ROTORUA
LAKES COUNCIL

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DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2022 - 2031

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LAKES COUNCIL

ADOPTION, APPLICATION AND REVIEW OF THE POLICY

This Draft Development Contributions Policy (the Policy) was approved by Rotorua Lakes Council (Council) on xx May 2022 with effect from 1 September 2022. The Policy will be reviewed on a three-yearly basis but may be updated at shorter intervals if Council considers it necessary. See the Council website www.rotorualakescouncil.nz for further information.

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INTRODUCTION

PURPOSE OF THE POLICY

1. Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Rotorua Lakes Council (Council). As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth.

2. Growth has increased significantly in Rotorua in the last few years, and Council has identified that there is a major housing shortage in the District. The need for a new Development Contributions Policy (Policy) has been signalled in the last two Long Term Plans to partly fund the new infrastructure required.

3. The purpose of the Policy is to ensure that a fair, equitable, and proportionate share of the cost of that infrastructure is funded by development. Council intends to achieve this by using:

   - development contributions under the Local Government Act 2002 (LGA02) for Water, Wastewater and Stormwater activities in the Rotorua City urban area; and
   - financial contributions under the Resource Management Act 1991 (RMA) for Reserves across the Rotorua Lakes District, and for specific infrastructure needs identified in association with resource consent applications that are not funded by development contributions.

4. The Council is proposing to set development contribution charges for developers to fund their fair and equitable share of the capital costs of new Council infrastructure that enables new development. This helps to cater for increasing populations living in new developments. Infrastructure in this new Policy includes water supply, wastewater and stormwater networks. The Policy requires new development to fund only part of the actual growth costs in the 2021 Long Term Plan (LTP). Council is also signalling that when preparing the next LTP and Policy it will consider expanding the scope of the Policy to include Transport, Reserves and Community Facilities.

5. Section 102(3A)(a) LGA states that a development contribution policy must support the principles set out in the Preamble to the Te Ture Whenua Maori Act 1993. That Preamble reads:

   Nā te mea i riro nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i riro atu ai te kāwanatanga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Te Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

   Whereas the Treaty of Waitangi established the special relationship between the Maori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Maori people and, for that reason, to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their

whanau, and their hapu: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles.

The Policy recognises that land is a taonga tuku iho of special significance and the importance of retaining that land and facilitating its occupation, development and use for the benefit of its Maori owners, their whanau and hapu. To this end it specifically excludes from the requirement for development contributions any applications made by iwi for resource or building consents, service connections authorisations or certificates of acceptances that apply to Marae development.

APPLICATION OF THIS POLICY

6. This Policy applies to an application for resource consent, building consent, authorisation for a service connection, or a certificate of acceptance lodged, along with all relevant material, on or after 1 September 2022.

7. Subject to clause 7, where a project has multiple applications lodged during the period of different Policies, the Policy in force at the time that each application was lodged is applicable to that application.

8. If different Policies apply at the time of lodgement of applications for resource consent and for building consent, in relation to the same stage of a project, the developer may choose which policy they wish to be charged under. This applies where the actual development is consistent with the scope and scale of the development set out in the resource consent stage.

NAVIGATING THIS DOCUMENT

9. The Policy outlines Council's approach to funding development infrastructure via development contributions under the LGA02 and financial contributions under the RMA.

10. The Policy has three main parts:

    - Part 1: Policy operation
    - Part 2: Policy background and supporting information
    - Part 3: Catchment maps for the development contributions

PART 1: POLICY OPERATION

11. Part 1 provides information needed to understand if, when, and how development contributions and financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy.

12. The key sections of Part 1 are:

    - The charges
    - Liability for development contributions
    - When development contributions are levied
    - Determining infrastructure impact
    - Review and objection rights
    - Other operational matters

- Summary of financial contributions
- Definitions

PART 2: BACKGROUND AND SUPPORTING INFORMATION

13. Part 2 provides the information needed to meet the accountability and transparency requirements of the LGA02 for the Policy, including explaining Council's policy decisions, how the development contributions were calculated, and what assets the development contributions are intended to be used towards.

14. The key sections of part 2 are:

    - Requirement to have the Policy
    - Funding summary
    - Funding policy summary
    - Catchment determination
    - Significant assumptions of the Policy
    - Cost allocation
    - Calculating the development contributions
    - Schedule 1 Development contribution calculations
    - Schedule 2 Future assets and programmes funded by development contributions
    - Schedule 3 Past assets and programmes funded by development contributions

PART 3: CATCHMENT MAPS

15. Part 3 provides the catchment maps that show where the development contributions in the Policy apply.

PART 1: POLICY OPERATION

DEVELOPMENT CONTRIBUTIONS

THE CHARGES

16. Development contributions are required only for developments located within the Rotorua Urban Area. The Rotorua Urban Area includes some identified growth areas as defined by the Housing and Business Assessment 2022. The Water and Wastewater catchments covered by this Policy includes all of the Rotorua Urban Area, while the Stormwater area excludes Ngongotahā. The catchments where development contributions apply for each infrastructure activity are mapped in Part 3 of the Policy[1].

17. The charges per Household Unit Equivalent (HUE) for each activity are in Table 1. See the *Determining infrastructure impact* section below for an explanation of a HUE.

18. For each infrastructure activity for which development contributions are required, the development contribution payable is calculated by multiplying the number of HUEs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.

19. For example, subject to any credits that may apply for the original lot, a three-lot residential development in the Western area of Rotorua City will pay the water, wastewater, and stormwater charges multiplied by 3 i.e., ($2,050 + $1,604 + $7,202) x3 totalling $32,568 (GST inc). A similar development in Ngongotahā will be charged $10,962 i.e,($2,050 + $1,604) x 3. There may also be financial contributions required for Reserves and Infrastructure as set out in the Rotorua District Plan assessed as part of a resource consent application.

20. These charges may be adjusted for inflation annually in line with the Producers Price Index Outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA02. The latest charges will be published on Council's website www.rotorualakescouncil.nz.

21. Any assessment of development contributions in a notice of requirement for a specific development will also be subject to an adjustment for inflation in line with the Producers Price Index Outputs for Construction if there is a delay of more than 12 months between the notice of requirement and the payment. For the avoidance of doubt, the adjustment will be made only on the basis of inflation and the charges will not be adjusted to reflect other changes to the policy or table of charges that may have occurred in the period between assessment and payment.

22. A development contribution will only be required if the effects or cumulative effects of the development generates demand for reserves, community infrastructure or network infrastructure and requires Council to incur capital expenditure to provide new or additional assets or assets of increased capacity. A development

[1] Note that there are a number of lakeside sewerage schemes outside of the areas covered by this Policy which Council also charge a contribution to join through other mechanisms.

contribution can be charged for capital expenditure that the Council has already incurred in anticipation of development.

Table 1: Development Contribution Charge per HUE at 1 September 2022 (GST inclusive)[2]

ACTIVITY	CHARGE PER HUE
Water	
Rotorua Urban Area	$2,050
Wastewater	
Rotorua Urban Area	$1,604
Stormwater	
Stormwater area (Central, Eastern and Western areas)	$7,202
Transport	Nil (note - DCs assessed under this policy may not attract a credit for transport in any subsequent assessment under any subsequent policy)
Reserves	Nil (note – financial contributions may be levied under the RMA as specified in the District Plan)
Community infrastructure	Nil (note - DCs assessed under this policy may not attract a credit for transport in any subsequent assessment under any subsequent policy)
Total – Rotorua Urban Area - Eastern Western and Central	$10,856
Total - Rotorua Urban Area - Ngongotahā	$3,654

Note: Includes Interest costs to deliver DC funded growth projects 2022 – 2031, and PPI Outputs Construction Indexing to 31 December 2021.

LIABILITY FOR DEVELOPMENT CONTRIBUTIONS

23. If subdividing, building, connecting to Council's services, or otherwise undertaking development in the District, development contributions may need to be paid. Development contributions apply to developments within the areas shown in the Development Contribution Catchment Maps in Part 3.

24. In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the sections When development contributions are levied, Credits, and Limitations on imposing development contributions.

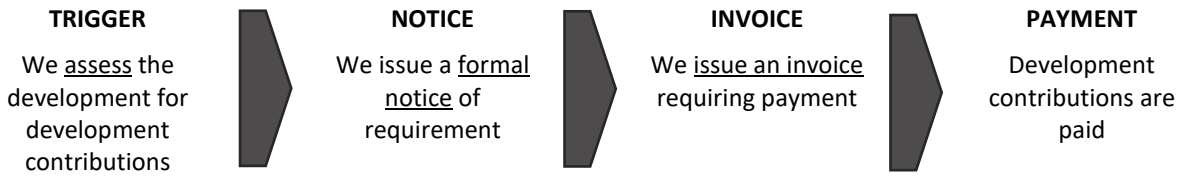
[2] GST has been applied at the rate of GST as at 1 September 2022 (15%). Should the rate of GST change, the charges will be adjusted accordingly. The GST exclusive charge per activity can be found in Schedule 1.

25. Financial contributions, as detailed in the Rotorua District Plan, may also be required in some cases for Reserves and Infrastructure. This is discussed later in the Policy.

26. Council officers will be available to help resolve any uncertainty about development contribution liabilities.

WHEN DEVELOPMENT CONTRIBUTIONS ARE LEVIED

27. Once an application for a resource consent, building consent, certificate of acceptance, or service connection has been made with all the required information, the normal steps for assessing and requiring payment of development contributions are:



28. These steps are explained in more detail below.

TRIGGER FOR REQUIRING DEVELOPMENT CONTRIBUTIONS

29. Subject to the 3-step initial assessment outlined in paragraph 32 below, Council can require development contributions for a development upon the granting any of the following:

    - A resource consent.
    - A building consent or certificate of acceptance.
    - An authorisation for a service connection.

30. Council will generally assess the requirement for development contributions at the earliest possible point (i.e. whichever consent, certificate, or authorisation listed above is applied for first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to assess development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation, this does not prevent the Council assessing contributions on a subsequent consent, certificate or authorisation (for the reasons set out in the following paragraphs).

31. Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection was submitted with all required information.

32. While Council will generally assess a minimum of one HUE per new lot created by a subdivision consent, the Council may, at its discretion, decide not to assess development contributions for a subdivision or land use resource consent for non-residential land use if it is considered that there is likely to be more accurate information about the development at the land use or building consent stage.

Initial Assessment

33. On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, Council will check that:

(A) the development (subdivision, building, land use, or connection) generates a demand for reserves, community infrastructure or network infrastructure; and

(B) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of reserves, community infrastructure or network infrastructure; and

(C) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.

34. Council has identified the assets and areas where those assets are required where development is likely to meet the criteria of (B) and (C), and these are outlined in Schedules 2 and 3 (Past and future assets funded by development contributions) and Part 3 (Development contribution catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.

Development contributions may be waived or reduced if:

- a resource consent or building consent does not generate demand for new or additional assets of increased capacity (e.g a minor boundary adjustment or addition to an existing standard unit); or
- one of the circumstances outlined in the section Limitations on imposing development contributions apply; or
- credits apply as outlined in the Credits section.

35. If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken applying the Policy in force at that time. Any increase or decrease in the number of HUEs, or development contributions adopted for additional activities, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

36. This means Council will require additional development contributions where additional units of demand are created, and development contributions for those additional units of demand have not already been required.

