Financial Policies

Office Use Only: 3

Submission No: 1 **Mike Ekdahl**

Organisation: Ek Property Management

Wish to speak to the Council: No

Revenue and Financing Policy

I am writing on behalf of the businesses operating within the Central Business District (CBD) to express our concerns regarding the proposed multiplier of 3 for council rates for CBD commercial land . After reviewing the council's rationale, we believe that the CBD's unique characteristics and challenges have not been fully considered in this decision.

We respectfully request a reevaluation of the rates applied to CBD businesses based on the following points:

Nature of Vehicle Movements: The council's argument hinges significantly on the impact of heavy vehicle movements, which is more characteristic of industrial zones rather than the CBD. The majority of our vehicular traffic consists of cars and light vehicles, contributing far less to infrastructure wear and tear compared to areas dominated by heavy vehicles, such as industrial zones with significant truck traffic and heavy machinery.

Different Regulatory Impact: While we acknowledge that businesses in the CBD do require regulatory services, it's important to highlight that many of these costs are already offset by consent fees, Building Warrant of Fitness fees, and other direct charges. Additionally, CBD businesses generate considerable parking revenue, which arguably covers the management costs and then some, contradicting the argument that parking management is a financial burden on the council.

Economic Challenges in the CBD: It's critical to recognize that CBD businesses face unique economic pressures, including the impacts of technological change, the rise of online shopping, and the deteriorating condition of our CBD infrastructure. These challenges make it increasingly difficult to maintain profitability and, by extension, pay higher rates. The assertion that CBD businesses have a higher ability to pay is disconnected from the current economic realities faced by many of us.

Request for Reclassification and Rate Adjustment: Given these factors, we strongly believe that CBD businesses should not be categorized under the same rate as Commercial/Industrial properties with a factor of 3.0. The distinct challenges and operating environment of CBD businesses warrant a separate categorization and a reassessment of the proposed rate increase.

We are fully committed to contributing our fair share to the community's development and well-being. However, we firmly believe that a more nuanced approach to rate setting is required to reflect the diverse economic landscapes within our community. We request you consider these matters further, aiming for a resolution that recognizes the unique circumstances of CBD businesses while fostering a supportive environment for their continued operation and contribution to the local economy.

Thank you for considering our concerns. We look forward to your response and the possibility of working together towards a mutually beneficial outcome.

Financial Policies

Office Use Only: 9

Submission No: 2 **Roland Swift**

Wish to speak to the Council: No

Revenue and Financing Policy

My property is classified as a small holding and while it is good to see the differential factor reduced slightly I think you are understating the additional benefits that residential properties get above those of small holdings.

We have no connection to the sewerage, have no street lighting and no footpaths so our service levels are not lower on those items, they are non existent. The differential between residential and small holdings should be larger than you are proposing.

The current rating system based on land value is not a fair system anymore because of the changes to land value that don't reflect the actual value of the entire property, with small holdings worst affected. I would like to see the rating system changed to be based on the overall property value not the land value. This would be fairer and more affordable as people with larger, more expensive, houses are more likely to be able to afford rates increases.

Financial Policies

Office Use Only: 12

Submission No: 3 **Neil Hibell**

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

We are part of the proposed Area Q (Puketapu) development and the development contributions ($61,000) and specific Area Q charges ($19,000) come to approximately $80,000 plus GST per section.

The council states they require another 300 dwellings to be built each year however adding these proposed costs to the cost of each section makes it less viable to develop a large number of sections on the property. A proposal we suggest is that instead of the council having multiple catchments across the district (with different areas having different development contribution fees) that instead they just have one catchment for the entire district. We suggest all growth-related costs should be distributed evenly across the district so no matter where you develop everyone pays the same Development Contribution charge to make it fair and equitable. If this was to happen the Development Contribution charge across the entire district would be approximately $27k. Someone already involved with a development has had this figure confirmed by the council.

The benefits of this are that it would then make it viable to develop in all areas because at the moment with the proposed charges it will make a lot of areas unviable to develop. Therefore, there will be less sections available for housing and hence it will get even more expensive to build than it already is which is not good for the district.

Some other councils do follow this approach and have one catchment for their entire district.

Financial Policies

Office Use Only: 13

Submission No: 4 **Christina Scott**

Organisation: MSD

Wish to speak to the Council: No

Revenue and Financing Policy

On reviewing the policy I see one significant inconsistency.

Sports parks are not funded through 100% general rates, yet the aquatic centre and district pools are?

Surely these should be rated in exactly the same way, some general rates and some fees and charges by users. The proportions I leave up to you. Urban Design and streetscapes. The impost on general rates of 70% seems high when the majority of benefit of attractive streets is foot traffic for the businesses. Believe the proportion should be flipped 30% general rates and 70% targeted. Or at the least 50/50 split if the objective is to reduce business rates burden.

Financial Policies

Office Use Only: 14

Submission No: 5 **Sefton Judd**

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

Dear Council Members,

I am writing to express deep concern regarding the proposed development contributions fee increase for each section developed in the Patterson Road area, from approximately $20,000 to $82,000 starting July 1, 2024. Such a drastic hike renders any development in our area financially unfeasible.

The stark contrast between the proposed $82,000 fee for Patterson Road and the $19,000 fee for developments on Frankley Road is unjust and inequitable. This disparity not only threatens the viability of development in Patterson but also raises serious questions about fairness across different areas within the whole district.

While we acknowledge the need to recover costs for new infrastructure, such as sewer and water lines, it's crucial to note that these improvements will also serve a larger future urban growth area, accommodating an additional 600 houses. Therefore, the cost of this infrastructure should be shared proportionally amongst existing and future landowners and not just solely burden the current Patterson Road landowners.

