	Attachment 1: Amended CDEM Group Joint Committee ToR for adoption	119
	Attachment 2: HB CDEM Group JC ToR amendment Report	127
	Attachment 3: Minutes of the HB CDEM Joint Committee held 26 June 2023	131



Summary

Development Contributions are used as a tool to fund capital expenditure required to service growth. Council's Development Contributions Policy (DC Policy), adopted under the provisions of the Local Government Act 2002, provides the policy basis for the Council to charge and collect development contributions in respect of Community Infrastructure, Network Infrastructure and Park & Reserves.

In accordance with the provisions of the Local Government Act 2002, the policy seeks to establish a transparent, consistent and equitable basis for recovering from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

Council first adopted a DC Policy in 2007. The Policy has been regularly reviewed since that time. The last major review occurred in 2016, with minor reviews usually undertaken yearly in the intervening period.

Changes in the 2023/24 Development Contribution Policy:

Hastings District has experienced significant population and urban growth in the last eight years. This growth has occurred at a faster rate than expected and has consumed growth capacity in the urban wastewater network, in particular, faster than anticipated. Hastings District is expected to continue to experience urban growth in the years ahead. These factors necessitate major investment in new wastewater capacity over the next eight years. The proposed investment in wastewater (together with a smaller investment in water supply) is set out in an amendment to the Hastings District Council Long-Term Plan (LTP) 2021-2031 which has been adopted.

As noted above, Development Contributions are used to ensure that persons undertaking development pay a fair, equitable and proportionate share of the costs of capital expenditure required to service development within the District. The additional growth-related capital expenditure proposed within the LTP Amendment means there are additional costs to be recovered via development contributions. This means that costs per Household Unit Equivalent (HUE) are proposed to be increased, particularly with respect to properties connected to wastewater services. The per 100m² basis for charging for non-residential development is also proposed to increase. These proposed increases are reflected within the 2023/24 Development Contributions Policy.

The draft 2021-2031 LTP amendment and draft 2023/4 Development Contributions Policy went out for public consultation. Having considered the feedback received, the Council is proposing a staged implementation of the proposal. The staged approach attempts to find the balance in addressing the points above, but also recognises the real need and criticality of the "Growth Ready" infrastructure for the future development of our district. The more immediate "Growth Ready" infrastructure is also importantly being co-funded with \$18.5m from central government. So, whilst the overall roadmap of the required infrastructure investment over the next decade is unchanged, the Council is proposing to phase in its impact on the Development Contributions charging regime over a 5-year period and these changes have reflected in the final 2021-2031 LTP amendment and this 2023/24 Development Contributions Policy.

The Council is also planning for a significant proportion of future urban growth to occur within existing urban areas, including in the form of medium density housing. While some greenfield development will still occur, urban intensification and brownfield re-development is likely to make up an increasing proportion of urban growth. The DC Policy has been

reviewed to ensure it is fit for purpose in this changing context. As a result, special assessments are provided for in relation to Multi-Unit Residential Dwellings (or Comprehensive Residential Development proposals) where they have the potential to create materially lower actual demand on services relative to the HUEs of demand assessed under a standard assessment. Special assessments are also provided for in respect of non-residential circumstances in certain circumstances.

Other than these changes, the fundamentals of the Council's DC Policy are largely retained. The HUE as the base unit for charging for development, the existing approach to catchments for the various services, and the existing ring-fenced catchment areas are retained.