37. Examples of where additional development contributions may apply after a subsequent trigger event include:

- Comparatively modest development contributions have been levied on a commercial development at subdivision as there is often subsequent further subdivision, and the type of development that will happen will only be known at building consent or land use consent stage.
- Development contributions levied at the subdivision or land use consent stage were for a small home (<72m2), but the home built is larger or is subsequently extended.
- The nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.
- A new Policy introduces charges for a new activity (for example, transport) and a subsequent application is made in respect of the same development.

38. A development contribution notice will normally be issued when a resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of HUEs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section on *Review rights* below).

39. If multiple consents or authorisations are being issued for a development, a development contribution notice may be issued for each.

40. Development contribution notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

INVOICE

41. An invoice for development contributions will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 2).

Table 2: Invoice timing – note that separate developments over time may trigger several different invoices.

	INVOICE TIMING
Building consent	At granting of the building consent
Certificate of acceptance	Prior to issue of the certificate of acceptance
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA (the 224(c) certificate). An invoice will be issued for each stage of a development for which 224(c) certificates are sought, even where separate stages are part of the same consent
Resource consent (other)	At granting of the resource consent (for land use change)
Service connection	Prior to granting of the service connection

42. Despite the provisions set out above, if a development contribution required by Council is not invoiced at the specified time as a result of an error or omission on the part of Council, the invoice will be issued when the error or omission is identified (assessed as at the date of original application). The development contributions remain payable.

PAYMENT

43. Development contributions must be paid by the due dates in Table 3.

Table 3: Payment due date

	PAYMENT DUE DATE
Building consent	20th of the month following the issue of the invoice and prior to issuing of a Code of Compliance Certificate
Certificate of acceptance	Prior to issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	20th of the month following the issue of the invoice
Service connection	Prior to issue of the connection approval

44. On time payment is important because, until the development contributions have been paid in full, Council may:

- Prevent the commencement of a resource consent.
- Withhold a certificate under section 224(c) of the RMA.
- Withhold a code compliance certificate under section 95 of the Building Act 2004.
- Withhold a service connection to the development.
- Withhold a certificate of acceptance under section 99 of the Building Act 2004.

45. Where invoices remain unpaid beyond the payment terms set out in the Policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

DETERMINING INFRASTRUCTURE IMPACT

46. In order to have a consistent method of charging for development contributions, the Policy is centred around the concept of a household unit equivalent or "HUE" for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on community facilities. Table 4 summarises the demand characteristics of each HUE.

Table 4: HUE demand measures

ACTIVITY	UNIT OF MEASUREMENT	DEMAND PER HUE
Water	Litres per day	605 litres per day
Wastewater	Litres per day	554 litres per day
Stormwater	Impervious surface area	360m^2

Source: Water and Wastewater - Regional Infrastructure Technical Specification (RITS) updated with 2021 household occupancy rate. Stormwater – Rotorua District Plan Residential 1 zone permitted impervious surface area is 80% of site (average lot size 450m2 medium density).

RESIDENTIAL DEVELOPMENT

47. In general, the number of HUEs charged is one per new allotment or residential unit created, although a lower assessment applies to minor residential dwellings / small units. One HUE represents an average household in a standard residential unit and the demands they typically place on community facilities. For the Rotorua District, the average number of people per household unit is 2.5 persons[3]. For administrative efficiency, and subject to clause 48, all standard dwellings in the District which are not minor dwellings are considered to be one HUE.

48. When calculating the number of HUEs for a residential subdivision, Council will adjust the assessment to account for any:

[3] Infometrics

49. Credits relating to the site (refer to the *Credits* section below).

- Allotment which, by agreement, is to be vested in Council for a public purpose.
- Allotment required as a condition of consent to be amalgamated with another allotment.

50. Council has identified in the LTP and the Homes and Thriving Communities Strategic Framework that there is a significant need for smaller homes including in social housing. Objectives include:

- Increase the supply of transitional and social homes and locate through a range of mixed communities

Council seeks to encourage this form of housing development that is focused on one and two bedroom dwellings. This strategic goal is also reflected in the Council Vision 2030 for housing (quality affordable homes).

51. In order to encourage more development of the type needed, Council will assess minor dwellings at a lower HUE rate in relation to:

- Building consents or certificates of acceptance.
- Subdivision, land use consents, or connection authorisations where information is provided by the applicant that demonstrates to the satisfaction of Council that the development consists of a small unit(s). Council may enter into agreements with developers or landowners to give effect to a small unit assessment and bind the applicant to any conditions that accompany the assessment. For residential developments a minor dwelling / small unit will be assessed as generating 0.5 HUEs for each activity.

52. Assessments of residential developments are guided by the parameters outlined in Table 5.

Table 5: Residential Development

	RETIREMENT UNITS	MINOR DWELLINGS	STANDARD DWELLING
Size of dwelling / unit	All dwellings - maximum of two inhabitants	Up to 72m2 GFA and less than three bedrooms	73m2 GFA or more and/or 3 or more bedrooms
Proportion of HUE Payable for all charges	0.5[4]	0.5	1

53. In determining the final number of HUEs that apply to a development involving either tourist accommodation or a retirement village, the Council may apply a combination of development types to recognise the specific composition of the development. For instance:

- A retirement village may include a combination of independent residential units and communal living arrangements[5]. The retirement units are assessed as residential under Table 5, while the communal facilities, administration, serviced aged care rooms and hospital facilities are assessed under non-residential Table 7 based on GFA and ISA.

[4] Assumes average occupancy is 1.25 people (50% of standard average residential dwelling which is 2.52 estimated in 2021)

[5] For instance, single bedrooms which are serviced by a communal living room, hospital wing, kitchen and bathroom facilities.

- Tourist accommodation complexes may include a combination of long term standalone units, fully serviced residential units, hostel accommodation and a manager's unit. The manager's unit is assessed as a minor dwelling or standard dwelling under table 5, the tourist accommodation units are assessed as tourist accommodation under Table 7 and any administrative areas are assessed as commercial under table 7.

54. Retirement village units are of various GFA but are commonly restricted in occupancy to two people by the village, and often have just one person resident. The dwellings also are on a license to occupy basis with very limited gardens and other property restrictions. These restrictions are recognised as limiting the demand for infrastructure.

55. For the avoidance of doubt, Bed and Breakfasts and standalone holiday rental accommodation will be assessed as residential developments in accordance with their GFA and bedroom numbers.

56. Should an extension of the GFA and / or number of bedrooms of a minor dwelling that has been assessed under this section be proposed, Council may require additional development contributions in line with Table 6 if the addition means that the dwelling is no longer a small unit.

Table 6: Minor dwelling extension assessment guidance (HUEs)

TYPE OF EXTENSION	TOP UP PROPORTION PAYABLE	TOTAL PROPORTION PAID
Extend Minor Dwelling to a standard dwelling	**0.5**	**1**

NON-RESIDENTIAL DEVELOPMENT

57. Non-residential subdivisions, land uses, or building developments are more complicated as they do not usually conform with typical household demands for each service.

58. In these cases, Council makes a HUE "equivalent" assessment based on the characteristics of the development and demand loadings likely to be placed on the services. To provide consistency, the demand measures in Table 4 have been converted for assessing non-residential developments (Table 7) based on gross floor area (GFA) and impervious service area (ISA). Council will use these rates for determining HUEs for non-residential developments for water, wastewater and stormwater unless it seeks or accepts a special assessment.

Table 7: HUE per 100 m^2 GFA unless stated (*except stormwater, which is HUE per 100m2 of total impervious surface area)

DEVELOPMENT TYPE	WATER	WASTEWATER	STORM WATER*
Industrial	0.40	0.40	0.28
Commercial	0.30	0.30	0.28
Retail	0.30	0.30	0..28
Tourist Accommodation ^ Per room	0.50^	0.50^	0.28
Other non-residential	0.40	0.40	0.28

Note: Ratios are based on the broad averages of actual usage based on local and national standards.

59. Commercial hotels, motels, hostels and other tourist accommodation complexes are assessed under the non-residential category (see Table 7) based on the number of rooms (apart from a manager's unit). Council recognises that the small units that make up these developments have a lower level of demand on infrastructure

per small unit compared to standard residential dwellings. This is a result of less than 100% occupancy and the usual configuration of one or two beds in each small unit. There is still considerable demand for water and wastewater services from facilities such as spa pools, swimming pools and ensuite bathrooms.

60. The hospital and serviced age care rooms of retirement villages are also assessed under the other non-residential category. The demand on infrastructure from these complexes per small unit is less than an ordinary retirement unit.

61. If a full assessment of the likely end demand for activities is not able to be carried out at the subdivision consent stage, a development contribution of one HUE per lot will be charged for each new allotment created. An assessment of any further demand created by the use of that allotment will be carried on the granting of land use consent or building consent. This later assessment will credit any development contributions paid at the subdivision consent stage. Note that this later assessment may take the form of a special assessment under this policy to understand and reflect the true demand of the development on community facilities.

SPECIAL ASSESSMENTS

62. Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs. Large-scale primary sector processors, shopping malls or very large warehouses are examples of such developments. In these cases, Council may decide, by its own accord or following a request, to make a special assessment of the HUEs for each activity applicable to the development. In general, Council will evaluate the need for a special assessment for one or more activities where it considers that:

    - the development is of relatively large scale or uses; or
    - The development is likely to have less than half or more than twice the demand for an activity listed in Table 7 for that development type; or
    - a large non-residential development that does not fit into an industrial, retail, tourist accommodation and retirement complexes or commercial land use and must be considered under the other non-residential category in Table 7; or
    - a non-residential development may use more than $5m^3$ of water per day.

63. The demand measures in Table 4 will be used to help guide special assessments.

64. If a special assessment is sought, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own special assessment for any development and may determine the applicable development contributions based on its estimates.

CREDITS

65. Credits are a way of acknowledging that the lot, residential activity, or non-residential activity may already be lawfully established, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for further development contributions. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created. Credits cannot be used to reduce the demand to below zero and cannot be redeemed as a payment by Council to a Developer. Credits are in terms of demand for activities and not in terms of dollar values.

66. Credits can relate to existing uses on the site or to development contributions that have already been paid in the past. A development may have paid contributions at the subdivision stage, and these must be taken into account

if any further or additional development triggers reassessment at subsequent stages, such as land use or building consent. Credits will be applied towards the activities for which payment was made on an 'activity by activity' basis. For example, if a development has already paid for two water HUEs, a credit for two water HUEs will be given at any assessment of subsequent stage. Equally, if no development contributions were paid for stormwater at the subdivision stage, no credit for that activity will be applied to the assessment of the building consent. To clarify: credits are not provided for the dollars paid, but for the number of HUEs to which any previous payments correspond.

67. Credits will be awarded in terms of HUEs calculated under the current policy and determined accordance with the following:

Existing developments:

- The number of HUEs associated with any development that existed on the lot prior to 1 September 2022 that was lawfully connected to a service or for which a service connection was available.

Developments lodged prior to 1 September 2022:

- One HUE per lot that existed before 1 September 2022, or the number of lots for which a subdivision application had been lodged before 1 September 2022, provided that the application was accepted by the Council for processing; or
- The number of HUEs associated with development for which a land use consent or building consent was lodged before 1 September 2022, provided that the application was accepted by the Council for processing and the development sought in the application remains the intended use of the site. Any development application that has lapsed will not be eligible for any credits.

Development on a lot for which a contribution has already been paid:

- The number of HUEs associated with developments for which a contribution has already been paid, provided that the development for which the contributions were previously sought remains the intended use of the site.

68. This Policy applies to applications for a resource consent, building consent or service connection that are submitted with all required information on or after 1 September 2022.