Moreover, the disparity in development fees is not limited to Patterson but extends to other development areas like Carrington, Junction, and Puketapu compared to the general New Plymouth area. This imbalance not only stifles development but also inflates land prices in non-development areas, exacerbating the affordability crisis for new home construction.

The current development contribution charges include fees for projects unrelated to our immediate catchment area, adding up to the $82,000 fee. It's unreasonable to expect us to fund projects from which we derive no benefit. For instance:

Eastern sewer network alignment - $16 million ($1,400 per lot)

Inglewood/Waitara wastewater overflows program - over $8 million ($740 per lot)

Water meters - over $24 million ($2,035 per lot)

Mountain & Henwood road reservoirs - $16.5 million ($1,500 per lot)

And others..

The council's focus should prioritise those who directly benefit from new infrastructure, ensuring fairness and accountability. Instead of disparate development contribution fees based on location, consolidating all costs into one fund and distributing them evenly across all developments in New Plymouth would promote fairness and viability. Our calculations suggest a more reasonable DC fee of around $30,000 per lot across the entire city.

Your current contributions proposal undermines fairness and viability, and I urge the council to reconsider and adopt a more equitable approach that considers the broader interests of all stakeholders in New Plymouth.
Thank you for your attention to this critical matter.

Financial Policies

Office Use Only: 18

Submission No: 6 **Geoff Bland**

Organisation: Bland and Jackson Surveyors Ltd

Wish to speak to the Council: No

Revenue and Financing Policy

For commercial/industrial rating units, it is considered that these should be separated. You are combining the industrial with commercial and stating that these activities have a greater impact on local government services and infrastructure than residential properties and in particular transportation activities. There is also stated to be a greater impact on the need for regulatory services including activities such as liquor licensing, noise control, parking, consent processing and monitoring than other differential categories. Consent processing and monitoring are stated to be 95% cost recovery so surely this does not constitute any justification in a rating differential calculation. The other examples provided apart from parking are quite specific and not considered to be matters that would apply across every activity in either commercial of industrial areas.

It is noted that in the Development & Financial Contribution Policy there is an example of a distinction made between low infrastructure demand commercial use and high infrastructure demand commercial use (item 31). The justification for a higher (3x) differential factor for Commercial/Industrial use rating is because of a bigger impact on costs due to increased impact on local government services and infrastructure than residential properties. It is argued that not all commercial activities have any more impact than a residential property and in some cases it could be argued to be less (eg Professional Consultancy activity). A similar distinction to that applying to the Development and Financial policy should be applied to Rating obligations for commercial properties.

Development and Financial Contributions Policy

Development contribution catchments are considered to be difficult mechanisms to work with and creates distortions between areas of the District. The policy creates a significant price jump between different areas. This will push development in certain areas and leave other areas behind. More of a balance between the contribution required across the whole District is preferred.

It is recognised though that some areas will benefit from specific development and there is not really any simple solution.

However there is an example of what is considered to be an inequitable outcome in Area Q where a Stormwater component has been applied to the whole area when it appears the infrastructure required benefits land in Area Q to the east of the Waitaha Stream only. Why should the western area of Area Q be required to contribute when it will have to develop its own internal stormwater controls.

For residential developments it is considered that the majority of development contributions payments are derived from subdivision processes where historically the sizing of any dwelling is unknown until a sale occurs and a development occurs.

For subdivision purposes, Development contributions are assessed at the rate of 1 HUE per lot allowing for a standard residential unit. The Policy provides that Council may agree to the postponement of any contribution until the level of development to be undertaken is known. In a greenfield development (multi lot) how would this work. It is uncertain whether the intent of this policy would apply and be practical to implement in the case of greenfield developments.

The question arises though that the policy does provide Council with the ability to charge additional Development Contributions if a development occurs that exceeds 1 HUE that may have been required as part of a subdivision process for example. Will Council refund a developer if a development occurs that is less than the 1 HUE taken through a subdivision consent process?

Financial Policies

Office Use Only: 19

Submission No: 7 **Scott Hale**

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

Development contributions policy submission - 2024

Firstly, let me make it clear on what the development contribution fees are per area in the district. The draft policy that we have been asked to submit on doesn't summarize the total fees per area which has caused a lot of confusion in the community as people try to ascertain what fees apply to their area and what don't. Below is a summary as received from council staff. Below is from Renee Davis:

The following table shows the proposed DC charges by location of development in the district based on a development of one HUE demand.

Urban Infill - $19,393
Rural - $4,017
Area Q - $80,877
Carrington - $55,033
Junction - $53,878
Patterson - $81,543
Sutherland- $54,101
Waitara - $21,591
Inglewood - $42,756

As you can see there is a large disparity of development contributions in different areas across the district.

This will shut down development in the Development areas and drive up the price for land in the non-development areas which will in turn drive up land prices and make building a new home even less affordable than it is now.

In my view this has not been a robust and proper consultation that the development and wider community is being asked to give feedback on. A proper and robust consultation should have at least options to consider, what has been sent out is not a consultation outlining different options to recover the cost of growth assets but a draft policy with a pre-determined methodology.

One catchment approach
An option that needs to be considered and is more appropriate to encourage growth in the district and to make it fairer and more equitable is a one catchment approach where the cost of all growth assets is put together in one catchment and there is one standard Development contribution charge across the district. If this was to happen the one standard DC charge across the district would be $27,260 per HUE (this number was provided by council) regardless of where development was to happen.