2023/24 Summary of Schedule of Charges

Type of Development	2022/23 Schedule of Charges	2023/24 Schedule of Charges
Greenfields Residential <u>Per HUE</u> <i>*Excludes Howard Street Internal Servicing Contribution</i>	\$27,302.15	\$33,898.55
Howard Street Internal Servicing DC Per HUE	\$23,891.25	\$22,196.15
Infill Residential <u>Per HUE</u>	\$16,016.05	\$22,664.20
Medium Density Housing Residential <u>Per HUE</u>	\$17,869.85	\$24,826.20
Semi Urban Residential (not connecting to council reticulated services) <u>Per HUE</u>	\$6,894.25	\$5,991.50
Rural Residential (not connecting to council reticulated services) <u>Per HUE</u>	\$6,894.25	\$5,991.50
Office <u>Per 100m2</u>	\$4,875.26	\$6,861.88
Commercial & Retail <u>Per 100m2</u>	\$7,587.79	\$9,220.99
Industrial <u>Per 100m2</u>	\$5,109.31	\$7,939.37
Hospitality & Accommodation <u>Per 100m2</u>	\$12,473.68	\$19,150.89
Irongate Industrial Catchment Area <u>Per m2 of Land Area</u>	\$11.85	\$12.26
Omahu Industrial Catchment Area <u>Per m2 of Land Area</u>	\$29.01	\$30.53

Table of Contents

1.0 Background	
1.1 Introduction	6
1.2 Enabling Legislation and Supporting Policy Framework	6
1.3 Purpose and Principles of Development Contributions	6
1.4 Financial Contributions	9
1.5 Works or Services	9
2.0 Policy	
2.1 Adoption, Implementation and Review	9
2.2 Timing of Assessments	10
2.3 Credits	10
2.4 Definition of Growth	12
2.5 Works within a Development Site	12
2.6 Development Contributions	12
2.7 Limitations to the application of Development Contributions	14
3.0 Determination of Development Contribution Charges	
3.1 Activities	14
3.2 Areas of Demand	14
3.3 Level of Service (LOS)	15
3.4 Growth Model and Household Unit Equivalents	15
3.5 Cost Allocation Methodology	15
3.6 General Funding Model	16

3.7 Irongate / Omaha Funding Model	16
3.8 Howard Street Development Area	16
4.0 Assessment of Development Contributions	
4.1 Defining a Development	17
4.2 Residential/Rural Subdivision and Residential Applications	17
4.3 Additional Residential Dwellings	18
4.4 Retirement Villages	18
4.5 Non-Residential Applications	18
4.6 Development within the Irongate & Omaha Industrial Catchment Area	19
4.7 Assessment within Irongate Industrial Area	19
4.8 Assessment within Omaha Industrial Area	20
4.9 Development within Howard Street Development Area	20
4.10 Assessment within Howard Street Development Area	20
4.11 Rural Subdivision and Rural Land Uses	20
4.12 Extraordinary Circumstances (Special Assessment)	21
4.13 Summary	23
5.0 Calculation of Development Contributions	
5.1 Residential Development	24
5.2 Non-Residential Development	24
6.0 Invoicing and Payment of Development Contributions	

6.1 Invoicing and Payment of Development Contributions	25
6.2 Enforcement Powers	25
6.3 Postponement, Remission, Reduction, and Refund	26
6.4 Transitional Arrangements (Revised Assessments)	27
7.0 Reconsideration and Objection Processes	
7.1 Reconsideration of a Development Contribution	28
7.2 Objection to a Development Contribution	28
8.0 Other Matters	
8.1 Capital Contributions; Scheme Extensions	29
8.2 Development Contribution – Money or land	30
8.3 Esplanade Reserves	30
8.4 Basis of Land Valuation	30
8.5 Private Development Agreements	30
8.6 Council Developments and Development Contributions	30
8.7 The Crown and Development Contributions	30
8.8 Goods and Services Tax	30
8.9 Applications to Vary Consents or the Conditions of a Consent	30
8.10 Certificate of Acceptance Applications	31
8.11 Service Connections	31

9.0 Significant Assumptions	
9.1 Assumptions Used	31
Appendices	
Appendix A – Development Contributions Schedule of Fees and Charges	32
Appendix B – Development Contributions Calculation – Examples	34
Appendix C – Areas of Demand	50
Appendix D – Schedule of Assets For Which Development Contributions Will Be Used	58
Appendix E – Summary of Estimated Capital Expenditure	66
Appendix F – Glossary of Terms	67
Appendix G – Non-Residential HUE Conversions	71
Appendix H – Funding Sources for the Cost of Growth	72

1.0 Background

Hastings District Council | REF: CP-03-10-10-23-41

//5

