



# **2006/08 Policy on Development and Financial Contributions**

## **Information Handout**

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### **Development Contributions**

These are levied under the Local Government Act 2002 Contributions are assessed based on the fiscal implications of growth.

### **Financial Contributions**

These are levied under the Resource Management Act 1991 and collected using the provisions of the District Plan. Contributions are assessed based on the environmental effects of growth.

## **Why Take Development Contributions?**

Central Otago District is experiencing strong growth.

Providing infrastructure in anticipation of growth is an obligation of Council. Council has decided that recouping the growth component from development contributions is the most prudent.

It ensures those who create the demand for additional services/assets pay fairly and reasonably for this.

## **Do I Have to Pay?**

Contributions are payable when a development (whether Residential, Commercial, Industrial or anything else) occurs that places additional demand on Council's infrastructure.

The factors driving the level of contributions payable are:

- Size of development
- Type of development (industrial/commercial/residential etc)

This ensures the contribution payable is proportional to the impact a particular development has on the infrastructure.

## **When is a Contribution Payable?**

Financial Contributions – either at:

- Subdivision consent and/or
- Land use consent

Development Contributions – either at:

- A resource consent; or
- A building consent; or
- An authorisation for a service connection.

## **What Information do you Use to Calculate Development Contributions?**

In order to calculate contributions we need to know the following:

- Growth (taken as the number of new properties or dwellings), and;
- Capital expenditure in the last or next 10 year (how much Council has or is going to spend on infrastructure)

## **How do I know if Contributions Will Apply in My Area?**

Table 1 on the next page details the areas where contributions apply. Table 2 indicates the value of the dwelling equivalent contribution in each area.



## Dwelling Equivalent Development Contributions

On the pages that follow this table is the methodology for calculating the contributions payable for a specific development.

**Table 2**

Blue = Development Contributions    Red = Financial Contributions

Contributing Area	Water Supply	Wastewater	Roading	Reserves	Community Facilities
Alexandra	\$4,345	\$1,110	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$123 (Alexandra Ward)
Clyde	\$3,434		Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$112 (Earnscliffe Ward)
Cromwell – Urban		\$2,457	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$960 (Cromwell Ward)
Cromwell Rural Residential (RR) and Residential Resource Areas (RRA)	\$6,120	\$2,457 unless connected to Lowburn Pisa Sewer Extension, then \$3,303	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$960 (Cromwell Ward)
Lowburn	\$6,891	\$3,303	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$960 (Cromwell Ward)
Pisa Extensions		\$3,303	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$960 (Cromwell Ward)
Bannockburn	Bannockburn Urban \$4,461 Bannockburn Rural \$8,258	Bannockburn Treatment \$1,000 Bannockburn Sewer Extn \$3,000	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$960 (Cromwell Ward)
Omakau / Ophir	\$4,429	\$1,830	Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$118 (Manuherikia Ward)
Patearoa	\$1,096		Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	\$446 (Maniototo Ward)
Other Urban Areas			Residential \$2,518 Business \$7,039	\$1,490 or Land (100m2 – Maximum) or a Combination of Both	Alexandra \$123 Earnscliffe \$112 Cromwell \$960 Manuherikia \$118 Maniototo \$446 Roxburgh \$1,353
Other Rural Areas			Residential \$2,518 Business \$7,039	\$750 or Land (100m2 – Maximum) or a Combination of Both	Alexandra \$123 Earnscliffe \$112 Cromwell \$960 Manuherikia \$118 Maniototo \$446 Roxburgh \$1,353

\*\*\* Contributions exclude GST \*\*\*

\*\*\* Financial Contributions are indexed to March, 07 with the exception of Bannockburn Wastewater and Patearoa Water Supply Financial Contributions. These contributions are not inflated. \*\*\*

# How Do I Calculate My Development Contributions?

## Water Supply and Wastewater

Development contributions payable are calculated by multiplying the number of dwelling equivalents (shown below), by the dwelling equivalent contribution shown on the previous two pages. (GFA = Gross Floor Area)

### Water Supply

**Table 3**

<b>Property Type</b>	<b>No. of Dwelling Equivalents</b>
Residential Dwelling	1.0 per dwelling
Residential Flat (GFA <= 60 m2)	0.5 per flat
Residential Flat (GFA > 60 m2)	1.0 per flat
Multi Unit	0.8 per unit

### Wastewater

**Table 4**

<b>Property Type</b>	<b>No. of Dwelling Equivalents</b>
Residential Dwelling	1.0 per dwelling
Residential Flat (GFA <= 60 m2)	0.5 per flat
Residential Flat (GFA > 60 m2)	1.0 per flat
Multi Unit	1.0 per unit

For other types of developments refer Section 5, Part 4 of the Policy on Development and Financial Contributions to calculate the number of Water Supply and Wastewater dwelling equivalents.

## Roading

Roading contributions are levied on a fixed fee district wide basis:

- Where the construction of a new building occurs, a fixed fee will be charged as per table 5 below.
- Where alterations are made to an existing business building and works exceed \$500,000, a fixed fee will be charged.
- At subdivision, a fixed fee will be charged to each lot.

**Table 5**

<b>Land Use Classification</b>	<b>Dwelling Equivalents per Property</b>	<b>\$/Property</b>
Residential	1.0	\$2,518 per property
Residential Flats (<60m2)	0.5	\$1,259 per flat
Residential Flats (>=60m2)	1.0	\$2,518 per flat
Business	2.8	\$7,039 per property

The types of development making up the land use categories in table 5 are detailed in table 5.4.5 in the Policy on Development and Financial Contributions Supporting Document.

### **Community Facilities (such as community centre's, halls, swimming pools and stadia)**

Community Facilities development contributions are calculated by:

- Commercial & Industrial and Hotels & Accommodation – multiplying the GFA by the Dwelling Equivalents per 100m2 GFA by the Dwelling Equivalent Contribution defined in table 2.
- Residential and other properties – one dwelling equivalent contribution per property applies.

**Table 6**

<b>Land Use Classification</b>	<b>Dwelling Equivalents per 100m<sup>2</sup> GFA</b>
Commercial and Industrial	0.004
Hotels & Accommodation	0.148

Only the greater of the Community Facilities Development Contribution and the Reserves Financial Contribution will be payable.

### **Unusual Developments**

Council reserves the right to individually assess contributions on any development or activity that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant land use category (an unusual development).

Developments required to pay a Development Impact Levy under Section 15.6.4 of Council's District Plan and developments with a build cost exceeding \$500,000 will be considered unusual developments.

## **Credit Provisions**

Some developments may be entitled to a credit for demand placed on infrastructure prior to development. Credits are outlined on page 17 of the Policy on Development and Financial Contributions Supporting Document.

## **What Should I do if I Want to Know More?**

Copies of the Policy can be obtained by contacting Council.

Council strongly recommends professional advice is sought at the time of preparing a Resource or Building Consent wherever an application is for more than a standard residential dwelling. Your professional advisors should be able to advise you about how development and financial contributions may apply to your development.

## **When do These Contributions Take Effect?**

The Policy on Development and Financial Contributions forms part of the 2006-16 Long Term Council Community Plan (LTCCP).

Since the adoption of the 2006-16 LTCCP the Policy on Development and Financial Contributions was amended using the Special Consultative Procedure.

The contributions identified in the amended Policy on Development and Financial Contributions will be applied to all subdivision and development activities where the resource or building consent has an application date of 28 February 2007 or later.

For more information contact:

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