Development contributions don't only apply to lots being subdivided but also apply if someone wanted to build a second house on their property even if they didn't subdivide their section.

DC's also apply if someone wants to add an additional bedroom onto their house. For each additional bedroom you add on you would pay 25% of the DC fee applicable for your area. So for example, if I was to add an additional one bedroom onto my house on Patterson Road, I would have to pay $23,443 (incl gst) as a DC fee whereas someone on Frankley road just a few hundred meters away would only pay a DC fee of $5575. Someone adding 1 bedroom in Inglewood would pay $10,689 and someone on the eastern side of Willis road New Plymouth would pay $23,252 whereas properties on the other side of the road would only pay $5575. These are just some examples and as you can see a lot of disparity across areas that is not fair and equitable.

A comment that I have heard is why should some areas subsidize other areas that are getting new infrastructure if there was a one catchment approach. My answer to that is that's exactly what's happening already under this proposed draft policy. As with all the other development areas and including Inglewood I have to pay a catchment charge for Patterson & Patterson/Sutherland, but I also have to pay the district wide catchment charges which include a multitude of projects that have absolutely zero benefit to Patterson Road area. Just a few examples of those projects are as per below.

- Eastern sewer network alignment - $16m - $100% - $1400 per lot
- Inglewood / Waitara waste water overflows program - over $8m through DC's - $740 per lot
- Waste water & water services for subdivisions in Un serviced areas - $3.2m - $830 per lot
- Mountain & Henwood road reservoirs - $16.5M through DC's - $1500 per lot

The list of district wide projects that we in Patterson road are expected to pay for under the district wide charges are extensive but no one else outside of Patterson/Sutherland is paying for a share of the Patterson costs, once again not fair & equitable.

Also new infrastructure in one particular area provides additional capacity to the entire network. For example, some of the new infrastructure in the development areas means that existing capacity in current infrastructure remains available. If the development areas were allowed to connect to existing infrastructure, then that would inhibit development in other areas. Just because areas outside of the development areas might not directly connect to the new infrastructure it doesn't mean they don't benefit from it as it allows existing free capacity in existing sewer/water lines to remain free and available for future development. Everyone benefits not just those that directly connect to new infrastructure.

There needs to be two objectives that the DC policy should be trying to achieve.

1. Growth pays for Growth
2. Development is encouraged and sections provided across the district for Housing to meet demands of growth.

This draft policy achieves the first objective but certainly won't meet the second objective as having such a disparity of DC charges across the district is going to stop any development in some areas as it simply will not be viable to develop. Having a one catchment approach is going to achieve both of the above objectives as a standardized $27k DC fee across the district is viable for development in all areas.

This is fair & equitable, and this would encourage growth in all areas that we so desperately need as a community.

Legislation - can it be done.

LGC 197AB - when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that –

(i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and

(ii) grouping by geographic area avoids grouping across an entire district wherever practical.

The guidance document on Development contributions produced by Internal affairs for councils does say as does legislation that "grouping across an entire district is avoided wherever practical but balancing these requirements is a matter of judgement" it also says, "consideration should be given to fairness if developers could face extreme differences in development contributions across the district for similar levels of service."

The document also says that "how many and how large catchments should be are decisions for each council to make when developing a DCP."

"Development contribution calculations and charges per HUE for each activity may be the same for the whole district or may vary for different 'catchments' in the district."

Another words even though it says grouping across an entire district should be avoided where practical even though it doesn't give an explanation why, it does say how many and how large catchments are, are decisions for each council to make. Also, consideration needs to be giving to any extreme differences across the district.

Having multiple catchments with such extreme differences in DC fees is not practical and is going to result in large areas of the district not developing land to provide sections for housing and growth.

Nelson council is one example of a council that has decided on a one catchment approach across the entire district so yes it can be and is being done elsewhere.

Yield numbers used for DC policy purposes.

The yield calculation numbers used for the DC policy are being underestimated and the methodology used for calculating these numbers are fundamentally flawed which is going to result in a over collection of DC's and drive up the per HUE DC charge and actually make development in areas unviable to develop because the DC per HUE rate has been artificially increased by the way NPDC has decided to calculate yield numbers.

The yield numbers being used are numbers from the 2024 NPDC Housing and Business Capacity assessment report. In this report there are 3 different calculations used for yield numbers.

The Yield number calculation that is being used from this report for the DC policy is what is called the "Reasonable capacity" number. This number takes into account if the land is feasible for a commercial developer to buy the land at the current land value and make a

20% profit. If the calculation determines that the profit is below 20% then that specific property is assigned zero yield for the purposes of the DC policy.

For example, we have prime sites for development in the Patterson area of which some have signed agreements already with NPDC and Kianga Ora under the infrastructure funding agreement to develop that have been assigned as zero yield for the purposes of the DC policy because NPDC have determined them has unfeasible due to them not meeting the 20% profit criteria for a commercial developer. The only reason they don't meet NPDC's 20% profit calculation is because the new land valuations given to them from NPDC when the properties were rezoned to residential last year have increased significantly and now NPDC for the purposes of this DC policy have determined the valuations are too high and not viable for a commercial developer to develop so have removed them from the yield numbers. Also, who in Council is experienced enough, has inside knowledge of costs, or qualified to decide if a 20% profit is achievable & in turn writes these properties down to zero yield. It is guesswork pure and simple and has a dramatic effect on the overall per HUE DC amount.

This has resulted in the yield numbers for the Patterson/Sutherland catchment being underreported, the yield number in the DC policy is 202 when in fact it should be 284. This has a substantial effect on the per HUE DC charge for the area.