69. Credits will be applied in terms of HUEs calculated in accordance with Table 8.

Table 8: Standard credits

	CREDIT FOR EACH ACTIVITY FOR WHICH A DEVELOPMENT CONTRIBUTION HAS BEEN PAID	CREDIT FOR LOTS THAT EXISTED BEFORE 1 SEPTEMBER 2022	CREDIT FOR LAWFULLY CONNECTED SERVICE AS AT 30 AUGUST 2022
Residential units or lots	The number of HUEs paid	1 HUE*	1 HUE for the service(s) connected
Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 4, will be undertaken to determine credits and any increase in demand on services. Council will be guided by actual use over recent years when making this assessment.	

* Credits apply for all available activities on 1 September 2022. For example, a site where wastewater connection was not available will not be eligible for a credit for wastewater.

Note: Only one column can apply to any development – the column giving the greater credit will apply.

70. General Principles of Credits to be considered by Council:

- Residential credits will apply at the rate of one HUE per activity per existing lot or separate dwelling unit,
- Non-residential credits will be calculated on the basis of the GFA of the existing lawful development, and converted to HUEs using the conversion factors set out in Table 7,
- Credits remain with the lot they are allocated to and cannot be transferred to another lot being developed,
- Credits will not be granted for infrastructure provided in excess of that required as a condition of any consent issued by Council,
- Credits cannot be claimed twice for the same development, e.g. a credit cannot be claimed for a lot that existed prior to 1 September 2022 and has paid a DC under the previous policy.

REVIEW RIGHTS

71. Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

RECONSIDERATION

72. Reconsideration requests can be made where the developer has grounds to believe that:

- the development contribution levied was incorrectly calculated or assessed under the Policy; or
- Council has incorrectly applied the Policy; or
- the information Council used to assess the development against the Policy, or the way that Council has recorded or used that information when requiring a development contribution, was incomplete or contained errors.

73. To seek a reconsideration, the developer must:

- Lodge the reconsideration request in writing within 10 working days of receiving the development contribution notice.
- Use the reconsideration form (found on Rotorua Lakes Council) and supply any supporting information with the form.

74. Applications with insufficient information will be returned to the applicant, with a request for additional information. Applicants will have 10 working days from the date of this request to lodge the reconsideration request.

75. Once Council has received all required information, the request will be considered by a panel of a minimum of two, and a maximum of three, staff as identified in the Council Delegations Manual or in an Interim Development Contributions Commissioners Delegation. The panel will comprise staff that were not involved in the original assessment. Notice of Council's decision will be given to the applicant within 15 working days from the date on which Council receives all required relevant information relating to the request.

76. In reconsidering the development contribution charged, the Council will consider:

- The grounds set out in the written request;

- The purpose and principles of development contributions in sections 197AA and 197AB of the LGA02; and
- The application of this Policy in determining the proposed development contribution.

OBJECTIONS

77. Developers have the right to pursue an objection regardless of whether a reconsideration request has been made (as set out in Schedule 13A of the LGA). A panel of at least one and up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and Council, although either party may seek a judicial review of the decision.

78. Objections may only be made on the grounds that Council has:

    - failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the District or parts of the District; or
    - required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments; or
    - required a development contribution in breach of section 200 of the LGA02; or
    - incorrectly applied the Policy to the development.

79. Schedule 13A of the LGA02 sets out the objection process. To pursue an objection, the developer must:

    - lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration; and
    - use the objection form (found on Rotorua Lakes Council) and supply any supporting information with the form; and
    - pay a deposit as set out in Council's Schedule of Fees and Charges.

80. Objectors are liable for Council's actual and reasonable costs incurred in respect of the objection in regards to the selection, engagement, and employment of the development contributions commissioners; and the secretarial and administrative support of the objection process; and preparing for, organising, and holding the hearing, as provided by section 150A of LGA02. Objectors are not liable for the fees and allowances costs associated with any Council representation or witnesses.

OTHER OPERATIONAL MATTERS

REFUNDS

81. Section 209 of the LGA02 states the circumstances where development contributions must be refunded. In summary, Council will refund development contributions paid if:

    - the resource consent:
        - lapses under section 125 of the RMA; or

- is surrendered under section 138 of the RMA; or

- the building consent lapses under section 52 of the Building Act 2004; or
- the development or building in respect of which the resource consent or building consent was granted does not proceed; or
- Council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

82. Council may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by Council in relation to the development or building and its discontinuance.

LIMITATIONS ON IMPOSING DEVELOPMENT CONTRIBUTIONS

83. Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:

- it has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same network infrastructure; or
- a third party has funded or provided, or undertaken to fund or provide, the same network infrastructure; or
- Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.

84. In addition, Council will not require a development contribution in any of the following cases where:

- except in the case of a building consent for a new dwelling for a change of use, or where paragraph 54 applies, the value of any building work for which a building consent is required is less than $20,000 exclusive of GST.
- in relation to any dwelling, replacement, repair or renovation work generates no additional demand for reserve or network infrastructure.
- a building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
- the application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown or Council. This exemption does not apply to Council Organisations, Council-Controlled Organisations or Council-Controlled Trading Organisations.
- the application for a resource or building consent, authorisation, or certificate of acceptance is made by for the purposes of Marae development (including ancillary buildings associated with a Marae).

POSTPONEMENT AND REMISSIONS

85. Council does not consider that postponements are appropriate for DCs. Postponement of development contribution payment will only be permitted at Council's discretion and only:

- where a bond or guarantee (or other encumbrance instrument) equal in value to the payment owed is provided.
- for a maximum period of 24 months beyond the normal payment date under the Policy, subject to later extension as agreed by Council.

86. The request for postponement must be made at the time a resource consent, building consent or service connection is granted. Any postponement arrangements will be recorded in a written agreement between the Council and the developer. Bonds or guarantees:

- will only be accepted from a registered trading bank.
- will have an interest component added, at an interest rate of 2 percent per annum above the Reserve Bank 90-day bank bill rate on the day the bond document is prepared. The bonded sum will include interest, calculated using the maximum term set out in the bond document. If Council agrees to an extension of the term of the guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of Council's decision and the guaranteed sum will be amended accordingly.
- shall be based on the GST inclusive amount of the contribution.

87. In some cases, the Council will require an enforceable security (encumbrance) instrument registered against the developer's land. The instrument must, to Council's sole satisfaction, adequately secure the full amount of the development contribution in the event of payment default. The Council reserves its position as to the priority afforded by the instrument (e.g. a first priority mortgage). It is possible that the encumbrance will secure development contributions owing on a stage(s) of a development.

88. The terms of any encumbrance instrument will be at the discretion of the Council and may include, without limitation:

- The postponed sum;
- Payment of the development contributions by a specified date;
- The payment of interest, at an interest rate determined by the Council;
- Reassessment of the development contributions; and
- Payment of all related costs.

89. At the end of the term of the postponement, the development contribution (together with interest) is payable immediately to Council.

90. Payment of the development contributions secured by bond, guarantee or encumbrance instrument will be required sooner if the following events occur:

- The developer has settled on the last of the lots subject to the postponement; or
- The developer ceases to be the registered owner of the lots subject to the postponement.

91. If the discretion to allow a bond, guarantee or encumbrance instrument is exercised, all costs for preparation of the bond documents will be met by the developer. The bond, guarantee or encumbrance instrument shall be prepared by the Council's lawyers to the Council's satisfaction.

92. Generally, Council will not approve any remissions for DCs and staff have no delegation to consider them.

DEVELOPMENT AGREEMENTS

93. Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A-207F of the LGA02. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

94. Council will consider a developer's written request to enter into a Development Agreement without unnecessary delay. Council will provide the developer written notice of its decision on the request and reasons for the decision. Council will take into account the provisions contained in the Policy, as well as any other matters it considers relevant. Similarly, where Council requests that a developer enter into a Development Agreement, the request should be considered by the developer without unnecessary delay, who must provide written response to Council.

95. A Development Agreement may record specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, which include (but are not limited to) the situation where a development:

    - Where a development involves a large area to be developed over a long time period.
    - Where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.
    - Where a development is in an area where Council is not currently planning to provide infrastructure for the 10 year period covered by the DCP.

    In these cases, a Development Agreement, confirmed private sector funding of infrastructure and an agreed Structure Plan would be required at first instance.

96. The content and effect of a Development Agreement must be meet the requirements of the LGA02, and in particular section 207C.

FINANCIAL CONTRIBUTIONS

SUMMARY OF FINANCIAL CONTRIBUTIONS UNDER THE DISTRICT PLAN

97. Council charges financial contributions under the RMA in the District for Reserves and Infrastructure.

98. The Rotorua District Plan (District Plan) contains objectives, policies and rules in relation to financial contributions at:

    - Part 2 District Wide Matters 'Financial Contributions'; and
    - Rules FC-R1 to R4.

99. Development contributions under the LGA02 and financial contributions under the RMA91 can both be used to fund growth related infrastructure. The Council can elect to use neither, one, or both contributions. However, a development contribution cannot be required by Council if a financial contribution has already been required from the development for the same purpose.

100. Development contributions under the LGA02 are used to fund planned and budgeted capital expenditure related to growth for the activities and assets listed in the development contributions schedule of assets in this Policy (Schedules 2 and 3).

101. Financial contributions are intended to address the effects of subdivision and development in the District, and are a means of achieving the District Plan's objectives and the sustainable management purpose of the RMA91. They generally address direct effects of a particular development and can be as a condition of resource consent under the RMA91 for the purposes listed in Rules FC-R1 to R4 of the District Plan.

SUMMARY OF FINANCIAL CONTRIBUTIONS UNDER THE DISTRICT PLAN

102. The Council may require a financial contribution under the District Plan where new development and subdivision is proposed and works and services are required to avoid, remedy or mitigate the environmental effects of the proposed development.

103. Further information on financial contributions can be found in the District Plan. Both the Schedule of Fees and Charges, and the District Plan part-2-district-wide-matters.pdf (rotorualakescouncil.nz) can be found on Council's website.

FINANCIAL CONTRIBUTIONS FOR RESERVES

104. Under the current District Plan, the following types of activities are assessed for financial contributions for reserves:
    - Subdivisions creating new lots (excluding subdivision within the industrial zones);
    - Activities requiring land use consent for additional household units; and
    - Activities requiring resource consent for tourist accommodation.

105. Contributions can be in cash, or land, or a combination and are summarised as follows:
    - Subdivision: contributions are charged at a rate of 5% of the land value of new allotments or the area used exclusively by a household unit. The provisions detail how to value land for complex situations such as large lots, rural lifestyle lots, cross leases (including apartment blocks).
    - Additional household units are charged at a rate of 5% or 2.5% (depending on the zone) of the land value of a nominal land area.
    - Tourist accommodation is charged at a rate of 2.5% of land value or 1% of cost of construction, whatever is greater.

FINANCIAL CONTRIBUTIONS FOR INFRASTRUCTURE

106. In addition to any financial contribution payable for reserves purposes, Rule FC-R2 of the District Plan provides that where it is demonstrated that the servicing needs of a subdivision or land use cannot be met, and additional impacts on public infrastructure will result, a financial contribution in the form of cash or land may be taken for infrastructure purposes by way of a condition of consent.

DEFINITIONS

107. In the Policy and supporting documents, unless the context otherwise requires, the following applies:

Activity means the provision of facilities within the meaning of network infrastructure, reserves, or community infrastructure.

Allotment (or lot) has the meaning given to allotment in section 218(2) of the RMA.

Ancillary buildings associated with a Marae means the wharenui and wharekai and buildings normally used in conjunction with them. It does not include papakainga housing associated with the Marae

Bed and Breakfast means guest accommodation provided within a household unit and its accessory buildings for a maximum of 8 guests where the owner or manager is resident on the site.