The actually realistic numbers should be used and not based on a 20% profit for a commercial developer. The Landowners themselves will either develop which a number intend on doing and have agreements in place with NPDC/Kiang Ora to do so or landowners if they want to sell will sell for the market price not what the overinflated RV land value is that was commissioned by NPDC and which NPDC is using in their calculation.

NPDC have purposely chosen to use this "Reasonable capacity" number for the purposes of the DC policy. NPDC is certainly not directed or guided by legislation or any other guidance document to use this "Reasonable capacity number" for the purposes of the creation of the Development contribution policy. This in my opinion has been used to result in an over collection of development contributions. Mistakes may have been made in the past by NPDC in under collecting on Development contributions but that certainly doesn't justify another mistake by purposely using a flawed yield number calculation which will result in an over collection of DC's.

The yield numbers for the Patterson catchment need to be increased to 143 and the yield numbers for Patterson/Sutherland catchment need to be increased to 284. These are realistic numbers after factoring in wetlands/flood plains and undevelopable areas of land such as protected bush areas etc…

FYI - This "Reasonable capacity" yield number/calculation has been used for all areas not just Patterson. If the actual realistic numbers were used across the district what would the District wide DC amount be? most certainly less than what it is now. Another example of over collecting on Development contributions.

Patterson specific DC issues - Patterson/Sutherland sewer

- The finance cost being recovered through the DC's for the Patterson/Sutherland sewer main is out of line with finance costs for other similar projects not only in the Patterson area but projects in other development areas. The total finance cost for Patt/Suth sewer is ($2.1m) which is 72% of the capital cost for the project where as finance costs for other sewer or water projects in other development areas is only around 24% - 32% of the capital cost. The Patt/Suth sewer is being financed over 30 years and this needs to be reviewed and in line with other similar projects.

- Land Purchase - Patterson growth area - The cost of this land purchase needs to be recovered over the Patterson/Sutherland catchment and not just the Patterson catchment. The Patterson growth area is paying for a share of the land purchased for the new Sutherland walkway, so the Sutherland area needs to pay for a share of the land purchase for the Native bush/Walkway in the Patterson area. It's all the same walkway so we all need to be paying an equal share.

Summary

In order for the council to encourage growth in all areas of the district and to not restrict supply of sections and hence further increase land costs the one catchment approach needs to be adopted.

This approach will still enable the council to recover all the costs of Growth infrastructure without any burden on general rates but will ensure a fairer and more equitable approach across the district and encourage and make viable development in all areas.

As per the guidance from Internal affairs "consideration should be given to fairness if developers could face extreme differences in development contributions across the district for similar levels of service."

Also, the council needs to consider the risk of adopting the policy as it stands today with multiple catchments with a large disparity of DC's across the district which will inhibit development.

Will development continue to happen at the rate the council is forecasting? will the council realize the amount of development contributions that is forecasted? The answer to both of these questions is most certainly no.

Will a one catchment approach that is fairer & more equitable with a standard $27k DC fee across the district which will enable development in all areas, realize the forecasted levels of development to enable more housing? and keep section prices down? and realize the forecasted NPDC revenue through collection of development contributions? The answer to these questions is yes.

Regards
Scott Hale

In addition to my submission i have already made i would like to also add that recovery of 69% ($24m) of the entire cost ($35m) of installing water meters in the district should not be recovered from Development contributions. When a development occurs the developer pays for the installation of water meters in their development so why are developers also expected to subsidize water meters everywhere else in the district? A through and detailed explanation needs to be given why NPDC believe this is fair and reasonable. Yes, Growth pays for Growth, but it certainly appears NPDC are loading up DC's with as much as they can which shouldn't be accounted as growth to avoid having to account for the cost elsewhere. It certainly seems coincidental that's the general rates increase is 9.9% and Development contributions have be loaded with costs that are questionable at best. Anyone would think that a mandate or KPI has been given to council staff to keep rates below 10% and shift costs elsewhere whether those costs can legitimately be recovered from DC's or not.

Financial Policies

Office Use Only: 20

Submission No: 8 **Mark Bland**

Organisation: Bland & Jackson Surveyors Ltd

Wish to speak to the Council: Yes

Revenue and Financing Policy

For commercial/industrial rating units, it is considered that these should be separated. You are combining the industrial with commercial and stating that these activities have a greater impact on local government services and infrastructure than residential properties and in particular transportation activities. There is also stated to be a greater impact on the need for regulatory services including activities such as liquor licensing, noise control, parking, consent processing and monitoring than other differential categories. Consent processing and monitoring are stated to be 95% cost recovery so surely this does not constitute any justification in a rating differential calculation. The other examples provided apart from parking are quite specific and not considered to be matters that would apply across every activity in either commercial of industrial areas.

It is noted that in the Development & Financial Contribution Policy there is an example of a distinction made between low infrastructure demand commercial use and high infrastructure demand commercial use (item 31). The justification for a higher (3x) differential factor for Commercial/Industrial use rating is because of a bigger impact on costs due to increased impact on local government services and infrastructure than residential properties. It is argued that not all commercial activities have any more impact than a residential property and in some cases it could be argued to be less (eg Professional Consultancy activity). A similar distinction to that applying to the Development and Financial policy should be applied to Rating obligations for commercial properties.