Bedroom means any habitable space within a residential dwelling or tourist accommodation unit capable of being used for sleeping purposes and can be partitioned or closed for privacy including spaces such as a "games", "family", "recreation", "study", "office", "sewing", "den", or "works room" but excludes:

- any kitchen or pantry;
- bathroom or toilet;
- laundry or clothes-drying room;
- walk-in wardrobe;
- corridor, hallway, or lobby;
- garage; and
- any other room smaller than 6m2.

Where a residential dwelling or tourist accommodation unit has any *living* or *dining* rooms that can be partitioned or closed for privacy, all such rooms except one shall be considered a bedroom.

Capacity life means the number of years that the infrastructure will provide capacity for and associated HUEs.

Catchment means the areas within which development contributions charges are determined and charged under the Policy.

CIP means Crown Infrastructure Partnership

Commercial land use means any activity associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

Community facilities has the meaning given in s 197(2) of the LGA02.

Community infrastructure has the meaning given in s 197(2) of the LGA02.

Council means Rotorua District Council, known as Rotorua Lakes Council.

Development has the meaning in s 197(1) of the LGA02.

District means the Rotorua Lakes District.

Gross floor area (GFA) means the total floor area within a building of the actual room, rooms or spaces used for the particular activity or occupancy referred to, measured externally (i.e. from the outside face of exterior walls and the

centre line of common walls. It includes those parts within a building excluded from the calculation of Net Floor Area, that is, common areas such as stairways, escalators, lift shafts and mechanical service equipment areas, staff and public toilets, internal parking and vehicle access areas and internal accessways and pedestrian areas.

Holiday rental accommodation means the use of a residential building, including temporary use of an established household unit, by paying guests, for short term holiday accommodation where the owner or manager is not resident on the site.

Household unit equivalent (HUE) means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.

Industrial development type and land use mean an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial development type or industrial land use.

LGA02 means the Local Government Act 2002.

Marae means community meeting place or surrounds. Marae customarily means the open space in front of a meeting house upon which various ceremonial occasions are centred, consisting of a wharenui and/or a wharekai together with the surrounding area of open ground. It includes such buildings normally used in conjunction with the wharenui or a wharekai, the whole being located on a defined parcel or parcels of land and administered by legally appointed trustees of a trust body for the common use or benefit of a defined group of Māori people. It does not include papakainga housing associated with the Marae **NPS-UD** means the National Policy Statement on Urban Development 2020.

Minor dwelling means a residential dwelling or standalone tourist accommodation unit that is up to 72m2 GFA and is less than three bedrooms.

Network infrastructure has the meaning in s 197(2) of the LGA02.

Papakainga housing means the provision of more than two household units on Māori land for tangata whenua who have 'mana whenua' status and includes kaumatua housing.

Policy means this Development Contributions Policy.

Reserve means any land that is or will be held and used for a park or reserve (as provided for under the Reserves Act 1977)

Residential dwelling means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities.

Retail development type and retail land use mean any non-residential activity trading in goods, equipment or services that is not an industrial development type, industrial land use, or commercial land use.

Retirement unit means any dwelling unit in a retirement village, whether standalone, duplex, terraced or apartment, but does not include communal facilities, hospital or nursing facility, or serviced aged care rooms.

Retirement village has the meaning given in section 6 of the Retirement Villages Act 2003.

RMA means the Resource Management Act 1991.

Rotorua Urban Area means central, eastern and western areas and Ngongotahā.

Service connection has the meaning given in s 197(2) of the LGA02.

Serviced age care room means a fully-serviced unit within a retirement village.

Stormwater area means the Rotorua Urban Area, excluding Ngongotahā.

Standard dwelling means a residential dwelling, or standalone tourist accommodation unit that is more than 72m2 in gross floor area and/or has three or more bedrooms.

Standalone Tourist Accommodation unit means a tourist accommodation unit which is not part of a tourist accommodation complex.

Tourist Accommodation room / unit has the meaning given to "accommodation unit" in section 197(2) of the LGA02 and includes Bed and Breakfasts and holiday rental accommodation.

Tourist Accommodation complex means a group of tourist accommodation units forming a motel, hotel, tourist hostel or other complex.

PART 2: POLICY DETAILS

REQUIREMENT TO HAVE A POLICY

Council is required to have a policy on development contributions as a component of its funding and financial policies in its 2021 Long-term Plan (LTP) under section 102(2)(d) of the LGA02 in order to require development contributions. The Policy meets this requirement.

A development contribution 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 SCP and established by the LGA02.

When making decisions under the Policy, Council will take into account the principles set out in s 197AB of the LGA02.

FUNDING SUMMARY

108. Council plans to incur expenditure of $60.4 million (before interest costs) during the 10-year term of the LTP on infrastructure partially or wholly needed to meet the increased demand for community facilities necessary to service growth. This includes works undertaken in anticipation of growth, and future planned works. Of this cost, 50% will be funded from development contributions, 0% from financial contributions, and 50% will be funded from debt and other sources. Including interest costs the total cost of capital expenditure to be funded by development contributions is $30.5 million.

109. Table 11 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for all activities and catchments.

Table 11. Total cost of capital expenditure (capex) for growth and funding sources

ACTIVITY	TOTAL CAPEX $M $2021	GROWTH CAPEX $M $2021	CAPEX PROPORTION FUNDED FROM OTHER SOURCES	FINANCIAL CONTRIBUTIONS	TOTAL CAPEX PROPORTION FUNDED BY DEVELOPMENT CONTRIBUTIONS 2022-2031	DEVELOPMENT CONTRIBUTION FUNDED CAPEX 2022-31 $M $ DECEMBER 2021
Calculations	A	B	((A-B)/A)*100	C	D/A*100	D
Total water supply	51.75	7.01	86.5%	Nil	11.7%	6.08
Total Wastewater	170.39	6.25	96.3%	Nil	2.8%	4.76
Total Stormwater	75.35	40.35	74.0%	Nil	26.1%	19.65
Transport	123.98	7.30	95.9%	Nil	0%	0.0
Other	327.17	0.0	100%	Nil	0%	0.0
Grand Total	**748.63**	**60.38**	**95.9%**	**Nil**	**4.1%**	**30.49**

FUNDING GROWTH EXPENDITURE

110. Created in 2013, Vision 2030 created an enduring pathway for Council. A key goal is to build 6,000 new homes by 2030. This goal is part of the assumptions that underpin the LTP and this Policy.

111. Housing remains the District's key challenge; there is a shortage of homes, there are barriers to land development, including enabling infrastructure, and existing housing stock does not match the needs of residents. Council actions in the LTP focus on the implementation of the Homes and Thriving Communities Strategic Framework. Four locations in the Rotorua Urban Area have been identified for development and regeneration; Eastern and Western suburbs, the CBD and Ngongotahā.

112. All stakeholders, including Te Tatau o Te Arawa, agreed to work together to address the issues and have made a commitment to front infrastructure (by supporting Council in seeking external funding assistance), increase capacity and undertake process improvements.

113. To achieve this requires the significant investment in infrastructure that Council is undertaking. Council has signalled in the LTP that development contributions are needed to more fairly allocate the costs of growth. Development contributions will provide third party funding to Council from developers undertaking the growth that creates demand for new infrastructure.

114. Development of housing has increased hugely since 2020. In the year to February 2022 there were 404 new dwelling consents issued by Council, compared to 182 in the year to February 2021. This is a much needed boost to the Rotorua housing supply, but confirms the need to invest in infrastructure to enable development to continue. This much higher level of development is forecast to continue over the medium term.

115. Managing growth over the longer term is challenging. With growth comes the need to invest in new or additional infrastructure of increased capacity. Managing the impacts of this expenditure on affordable rates and debt levels for current ratepayers is difficult. Council has decided in principle that the direct costs of growth on infrastructure should be borne by those who created the need for that expenditure. Development contributions are the mechanism chosen by Council to charge for growth on new development in a fair, transparent and consistent manner.

116. Council decided in the LTP that development contributions for only 3 waters infrastructure (water, wastewater, and stormwater) would be included in this Policy. As such this is an interim Policy as there are growth related costs on Transport and other activities that may be required to be funded in whole or in part by development contributions in the future. Council currently intends to review all other growth- related infrastructure costs as part of the next LTP process.

117. Existing partnerships with Central Government have seen external funding being granted to significantly reduce the cost of the Stormwater growth projects. This funding from Government has reduced the costs of enabling growth that would otherwise have been borne by local developers and ratepayers. Substantial investment from Kainga Ora in public housing in Rotorua will also increase the housing stock.

118. The policy framework and funding possibilities have changed since the LTP was adopted. Council has applied for a substantial grant from government through the Infrastructure Acceleration Fund that is focused on upgrading 3 waters infrastructure to enable central city intensification. If successful, this grant will significantly increase the growth potential for the Rotorua Urban Area and require substantially more Council and private sector

funding to unlock. These additional growth related projects will be considered for inclusion in the next Policy review (as part of an amended LTP or the 2024 LTP process).

119. The Infrastructure Strategy identifies the challenges at the forefront of long term infrastructure planning and decision-making. To deliver on the Infrastructure Strategy Council has committed $421 million to upgrading and expanding infrastructure in Rotorua from a total $749 million (in $2021) capital expenditure budget.

120. Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Council. Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth.

121. Council has decided to fund the capital component of these costs from:

Development contributions under the LGA02 for:

- Water in Rotorua Urban Area; and
- Wastewater in Rotorua Urban Area, and
- Stormwater in the Stormwater Area.

Financial contributions under the RMA for:

- Reserves district-wide

122. In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within the Policy.

123. The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how all activities will be funded, and the rationale for Council's preferred funding approach.

124. In addition, Council is required under section 106(2)(c) of the LGA02 to explain within the Policy why it has decided to use development contributions and financial contributions to fund capital expenditure that it expects to incur to meet the increased demand for community facilities resulting from growth. This assessment is below.

125. Council has decided that private sector funding is now required to cover some of the direct costs of growth on infrastructure. Development Contributions were chosen as the mechanism that most closely aligned to the principles that Council considers are appropriate. Development contributions align future costs from growth against the proportionate amount of development creating the need for investment. Financial Contributions are charged for Reserves as there is provision to do so in the current District Plan. The rules and uses of these financial contributions for reserves are being reviewed as part of a plan change being progressed in 2022 and 2023.

126. Council intends to review the continued use of financial contributions as part of the next LTP and DCP process. The review will include consideration of whether reserves might be brought into the Policy and financial contributions phased out.

COMMUNITY OUTCOMES (section 101(3)(a)(i))

127. Council has considered whether development contributions and financial contributions are an appropriate source of funding for each of the targeted types of infrastructure assets and the community outcomes to which they primarily relate. Council has developed 7 outcomes to help achieve our Vision 2030 by creating an enduring pathway:

- **Papa whakatipu –** *Outstanding places to play*; and
- **Waahi pūmanawa** *Vibrant city heart*, and
- **Whakawhanake pākihi** *Business innovation and prosperity, and*
- **Kāinga noho kainga haumaru** *Homes that match needs, and*
- **He hapori pūmanawa** *A resilient community, and*
- **He huarahi hōu** *Employment choices, and*
- **Tiakana to taiao** *Enhanced environment.*

128. These Outcomes form step 2 of the Vision 2030 process and have directly led to the adoption of the Homes and Thriving Communities Strategic Framework, the Economic Development Strategy Framework and the Infrastructure Strategy. As such the Outcomes are at the heart of the decisions that form the Policy.