Development and Financial Contributions Policy

What is the justification for applying for a DC for building extension or renovations, when adding a lounge or additional bed room, are we not in a housing crisis? This seems like a money grab. Shouldn't we be trying to encourage healthy homes and improving living conditions for families – not hitting house holds them with another cost? With our situation at home, we are a family of 6, and currently we have 2 kids per bedroom, if we add a 3rd bedroom we are going to get charged a ½ or ¼ DC for this, on top of all the other consenting compliance fees.

Mark Bland – Bland & Jackson Surveyors Representing Naki Developments – Land Owner Puketapu Catchment.

Development contribution catchments are considered to be difficult mechanisms to work with and creates distortions between areas of the District. The policy creates a significant price jump between different areas. This will push development in certain areas and leave other areas behind. More of a balance between the contribution required across the whole District is preferred. It is recognised though that some areas will benefit from specific development and there is not really any simple solution.

However there is an example of what is considered to be an inequitable outcome in Puketapu catchment where a Stormwater component has been applied to the whole area when it appears the infrastructure required benefits land in Puketapu catchment to the east of the Waitaha Stream only. Why should the western area of Puketapu catchment be required to contribute when it will have to develop its own internal stormwater controls. For residential developments it is considered that the majority of development contributions payments are derived from subdivision processes where historically the sizing of any dwelling is unknown until a sale occurs and a development occurs.

For subdivision purposes, Development contributions are assessed at the rate of 1 HUE per lot allowing for a standard residential unit. The Policy provides that Council may agree to the postponement of any contribution until the level of development to be undertaken is known. In a greenfield development (multi lot) how would this work. It is uncertain whether the intent of this policy would apply and be practical to implement in the case of greenfield developments. The question arises though that the policy does provide Council with the ability to charge additional Development Contributions if a development occurs that exceeds 1 HUE that may have been required as part of a subdivision process for example. Will Council refund a developer if a development occurs that is less than the 1 HUE taken through a subdivision consent process?

Financial Policies

Office Use Only: 21

Submission No: 9 **Darrell and Annemarie Watt**

Wish to speak to the Council: No

Development and Financial Contributions Policy

The process of deciphering the Draft District Plan for submission has been an arduous one.

There is no summary outline of information and the NPDC hide the detail in a document that is difficult to navigate and full of beurocratic mumbo jumbo. Every time we dug a little deeper we found more charges.

The way in which the NPDC divides areas and cross charges developments is unfair, not equitable and disproportionate for developers, which is polar opposite to your policy to a "fair, equitable and proportionate amount of the total cost of capital expenditure necessary to help service growth in the district" In preparing the draft DC policy, the Council "picks and chooses" which requirements it uses, blinkering itself to a narrow field of options.

The result of the multiple catchment system that operates on rationalising its policies on "it's always been done like this" has huge cost disparities between areas of development and stops growth for the district.

For instance:

The Patterson Road development (Not Patterson/Sutherland) has charges loaded against every developer for each lot which no other developers in any other development is charged - therefore subsidising other developments unrelated to this development.

Some examples of this are:

Water meters for the entire NPDC ward; @ $24 mill from DC's = $2035 per lot.

Mountain Rd and Henwood Rd reservoirs from DC's @ $16.5 Mill = $1500 per lot

Waste water and Water Services for subdivisions in unserviced areas @ $3.2 Mill = $830 per lot

Eastern Sewer network alignment @ $16 Mill 100% = $1400 per lot

Inglewood / Waitara wastewater overflows programme @ over $8 Mill from DC's = $740 per lot

The above is a mere sample.

So, why is the Patterson Rd Development area paying all these costs which are not related to this development area? There are developments within 500 meters who are not being charged any of these costs.

You say there is a per lot charge for these wider community services because it benefits the wider community. So, in saying that, then why is there not a Patterson Road development fee applied to the 'wider' community?

The Patterson Road development benefits the wider community by linking the Sutherland/Veal Road areas to it with a walking/cycle track for community enjoyment and providing new housing which adds to growth of the city.

The yield numbers for the Patterson Road Development the NPDC have come up with (107) is well down on previous calculations. We don't understand how they have come to these numbers. The information we received from the council to review was incorrect at its most basic level and this was used as a base to calculate from.

We calculate the yields to be in the vicinity of 270

The council needs to revisit the numbers.

This has a significant impact on the amount of DC's The Patterson Road Development is asked to pay.

We believe the current format of calculating DC's should be reconsidered and Councillors should have visibility into all of the options, so they are able to come to a fair and balanced decision.

DC contributions per catchment area / development area is grossly unfair and will seriously restrict these development areas viability to develop and will slow the growth of the city.

The Council will not recover the costs of infrastructure with DC's as proposed, because development will not happen with these costs attached.

Development Contribution to be a one charge across the district is the fairest way to evenly spread the cost over the entire catchment and would allow all development areas to proceed and thus grow the city and keep the local economy buoyant. We have calculated a one charge DC fee would sit between $27-$30 k Which, in comparison to other districts, is fair and equitable across the board.

Is the community also aware that every time they apply for a building consent to add on an extra bedroom to a standard three bedroom house, they will have to pay a DC charge? This is one quarter of the cost of a DC charge for the area. That will be anywhere from $4 k to $20 k depending on where you live in the district. This is unacceptable.

Financial Policies

Office Use Only: 22

Submission No: 10 **Vaughan Maclean**

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

I support the principal of user pays.

I support a position that where a service is provided the user should pay the same for that service regardless of where the service is provided.

Equality.
I support a position that a service shall not be paid where it is not otherwise readily available or provided.
Overall, in my opinion, the proposed development contributions policy creates significant inequities.

- There are clear pathways that avoid payment of development contributions that may be exploited and may lead to inferior development

- There are pathways for exemption of development contributions that ignore the underlying principals that 'the users pays'

- The is significant inequality as a result of catchment orientated applications of development contributions.

o Areas previously identified as affordable living areas are at significant jeopardy as a result of the approach of catchment orientated application of development contributions.

o Catchment based development contributions have resulted in significant increases in targeted growth areas. Those increases in my opinion are not cost recoverable. These areas do not provide specific advantages to land owners in terms of public provided services or infrastructure in comparison to any other area and therefore landowners will not be willing to pay the premium when purchasing allotments that will be required by developers to recoup the development contribution expenses they incur.

Part 1 - Liability for development contributions
Item point 17 and 22 suggest an allotment that had previously paid development contributions at time of subdivision may be faced with further development contribution payment at time of building if the sums have since changed or new catchment based charges are introduced. This implies a principal of 'double dipping'. I do not support re-application of development contributions where they have otherwise been paid in the past.

Item 29 – I do not support a reassessment of development contributions based on any consent amendment unless it specifically relates to an increase or decrease at which point the reassessment shall be limited to them effects of any increase of decrease only as opposed to full reassessment.

Item 49 Table 5 – I do not support a 4 bedroom home being assessed as a large RU and therefore 125% HUE applying. A medium RU should cover both a 3&4 bedroom RU and equivalent to 1.0 HUE. An extra large RU should also be reduced to 1.25 of the standard HUE.

Item 51 – Table 6. I do not support any re-assessment of development contributions based on renovation unless it specifically results in a change in the RU structure under item table 5. i.e. a renovation from a 3 bedroom home to 4 bedroom home would not be a change in the RU status under my model described above. My preference would be to have a fixed rate fee that is applied which is not percentage based on the HUE for the region and therefore will be a consistent fee across the region. I also bring to your attention that a sleep out can be established as exempt building work under the building act. Said sleepout could be 1,2 or perhaps even 3 bedroom and as not required to obtain building consent or resource consent likewise would not trigger reassessment of development contributions that renovation of existing dwelling to add the equivalent number of bedrooms otherwise would.

Item 86 Table 7: 'Total cost of capital expenditure for growth and funding sources'. Items 88 states 'Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth.' Item 89 states 'Council has decided to fund these costs from development contributions'.

Does table 7 specifically table costs only related to 'growth' or more to the point specifically exclude costs of general maintenance, upkeep and replacement of 'end of life' infrastructure. I am concerned that developers are otherwise unduly burdened with costs that should be equally shared amongst all users and therefore not recovered via development contributions.

Schedule 1: 'Development contribution asset information, calculation and charges per catchment' in over contributed to by development contribution's for projects that are not growth specific. I use WA2019 Universal Water Metering (WMP) as an example where 69% of the costs are funded by development contributions and yet in addition to this the developers pay for their own new water connections and the supply and installation of water meters at time of development.

I am concerned NPDC is taking the approach of an imbalance towards developer funding in lieu of rate payer funding for capital projects not growth projects as there will be less public discontent by virtue of less rate rise.

Items 101-104 Catchment determination
I do not support a 'catchment determination' approach to development contributions by activity, development type and location.

Item 104 – statements and comments
'Having catchments for each activity makes transparent costs of growth' You can be transparent about where costs are being spent but not have to recover costs where they are directly spent. Statement: 'Over time these costs will be reflected in the value of land, and will provide clear signals on the cost of development in different areas.'

Response: The statement is correct that land values will indeed be forced to rise to recover development contribution costs however the statement neglects the fact that the increased costs are associated with providing services that are equally provided in other areas but potentially at significant less cost. It is my opinion prospective landowners will not pay a premium for an equivalent service in these catchment areas. If section values are set by market value nd market value is unlikely to reflect costs associated with base service. If a subdivisions post development section value cannot recoup catchment based development contributions developers will otherwise have to cover that cost in reduced profit. If that is not financially viable these catchment areas will not be developed. If catchment areas are not developed other areas may face pressures that otherwise require reconsideration of other catchment based development contributions. Non development of catchment areas may also result in under delivery of sections required to deliver projected population growth.

I support a one size fits all approach to the application of development contributions unless any particular area is not intended to provide for that service (i.e. rural areas exclude wastewater, water and urban stormwater contributions). The application of evenly distributed development contributions, in my opinion provide the following advantages to the current proposed catchment based development contribution.

1. The regular DC take will be higher than current calculations and therefore the recovery of overall DC's sums is likely to be more expedient. For example: The standard New Plymouth urban catchment DC is likely to be higher than that currently proposed and therefore all development in this area will recoup additional sums for NPDC more expediently than slow to consent and activate developments within green field where catchment based DC's tend to apply.

2. An evenly applied district wide DC whilst will result in higher DC's across more properties however that increase, in my opinion, is not likely to meet a threshold that would otherwise deter a developer from pursuing that development. The increase is not of make or break level.

3. Evenly applied district wide DC's will not lead to inequality in terms of development potential. This is based in the view that lower land purchase values will become prevalent where catchment DC's are not required to be recovered by developers.

4. Evenly attributed development contributions will avoid the application of unaffordable development contributions within the districts more affordable housing areas such as Waitara and Inglewood. The current DC policy risks undermining the ability to provide for housing affordability in those areas.

I seek reconsideration of the proposed application of development contributions to address the commentary provided in this submission

Financial Policies

Office Use Only: 23

Submission No: 11 **Vaughan Redshaw**

Wish to speak to the Council: Yes

Rates Remission and Postponement Policies

I do not support rates being charged on the land value basis of land value, looks like a wealth tax to me.