129. These Outcomes drive Rotorua towards a well serviced, resilient, growing community with business prosperity and a sustainable environment. Development contributions provide a mechanism for funding of water, wastewater and stormwater to a standard needed to achieve Council's growth ambitions that may not otherwise be affordable to the community, and to protect and care for the district environment. As a dedicated growth funding source, development contributions also offer more secure funding through which Council can deliver on its Vision 2030 and priorities for new communities.

Other funding decision factors (sections 101(3)(a)(ii) – (v))

130. Council has considered the funding of growth-related community facilities against the following matters:

- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity.
- The period in or over which those benefits are expected to occur.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

131. A summary of this assessment is below.

Table 12: Other funding decision factors

WHO BENEFITS / WHOSE ACT CREATES THE NEED	A significant portion of Council's work programme over the next 10 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme as well as how much it serves and benefits existing ratepayers is determined for each asset or programme. Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses (renewals and increases to existing levels of service), those costs are recovered through rates. The *Catchment determination* section below outlines how Council determined the catchments for development contributions in the Policy.
THE EXTENT TO WHICH THE ACTIONS OR INACTION OF PARTICULAR GROUPS OR INDIVIDUALS CONTRIBUTE TO THE NEED TO UNDERTAKE THE ACTIVITY.	For each of the individual capital projects included in the programme, the Council assesses who will benefit from the asset that it creates, and how this demand impacts on the provision of infrastructure. Existing capacity is assessed against the growth forecasts and the expected number of Households and Household Unit Equivalents (HUE). The Infrastructure Strategy and its supporting information sets out the projects that are required to meet the forecast growth expected by urban area.

	Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the LTP, those new developments create the need for new community facilities which requires the Council to incur capital expenditure. The Council also recognises that there may be capital expenditure necessary to increase the level of service for all, due to: • Required renewals; • Ratepayers who want increased levels of service; • Obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions; and • Visitors to the District using the facilities. The allocation of the benefits and the costs (public vs private benefit) has had regard to these factors. For each of the individual projects that require capital expenditure to cater for growth, the Council makes an assessment about whether the asset being created will benefit the existing community or the new developments, or both of those groups. In making this assessment, the Council will consider a number of factors, including: • the capacity of existing facilities to meet stated levels of service; • the extent to which the relevant capital project will provide: i) a renewal, ii) an increased level of service; or iii) a new service.
PERIOD OF BENEFIT	The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the "capacity life" of such assets spans decades. Development contributions allow development related capital expenditure to be apportioned over the capacity life of assets, and in a way that avoids over-recovery. Developments that benefit from the assets will contribute to their cost, regardless of whether the developments happen now or in the future. Financial contributions allow the Council to impose conditions of consent requiring contributions of cash or land where there are adverse environmental effects that need to be avoided, remedied or mitigated and those works are unplanned, not funded through the Development Contributions Policy and would otherwise result in capital costs to the Council that would result in an extra financial burden on the ratepayers.
FUNDING SOURCES & RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING	The cost of supporting development in the Rotorua Lakes District is significant. Development contributions and financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community of having a Policy are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development contributions.

OVERALL IMPACT OF LIABILITY ON THE COMMUNITY (section 101(3)(b))

132. The Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. These additional costs are largely passed on to the end-user of the development. These costs are a relatively small portion for most developments and will have a minor impact on overall costs. The Council considers that the level of development and financial contributions are affordable and do not consider it likely that there will be an undue or unreasonable impact on the social, economic and cultural wellbeing of this section of the community.

133. Moreover, shifting development costs onto existing ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from ratepayers who do not create the need for, or benefit directly from, the growth infrastructure needed to service new developments.

134. Overall, Council considers it fair and reasonable, and that the social, economic, environmental and cultural interests of the District's communities are best advanced through using development contributions (and financial contributions) to fund the costs of growth-related capital expenditure for community facilities.

CATCHMENT DETERMINATION

135. When setting development contributions, Council must consider how it sets its catchments for grouping charges by geographic area.

136. The LGA02 gives Council wide scope to determine these catchments, provided that:

- The grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
- Grouping by geographic area avoids grouping across an entire district wherever practical.

137. Council has determined that there will be two overall catchments:

- The entire Rotorua Urban Area for Water and Wastewater; and
- The Stormwater Area, which includes the Eastern, Western and Central areas of the Rotorua Urban Area, but does not include Ngongotahā for Stormwater.
- No other areas of the Rotorua Lakes Council area are covered by this Policy and no DC charges will apply. Financial contributions for reserves and infrastructure may be applied district wide and will be assessed for each resource consent application. There are also and lakeside sewerage schemes outside of the areas covered by the Policy which Council charges a contribution to join through other mechanisms.

138. Council considers that this strikes the right balance between practical and administrative efficiency, and considerations of fairness and equity for the following reasons:

- It ensures the Policy is administered practically and efficiently, with development charges for Water and Wastewater the same across the Rotorua Urban Area.
- It provides flexibility and funding to deliver growth infrastructure where it is most needed.
- It reflects that the majority of projected growth is focused on the Rotorua Urban Area and enables Council to recover the cost of infrastructure needed to meet that growth.
- It is consistent with the LTP, the Thriving Communities Strategic Framework, the Economic Development Strategy Framework and the Infrastructure Strategy.
- It reflects that Water and Wastewater are each managed and planned as a single network across the Rotorua Urban Area with resilience increased due to interconnected network systems. Stormwater networks are being developed and interlinked across the majority of the Rotorua Urban Area resulting in a one network approach (excluding Ngongotahā). A one-network approach therefore is taken in the Rotorua Urban Area for wastewater, water supply and stormwater (excluding Ngongotahā) due to the interlinked nature of the services. This is reflected in the Infrastructure Acceleration Fund (IAF) application discussed in paragraph 113. The Central Area and the Western Area are intrinsically linked based on the storm water infrastructure requirements and the IAF application being considered by government, including housing outcomes, would not progress individually if funding were not achieved for both areas.
- It is consistent with the intention to intensify the Central Area that will enable more growth, and that central area businesses benefit from new housing for future employees and business activity in the Eastern and Western areas.

- It recognises that Ngongotahā Stormwater is currently a separate stormwater network with no impact on the balance of the Urban Area, and no growth projects scheduled in the term of the LTP.

139. Council will consider expanding the number of catchments to cover network infrastructure in rural towns as part of the next LTP and Policy process.

140. A district-wide approach (through financial contributions) is taken to the funding of reserves, as all reserves infrastructure and reserves are available for general public use wherever they are located.

SIGNIFICANT ASSUMPTIONS OF THE POLICY

METHODOLOGY

141. In developing a methodology for the calculation of development contributions in the Policy, Council has taken an approach to ensure that the cumulative effect of development is considered across each catchment.

PLANNING HORIZONS

142. A 10-year timeframe has been used as a basis for forecasting growth and the need for growth-related assets and programmes. This is set out in Council's asset management plans and reflected in the LTP. The Infrastructure Strategy includes a 30 year timeframe and a number of projects carry on past the 10 years and into the 30 year timeframe. Council will review the Policy timeframe as part of the next LTP process.

143. A number of projects are planned to enable growth well past the 10 year timeframe. Where possible Council has included an assessment of the remaining capacity of each growth project after 2031 and included this within the cost allocation process.

PROJECTING GROWTH

144. Residential and business employment growth projections for the Rotorua Lakes District until 2050 have been developed by Infometrics (2020). Recently a Housing and Business Assessment (HBA) was developed and this was used to apportion growth forecasts down into catchments and urban areas, as well as the business HUE forecasts. These growth projections drive the LTP assumptions and this Policy.

145. The non-residential forecasts are based on projected employment growth and allocations across the urban and rural areas. The HBA also forecast the numbers of attached and unattached dwellings. This was used to forecast the number of small dwellings (assumption was 80% of attached dwellings were 72m2 or less) by location. The resulting growth of small dwellings was factored in the total HUE forecast at the 0.5 HUE rate proposed.

146. The Infometrics growth model estimates the timing of total growth in the District over the planning period. This District-level growth model has been consistently applied to all of Council's strategic planning processes, including the Policy, the LTP and the Infrastructure Strategy. Council also applies additional capacity forecasts to allow for pent up demand, resilience and the planning requirements under the NPS-UD (an additional 20% demand to 2031). The majority of residential development is anticipated to take place within the Rotorua Urban Area. The Infometrics growth model does not include additional intensification enabled by the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 which applies to Council following the Resource Management (Territorial Authorities Required to Prepare and Notify Intensification

Planning Instruments) Regulations 2022. Council intends to review the growth forecasts following the Intensification Streamlined Planning Process, and any changes to the Policy will can be included in the next review of the Policy.

147. The District has experienced steady population and economic growth, and this growth is forecast to increase further. Statistics New Zealand (Stats NZ) estimates indicate steady population growth in the District, with the number of residents increasing by 9,000 residents (13%) since 2013 (1.6% per annum).

148. Using Infometrics and the HBA medium growth forecasts (which includes forecasts for non-residential growth) as a base, the key assumptions about future growth are:

Years 2022-2031:

- Population growth in the District of around 1% (or around 780 people) per annum (75% of this is in the Rotorua Urban Area).
- Residential unit growth in the District of around 1.2% (or around 400 units) per annum (83% in the Rotorua Urban Area).
- Development of around 22,000m2 GFA annually for commercial space.

Years 2031-2051:

- Population growth in the District of around 0.3% (or around 275 people) per annum (64% of this is in the Rotorua Urban Area).
- Residential unit growth in the District of around 0.5% (or around 170 units) per annum (84% in the Rotorua Urban Area).
- Development of around 12,500 m2 GFA annually for commercial space.

149. A five-yearly breakdown of population and household forecasts are in Table 13.

Table 13: Five-yearly breakdown of population and household forecasts (Infometrics and HBA)

	2021 (EST)	2022	2026	2031	2036	2041	2046	2050
ROTORUA LAKES DISTRICT RURAL AREAS								
Population	13,710	13,900	14,730	15,640	16,290	16,820	17,280	17,610
Households	5,337	5,434	5,722	6,016	6,144	6,280	6,429	6,546
ROTORUA MAIN URBAN AREA								
Population	63,560	64,360	67,060	69,450	70,760	71,590	72,430	72,980
Households	25,203	25,697	27,135	28,568	29,274	30,001	30,759	31,410
TOTAL								
Population	77,270	78,260	81,790	85,090	87,050	88,410	89,710	90,590
Households	30,540	31,131	32,857	34,584	35,418	36,281	37,188	37,956

150. Council forecasts demand of approximately 879 HUEs for business development over the next 9 years and 1,874 HUEs over 29 years to accommodate:

- Population growth with related business land; and

- Specific large-scale industries that are expected for Rotorua associated with development of the Rotorua Urban Area. These are not anticipated to be large 'wet' industries in this forecast.

151. The combined demand forecast for the District is approximately 4,300 HUEs 2022-2031, and 8,700 HUEs over 29 years (2022 – 2050) for households and business. For the Rotorua Urban Area the forecast is 3,750 HUEs (2,870 residential HUEs and 879 HUEs for non-residential). The total HUE numbers used in calculating the DC charges is further adjusted for the discount given to small dwellings. There are 680 small dwellings forecast in the 2022-2031 period. Further information about these forecasts can be found in Council's 2021-2031 Long-term Plan, the Housing and Business Assessment and on Council's website Rotorua Lakes Council.

Urban Areas	Growth HUEs 2022-2031			
	Residential Dwellings	Residential HUEs (adjust for small dwellings)	Non-Residential HUEs	Total Growth HUEs for DC Calculation
Ngongotaha	271	250	23	273
Eastern	562	526	93	619
Western	1,100	991	323	1315
Central	938	764	439	1203
Total Rotorua Urban Area Covered by DCP	**2,871**	**2,531**	**879**	**3410**

BEST AVAILABLE KNOWLEDGE

152. Development contributions are assessed on the basis of capital expenditure budgets included in Council's asset management plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be amended and updated, generally in conjunction with the Annual Plan process.

KEY RISKS/EFFECTS

153. There are two key risks and resulting effects associated with administering and applying the Policy. These are:

- That the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- That the time lag between expenditure incurred by Council and development contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

SERVICE ASSUMPTIONS

154. It is assumed that methods of service delivery and levels of service will remain substantially unchanged and in accordance with Council's LTP, asset management plans and Engineering Standards. It is assumed that Council's resource consents for community facilities will be renewed on the same or substantially similar terms.

FUNDING MODEL

155. A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:

- All capital expenditure estimates are not adjusted for inflation and GST exclusive.
- Inflation-related increases in costs can be captured by the annual Producers Price Index Outputs for Construction (PPI).
- The levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the *Cost allocation* section below.
- The growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.
- Interest expenses incurred on debt accrued will be recovered via development contributions and shared equally over all forecast HUEs over a maximum 20-year period for each activity/catchment.
- Debt servicing - from time to time Council Development Contribution reserves may be in deficit greater than forecast in this Policy. This may occur if the required infrastructure is more expensive than the balance of Development Contribution revenue already collected, or if revenue is lower than forecast. Council will loan fund any required work when this occurs. Future Development Contribution revenue will be applied to repay such loan funding, including interest. The interest rate charged will be at the average interest rate being charged to Council at the time of each Policy review.
- The rate of GST will be at 15%. Should the rate of GST change, the charges will be adjusted accordingly.
- The development contribution charges will be adjusted annually on a set date in line with the Producers Price Index Outputs for Construction (PPI) provided by Statistics New Zealand, as permitted by sections 106(2B) and (2C) of the LGA02.
- No additional external funding will be available, above that confirmed and stated through Crown Infrastructure Partners. Any additional grant funding will be taken into account and the Policy adjusted if and when that occurs.

COST ALLOCATION

156. Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS/backlog, and renewal. Council's general approach to cost allocation is summarised as:

- Where a project provides for and benefits only growth, 100% of the cost of that project is attributed to growth. This will apply where there is no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
- Where a project involves renewal of existing capacity:
  - If no renewal is required within 30 years, none of the cost will be attributed to renewal.
  - Where a renewal is planned between 10 and 30 years, Council will use a sliding scale based on the value of a stand-alone renewal project. So, if a project is 75% through its useful life, the share of the project cost attributed to renewal will be 75% of the value of a stand-alone renewal project.
  - If renewal is planned for a project component in the LTP (the next 10 years), the costs attributed to renewal will be based on the full cost of a stand-alone renewal project.

- Some growth projects have a small renewal component, with the majority having no renewal allocation.
- If a project provides for growth and LOS, after deducting any share of costs attributable to renewal and external funding, Council will split the cost between growth and LOS based on the proportion of benefits (based on project drivers, required technological changes and the perceived benefit) that existing properties (in HUEs) will gain from the project. For example, "the future beneficiary" split will attribute costs between the existing community (in HUEs) and the proportion driven by growth (in HUEs). Benefits allocated to LOS will only reflect those benefits that existing properties actually require to meet stated LOS (as stated in the LTP and Asset Management Plans) or mandatory standards set by external agencies.
- An assessment is made on the portion of capacity remaining in 2031 of any growth project. Where possible the proportion of capacity available for development post 2031 will be identified and relative costs allocated to future Policies.

157. For particularly large and expensive projects, Council may undertake a specific cost apportionment assessment that differs from the general approach outlined above. An example of these is the stormwater retention dams in the Eastern and Western areas. The majority of these new assets are being funded by Crown Infrastructure Partners grant funding. As such any renewals, LOS or remaining capacity issues has been funded by external sources and no other cost allocation is required.

CALCULATING THE DEVELOPMENT CONTRIBUTIONS

158. This section outlines how the development contributions were calculated in accordance with section 203 and Schedule 13 of the LGA02.

PROCESS

159. The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 14.

Table 14: Summary of development contribution calculation methodology

STEP	DESCRIPTION / COMMENT
1. Forecast growth	Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years. See the *Projecting growth* section above for further information.
2. Identify projects required to facilitate growth	Council develops the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the Policy is for 10 years.
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outline in the *Cost allocation* section of the Policy. Schedules 2 and 3 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.
4. Determine growth costs to be funded by development contributions	Council determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.
5. Divide development contribution funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide a charge per HUE for each future and past asset and programme.
6. Sum all per asset charges	For each catchment and activity, add up the per HUE asset or programme charges to provide a "raw" total development contribution before interest costs are added.

	For each activity and catchment, development contributions fund the programme on an aggregated basis.
7. Adjust for interest costs and charge inflation adjustments	The raw cost requires adjustments in the funding model to ensure total revenue received over 10 years equals total costs after accounting for interest costs and remaining capacity. These costs are shared equally among all HUEs in the relevant catchment over 10 years. These adjustments impact the final charges.

SUMMARY OF CALCULATIONS

160. Schedule 1 summarises the calculation of the charge per HUE for each activity/catchment (step 7). Schedules 2 and 3 provide information on each asset or programme including the information in steps 2 - 6.

SCHEDULE 1 – CHARGE PER HUE CALCULATIONS

This schedule summarises the calculation of the charge per HUE for each activity for each catchment. This includes the components of the charge related to capital expenditure on past assets (incurred in anticipation of development), capital expenditure on future assets, and interest costs. All figures are from the RLC 2021-31 Long Term Plan and are not adjusted for inflation as at June 2021 then indexed to December 2021 using the PPI Outputs Construction index and exclude GST. Council can require development contributions for a development upon the granting of any of the following: a resource consent, a building consent or certificate of acceptance, or an authorisation for a service connection.

REFERENCE	DEVELOPMENT CONTRIBUTION FUNDED $	RECOVERABLE GROWTH / CAPACITY LIFE (HUES)	CHARGE PER HUE (GST EXC)
CATCHMENT W1			
Future assets or programmes (refer schedule 2)	**C_1** (future asset/programme costs funded by DCs)	*Refer schedule 2*	**DC_F**
Past assets or programmes (refer schedule 3)	**C_2** (past asset/programme costs funded by DCs)	*Refer schedule 3*	**DC_P**
Loan interest costs	**IC** (interest costs)	**$\#_{IC}$** (HUEs over which interest costs are being recovered)	**$DC_{IC} = IC/\#_{IC}$**
Total	**Total Capex** (total cost of capital expenditure) **$= C_1 + C_2 + IC$**		**$DC_{W1} = DC_1 + DC_2 + DC_{IC}$**

WATER

CATCHMENT - ROTORUA URBAN AREA (CENTRAL, EASTERN, WESTERN AND NGONGOTAHĀ)	TOTAL COST	DEVELOPMENT CONTRIBUTION FUNDED $	RECOVERABLE GROWTH / CAPACITY LIFE (HUES)	CHARGE PER HUE (GST EXC)
Future assets or programmes (refer schedule 2)	**$7,364,005**	**$6,078,193**	3,410 - *Refer schedule 2*	**$1,783**
Past assets or programmes (refer schedule 3)	$Nil	$Nil	*Refer schedule 3*	$nil
Loan interest costs	$Nil	$Nil		$nil
Total	**$7,364,005**	**$6,078,193**		**$1,783**

WASTEWATER

	TOTAL COST	DEVELOPMENT CONTRIBUTION FUNDED $	RECOVERABLE GROWTH / CAPACITY LIFE (HUE)	CHARGE PER HUE (GST EXC)
CATCHMENT - ROTORUA URBAN AREA (CENTRAL, EASTERN, WESTERN AND NGONGOTAHĀ)	**$5,578,155**	**$4,757,189**	**3,410 - *REFER SCHEDULE 2***	**$1,395**
Future assets or programmes (refer schedule 2)	**$Nil**	**$Nil**	*Refer schedule 2*	**$nil**
Past assets or programmes (refer schedule 3)	$Nil		*Refer schedule 3*	
Loan interest costs	$Nil	$Nil		$nil
Total	**$5,578,155**	**$4,757,189**		**$1,395**

STORMWATER

CATCHMENT – ROTORUA URBAN CENTRAL, EASTERN, WESTERN	Total Cost	Development Contribution funded $	Recoverable Growth / Capacity Life (HUE)	Charge per HUE (GST exc)
Future assets or programmes	**$40,909,000**	**$18,909,000**	**3,137** *(Refer schedule 2)*	**$6,028**
Past assets or programmes (refer schedule 3)	$Nil	$Nil	*Refer schedule 3*	
Loan interest costs		**$738,978**		**$236**
Total		**$19,647,978**		**$6,264**

SCHEDULE 2 – FUTURE ASSETS

Schedule 2 provides the forecast future capital expenditure on assets or programmes attributable to new growth in accordance with section 201A of the LGA02. All figures are sourced from the 2021-31 Long Term Plan and have been adjusted by the PPI Outputs Construction series to December 2021. All figures exclude GST (whereas table 1 is GST inclusive).

WATER

Catchment = Rotorua Urban Area

Project Description	Total cost $	% Funded by DCs	% Funded by Financial Contributions	% Funded from other sources	Total to be funded from DCs	Capacity remaining June 2031	DC funded Cost $ in 2022-2031 (after capacity remaining deducted)	Year1 2021/ 2022 $	Year2 2022/ 2023 $	Year3 2023/ 2024 $	Year4 2024/ 2025 $	Year5 2025/ 2026 $	Year6 2026/ 2027 $	Year7 2027/ 2028 $	Year8 2028/ 2029 $	Year9 2029/ 2030 $	Year10 2030/ 2031 $	Project costs 2031 – 2050 – Future DCs	Recoverable growth / capacity Life (HUEs)	Charge per HUE This DCP years 2022 - 2031
New 3,500m3 Storage Tank at Eastern Reservoir No. 2 Site in Tarawera Road	$2,311,100	100%	0%	0%	$2,311,100	20%	$1,848,880			$105,050	$630,300	$1,575,750						$462,220	3,410	$542
Scion Innovation Park Development Area Servicing, and Eastern to Central Connecting Main - New/upgraded watermain from Tarawera Road through to Sala Street (2,100m)	$997,975	92%	0%	8%	$913,935	20%	$731,637				$472,725	$525,250						$182,787	3,410	$215
Wharenui Road 300mm Watermain Capital Upgrade	$346,665	100%	0%	0%	$346,665	0%	$346,665							$346,665					3,410	$102
Upgrade watermain (to 150mm) in Tarawera Road for developments at 286 & 393-395 Tarawera Road	$420,200	100%	0%	0%	$420,200	0%	$420,200				$210,100		$210,100						3,410	$123
Watermain Capital Upgrade in Selwyn Road, Iles Road & Warwick Drive (200mm AC to 300mm)	$651,310	60%	0%	40%	$390,786	0%	$390,786									$651,310			3,410	$115
Wharenui Rd High Pressure Main - Contribution to Through Main (250mm cf 150mm)	$147,070	100%	0%	0%	$147,070	0%	$147,070					$73,535			$73,535				3,410	$43
Develop Hemo Spring Pump Station and Connecting Rising Main	$1,050,500	100%	0%	0%	$1,050,500	20%	$840,400						$84,040	$231,110	$735,350			$210,100	3,410	$246
Wharenui Road High Pressure Main - Connection from Basley Road to Area C, and to new reservoir	$168,080	100%	0%	0%	$168,080	0%	$168,080										$168,080		3,410	$49
Servicing of Waipa Development Area - New watermain from Hemo Reservoir	$430,705	100%	0%	0%	$430,705	20%	$344,564		$31,515	$399,190								$86,141	3,410	$101
Servicing of Pukehangi Road Development Area - east and west of Parklands Estate. Pump stations to be constructed by Council	$840,400	100%	0%	0%	$840,400	0%	$840,400				$420,200			$420,200					3,410	$246
Total future growth expenditure	**$7,364,005**	**95%**	0%	**5%**	**$7,019,441**		**$6,078,718**		**$31,515**	**$504,240**	**$1,733,325**	**$2,174,535**	**$294,140**	**$997,975**	**$808,885**	**$651,310**	**$168,080**	**$941,248**	**3,410**	**$1,783**
Future asset charge (interest) per HUE (DC_F)							**$Nil**													**$Nil**