Development and Financial Contributions Policy

The proposed Development Contributions seem very high and very variable between different areas. I believe people looking at both infill and Greenfields development will be put off from developing by these figures and this will exacerbate the lack of available housing and reduce the amount of money Council receives from Development Contributions when developments do not proceed. Even if a developer does go ahead with the development they will then be forced to pass this cost on to the future purchaser of the land who will need to go further into debt to have a chance of getting on the property ladder.

Has there been a look at an average cost across all areas of the district rather than trying to lump unrealistic costs on certain areas. These areas with higher contributions seem to be where Council intend new growth to happen, given that development contributions are not just for new infrastructure but also upgrades to existing infrastructure, and the fact that there is anticipated a certain amount of infill subdivision in existing older areas of the district where a percentage of the existing infrastructure is coming to the end of its life then an averaged contribution amount across the district would seem appropriate and more equitable.

The charging of Development Contributions for house extensions would seem to me to be a money grab by council and I do not support this at all and would potentially deter people from renovating, given all the other costs that are lumped on them through this process. A lot of families have children sharing rooms and the intent of the renovation is often to allow children to have their own room with no increase in the numbers of people living in the property and no increase in the use of the infrastructure. Has the impact of the 100 percent remittance relating to Maori Land been calculated and the cost implications (i.e. reduction in moneys received by Development Contributions) quantified across the district to see the impact? On the face of it I do not support anyone getting remittance of development contributions if they are using the same infrastructure as everyone else does.

The district is already grinding to a halt with the implementation of the new district plan and the associated red tape, these excessive proposed development contribution fees will further slow this districts growth.

Financial Policies

Office Use Only: 24

Submission No: 12 **Sarah Lucas**

Organisation: Be Natural Soap

Wish to speak to the Council: No

Development and Financial Contributions Policy

NPDC has a Strategic Framework - with a pillar being Thriving Communities and Culture. A key aspect of this is "An equitable and inclusive approach to delivering for all our people and communities."

I believe the policy needs to be reviewed in light of that goal. Instead of having multiple catchments across the district with different areas having different development contribution fees, one one catchment for the entire district is needed, where all growth related costs are included into one bucket and distributed out evenly across the district. Everyone then pays the same DC charge to make it fair & equitable. :)

Financial Policies
Office Use Only: 25

Submission No: 13 **Karl Johnson**

Organisation: Johnson Family

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

To whom it may concern,

My family have a portion of dairy farm that falls within the Puketapu Structure Plan Development Area.

This submission is in relation to the new proposed catchment/development area - Charge per Housing Unit Equivalent fees. The Puketapu area fee is $61,483.72 (excl of GST) per HUE plus district wide charges of $19K (excl of GST). This development fee is significantly higher when compared to other development areas within the district which will lead to higher section costs and/or could make it financially unviable for a developer to develop within the Puketapu area.

We are in support of a single HUE fee district wide which will cover all development growth related costs throughout the area to make it fair and equitable. Thanks, Karl Johnson

Financial Policies

Office Use Only: 26

Submission No: 14 **Ivan Bruce**

Organisation: Heritage Taranaki Inc. and Taranaki Heritage Preservation Trust

Wish to speak to the Council: Yes

Rates Remission and Postponement Policies

Tēnā koe, Heritage Taranaki and the Taranaki Heritage Preservation Trust are making a joint submission on the NPDC's Long-Term Plan 2024-2034 Financial Policies. We are proposing an amendment to the NPDC's Rates Remission and Postponement Policies in su

Financial Policies

Office Use Only: 27

Submission No: 15 **Submission Withdrawn**

Financial Policies

Office Use Only: 28

Submission No: 16 **Pat Sole**

Organisation: Pat Sole Surveyors Limited

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

I have significant concerns with Council's proposed Development Contributions Policy.

Financial Policies

Office Use Only: 29

Submission No: 17 **Barry May**

Wish to speak to the Council: Yes

Revenue and Financing Policy

Rates Remission and Postponement Policies

Development and Financial Contributions Policy

Ref: ECMNPDC Development and Financial Contribution Fees

I am appalled at the NPDC's proposed Development contribution Fees, it appears that you intend to use this project to collect excessive revenues to cover vastly more than would be usual in many other subdivisions.

How have you come up with this hefty increase? It appears to be targeted at this project and not others, especially in light of the fact that from the landowners diligence have allowed the NPDC to secure $1.8 million subsidy from central government (Kainga Ora) to advance this project.

If as projected, 300 sections were yielded, the NPDC would receive $24.6 million ($82000 x 300) plus the $1.8million. Is the intention similar to power companies, whereby the first consumer pays up front for a transformer, which then allows others to connect for next to nothing, this would be the case if the rest of the Frankley / Sutherland Park basin were to be developed in the future.

These "excessive" fee proposals question whether it will be viable to continue this project as it was never envisaged by the landowners to get a four fold increase in fees, this will push land prices to unaffordable levels, in an already cash strapped society, which may render the project lingering for years.

I would propose a fairer and more equitable solution is that fees should be the same for all developments, regardless of their location in the district.

If these fee hikes are passed, then I for one feel it would be prudent to withdraw form the project and return to rural land, as the costs would outweigh the benefits.

It is truly amazing how you can start an idea or project with the best of intentions, only to find that others hijack or use it to meet their own ends effectively turning the horse into a camel.