WASTEWATER

Catchment = Rotorua Urban Area

Project Description	Total cost $	% Funded by DCs	% Funded by Financial Contributions	% Funded from other sources	Total to be funded from DCs	Capacity remaining June 2031	DC funded Cost $ in 2022-2031 (after capacity remaining deducted)	Year1 2021/ 2022 $	Year2 2022/ 2023 $	Year3 2023/ 2024 $	Year4 2024/ 2025 $	Year5 2025/ 2026 $	Year6 2026/ 2027 $	Year7 2027/ 2028 $	Year8 2028/ 2029 $	Year9 2029/ 2030 $	Year10 2030/ 2031 $	Project costs 2031 – 2050 – Future DCs	Recoverable growth / capacity Life (HUEs)	Charge per HUE This DCP years 2022 - 2031
Upgrade of DN225 sewer main along across reserve lot in Edmund Road between manhole SH004492 and SH001162	$252,120	100%	0%	0%	$252,120	20%	$201,696							$252,120				$50,424	3,410	$59
Upgrade of DN225 sewer main along the residential block boundary of Linton Park between manhole SH007196 to SH002290.	$273,130	100%	0%	0%	$273,130	20%	$218,504							$273,130				$54,626	3,410	$64
Upgrade of DN225 & DN225 sewer mains across Linton Park between manholes SH002293 to SH004492.	$577,775	100%	0%	0%	$577,775	25%	$433,331								$577,775			$144,444	3,410	$127
Upgrade of DN150 sewer main along Thomas and Clayton Road between manholes SH004054 to SH003935.	$378,180	100%	0%	0%	$378,180	25%	$283,635								$378,180			$94,545	3,410	$83
Upgrade of main inlet pipe to pump station 14 (Harold Road) wetwell, DN150 to DN225. Length approximately 73 m	$52,525	100%	0%	0%	$52,525	30%	$36,768									$52,525		$15,758	3,410	$11
Upgrade of main inlet pipe to pump station 13 (Sunset Road) wetwell, DN375 to DN450. Length approximately 50 m.	$189,090	100%	0%	0%	$189,090	30%	$132,363									$189,090		$56,727	3,410	$39
Waipa valley business and recreational park development	$1,260,600	100%	0%	0%	$1,260,600	10%	$1,134,540							$210,100	$525,250	$525,250		$126,060	3,410	$333
Peka Block Development	$735,350	100%	0%	0%	$735,350	0%	$735,350					$105,050	$630,300						3,410	$216
Ngati Whakaue tribal lands development plan – Brent Block	$619,795	100%	0%	0%	$619,795	0%	$619,795					$105,050	$514,745						3,410	$182
Scion Innovation Park and Longmile Road development plans	$682,825	100%	0%	0%	$682,825	0%	$682,825						$52,525	$630,300					3,410	$200
Upgrading of DN150 gravity main along Wikaraka Road	$556,765	100%	0%	0%	$556,765	50%	$278,383									$31,515	$525,250	$278,383	3,410	$82
Total future growth expenditure	**$5,578,155**	**100%**	0%	**0%**	**$5,578,155**		**$4,757,189**					**$210,100**	**$1,197,570**	**$1,365,650**	**$1,481,205**	**$798,380**	**$525,250**	**$820,966**	**3,410**	**$1,395**
Future asset charge (interest) per HUE (DC_F)							**$Nil**													**$Nil**

STORMWATER

Catchment = Stormwater Area

Project Description	Total cost $	% Funded by DCs	% Funded by Financial Contributions	% Funded from other sources	Total to be funded from DCs	Capacity remaining June 2031	DC funded Cost $ in 2022-2031 (after capacity remaining deducted)	Year1 2021/ 2022 $	Year2 2022/ 2023 $	Year3 2023/ 2024 $	Year4 2024/ 2025 $	Year5 2025/ 2026 $	Year6 2026/ 2027 $	Year7 2027/ 2028 $	Year8 2028/ 2029 $	Year9 2029/ 2030 $	Year10 2030/ 2031 $	Recoverable growth / capacity Life (HUEs)	Charge per HUE This DCP years 2022 - 2031
Enable development of the Ngati Whakaue Tribal Lands in Wharenui Road area and improve flood mitigation downstream of the development.																			
Construction of 2 dams and wetland within the development area at Morey Street	$12,000,000	0%	0%	100%	nil	0%	nil											**3,137**	**Nil**
Upgrade of downstream conveyance system that will include existing open channels at 28 Morey St., Melrose Place and Owhatiura block, and the upgrade of Vaughan Road culvert	$8,378,750	94%	0%	6%	$7,878,750	0%	$7,878,750	$ 3,000,000	$ 6,000,000	$6,000,000	$1,575,750	$1,575,750	$1,575,750	$1,575,750	$1,575,750			**3,137**	$2,512
Upgrade (or piping) of Gavin Road open channel to enable development of Hinemoa Point/west of Vaughan Road area	$2,500,000	0%	0%	100%		0%	nil											**3,137**	Nil
Projects to improve flood mitigation and enable development in the Pukehangi Road Plan Change 2 area and other infill development within the catchment.																			
Linton Park East Dam re-construction to increase capacity and meet safety standards	$11,202,000	36%	0%	64%	$4,202,000	0%	$4,202,000	$7,000,000	$3,676,750	$3,151,500	$2,101,000	$2,101,000						**3,137**	$1,339
Wright Park detention structure	$6,828,250	100%	0%	0%	$6,828,250	0%	$6,828,250											**3,137**	$2,177
Total future growth expenditure	**$40,909,000**	**45%**	0%	**55%**	**$18,909,000**		**$18,909,000**	**$10,000,000**	**$9,676,750**	**$9,151,500**	**$3,676,750**	**$3,676,750**	**$1,575,750**	**$1,575,750**	**$1,575,750**				**$6,028**
Future asset charge (interest) per HUE (DC_F)							**$738,978**												**$236**

SCHEDULE 3 – PAST ASSETS

Schedule 3 provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth, in accordance with section 201A of the LGA02. All figures exclude GST.

WATER – NIL

WASTEWATER – NIL

STORMWATER - NIL

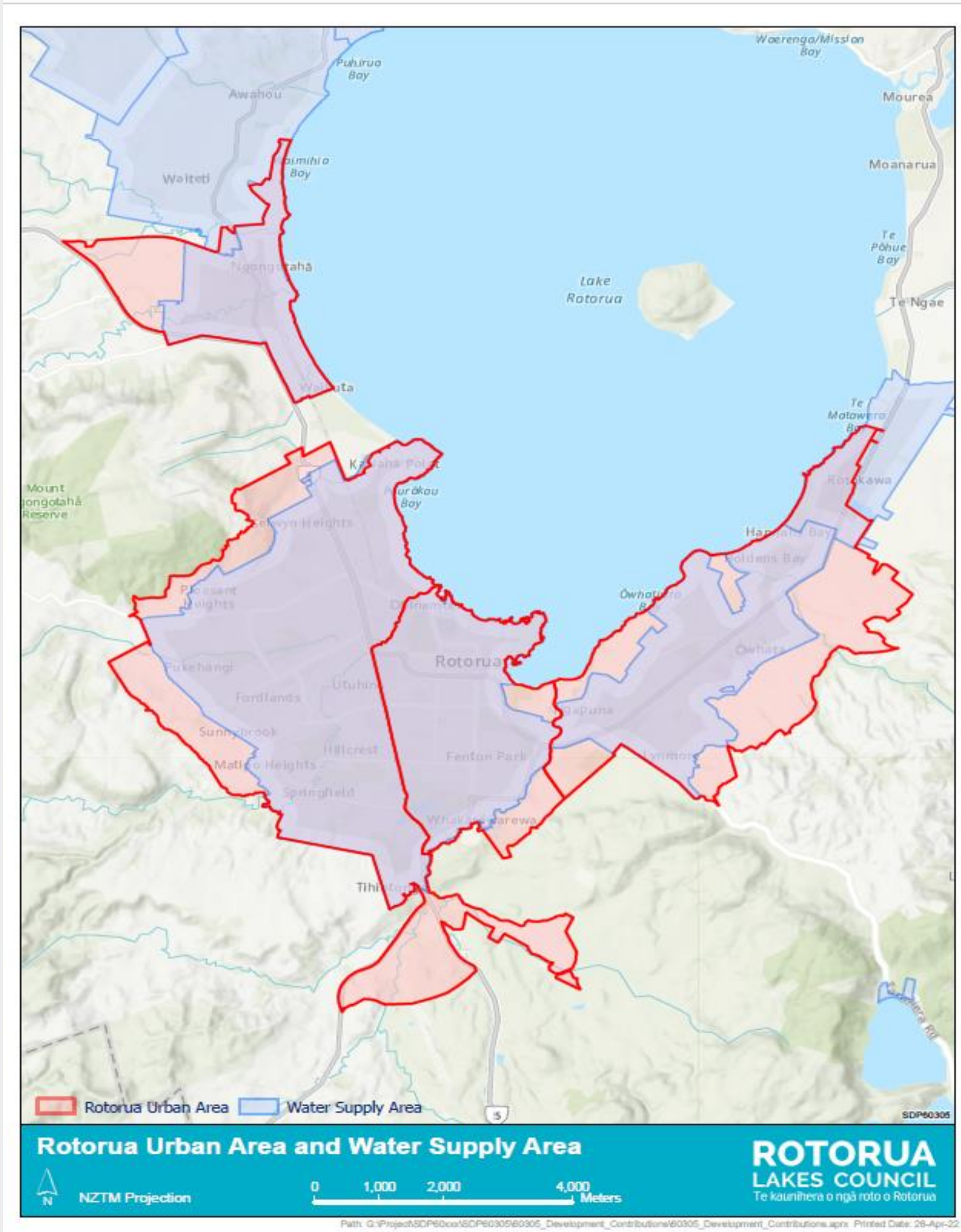
Note – Council last had a Development Contributions Policy in 2013/14. Council has assessed that any projects being funded through the Policy nine years ago are too old to be included in the 2022 Policy. The projects have since been funded through rates and rates funded debt. In the 2021 LTP Council identified revenue from DCs would commence in year 2 (2022/23), and has funded year 1 growth projects through rates, debt and external funding (Crown Infrastructure Partners).

PART 3: CATCHMENT MAPS

The maps in this section outline the boundaries of the catchments within which development contributions will apply.

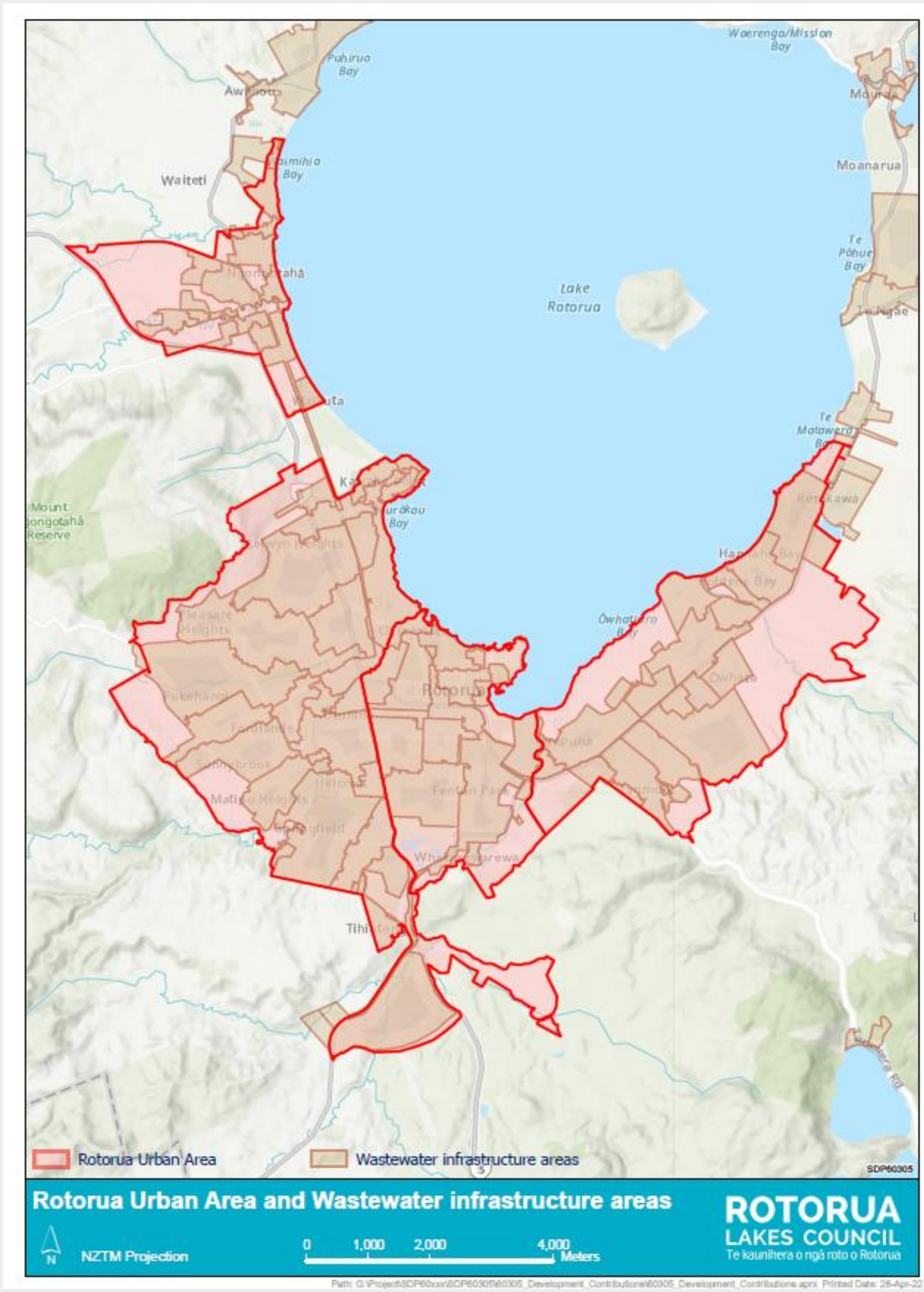
WATER CATCHMENT MAP

CATCHMENT



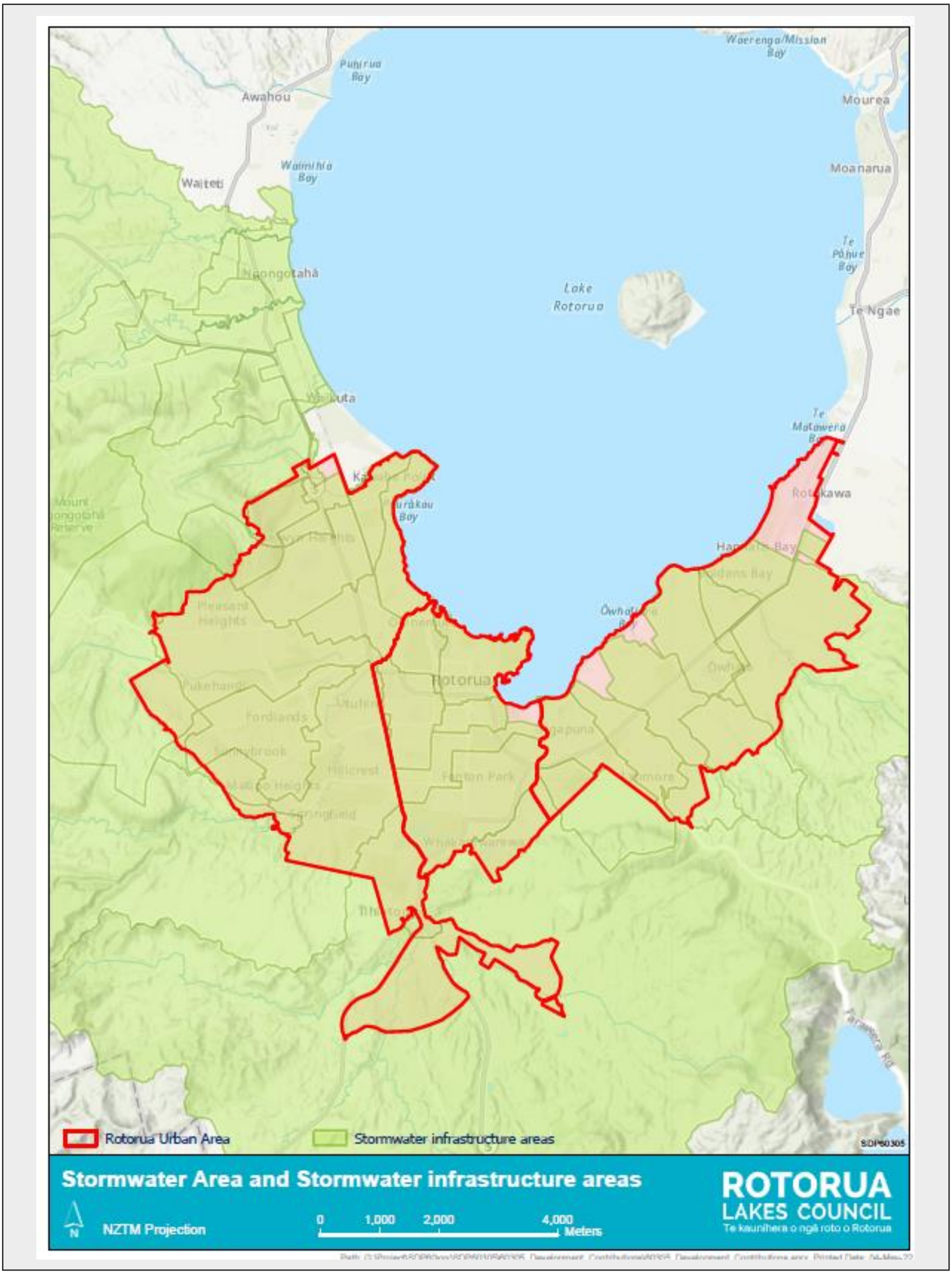
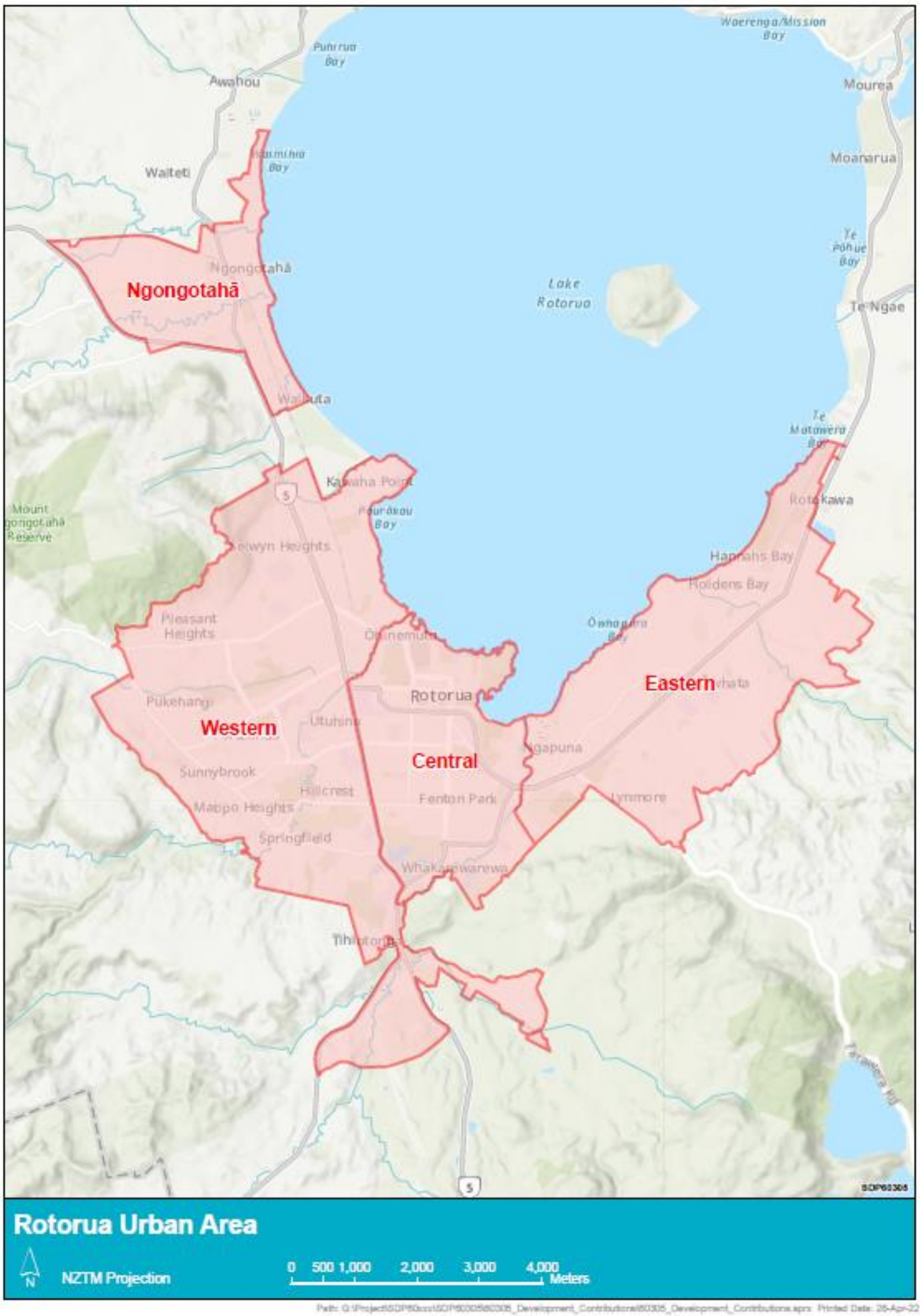
WASTEWATER CATCHMENT MAP

CATCHMENT



STORMWATER CATCHMENT MAP

CATCHMENT



ROTORUA URBAN AREA DETAILS