Financial Policies

Office Use Only: 30

Submission No: 18 **Racheal Cottam**

Organisation: Offshore Plumbing Services

Wish to speak to the Council: No

Revenue and Financing Policy

As a property developer and industrial construction company owner it is of my opinion that the adjustment to the general rate differentials is a step in the right direction, but needs further consideration. "businesses place a greater impact on local government services and infrastructure than residential properties"

Rates Remission and Postponement Policies

As a property developer I believe consideration towards development costs (i.e. rates on developments) needs to be prioritized to further strengthen the councils relationship with the development and construction industry and assist in the required growth

Development and Financial Contributions Policy

As a property developer and industrial construction company owner I can appreciate the costs of both implementing and maintaining infrastructure on developers and local council.

The proposed increase to financial contributions needs to be given more in-depth consideration on a case by case basis due to the varying requirements throughout the district.

> Upgrading of existing infrastructure for "intensification developments" should be covered by the developer IF the infrastructure solely services their development OR Council should cover % of infrastructure vested that benefits surrounding developments (reclaimed via future DCs).
>
> Implementation of new infrastructure for “greenfield developments” should be covered by the developer IF the infrastructure solely services their development OR Council should cover % of infrastructure vested that benefits surrounding developments (reclaimed via future DCs).

Development contributions need to take into account:

a) the amount of infrastructure in place

b) the amount of infrastructure required and

c) the amount of infrastructure being implemented and vested to council.

therefore development contributions need to be assessed and assigned to developments on a case by case basis.

Development Contributions based on RU should be included in the building consent rather than the resource consent stage - to reduce/remove uncertainty when buying and selling at various stages of development.

Financial Policies

Office Use Only: 31

Submission No: 19 **Anne Johnson**

Organisation:

Wish to speak to the Council: No

Development and Financial Contributions Policy

My submission is to support having one development contribution charge across the entire New Plymouth District.

This would make it more viable to develop each area without a price tag on sections which could potentially be priced off the market.

Therefore no development contributions, no houses built or homeowners to pay rates.

Financial Policies

Office Use Only: 32

Submission No: 20 **Ian Dickey**

Organisation: Landpro

Wish to speak to the Council: No

Development and Financial Contributions Policy

I do not support catchment areas with specific DC's as this will not support development in these areas. It will strangle development with the high DC fees making development unviable.

I support a standard fee across the entire district which will even out the DC and ensure development in all areas affordable. Revenue will also be generated quicker with higher DC's collected more often.

Financial Policies

Office Use Only: 34

Submission No: 21 **Timothy Bland**

Organisation: Ardern Peters Architects Ltd

Wish to speak to the Council: No

Development and Financial Contributions Policy

Kia ora, I'm concerned that development contributions will further compound the financial issues the building industry is currently facing. Over the last few years construction costs have increased at unprecedented rates. Additionally, the NZ Building Code has been (and still is) undergoing significant change improving the quality and standard of construction. These changes have played a large role in increasing the cost of construction. Applying Developer Contributions (DCs) to building consent applications for work over 20k is yet another obstacle that will further restrict residential development. Whether DC's are paid for at the time of subdivision or Resource Consent or by the property owner at the time of wanting to build a house, the costs will always be passed down to the end owner.

I fail to see how adding bedrooms is an indicator for increased demand on the local infrastructure. For many families in the residential sector, adding a bedroom to an existing dwelling is a natural progression from children sharing bedrooms to having individual bedrooms. The demand on the network has not changed.

I strongly suggest that the NPDC look at how developer contributions are applied – particularly in the residential market & existing homes. The optics from residential owners will likely be that NPDC is double dipping. As 3 yearly GV's will identify an increase in value in property which is then reflected in NPDC's rates schedule.

Financial Policies

Office Use Only: 35

Submission No: 22 **Ian Dickey**

Organisation: Hareb Investments Limited (HIL)

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

HIL are concerned about the increase in DC's and are also submitting so HIL stays involved in the process, as any change to the policy has the potential to affect HIL.

Financial Policies
Office Use Only: 36

Submission No: 23 **Ian Dickey**

Organisation: Landpro

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

Landpro is concerned about the high increase of DC's in some areas and does not suppor the proposed figures. DC's at $80 to $100k will not encourage development in these areas. It will strangle development with the high DC fees making development unviable.

Landpro supports a standard fee across the entire district which will even out the DC and ensure development is affordable in all areas. Revenue will also be generated quicker with higher DC's collected more often.

Financial Policies

Office Use Only: 37

Submission No: 24 **Stefan Kiss**

Organisation: Taylor Patrick Ltd

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

SUBMISSION ON NEW PLYMOUTH DISTRICT DEVELOPMENT CONTRIBUTION 2024-2034

To:	New Plymouth District Council (**"Council"**)
Submitter:	Taylor Patrick Limited (**"Taylor Patrick"**)
Submission On:	Development Contribution Policy 2024 – 2034 (**"DC Policy"**)

1. Taylor Patrick is a well-established survey company offering services in resource management planning, urban design, surveying, civil design, and project management to support land development and infrastructure projects.

2. Taylor Patrick welcomes the opportunity to submit on the DC Policy.

3. Taylor Patrick wishes to speak to this submission.

4. Taylor Patrick has assessed the DC Policy against the requirements of the Resource Management Act 1991 (**"RMA"**), Local Government Act 2002 (**"LGA"**), National Policy Statement Urban Development (**"NPS-UD"**), Future Development Strategy (**"FDS"**), Housing and Business Capacity Assessment (**"HBA"**), and Long-Term Plan (**"LTP"**).

5. The LGA defines the purpose of development contributions is to "enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term".

6. Taylor Patrick has concerns about the DC Policy, being:

    6.1. Section 13 – Project Example (p3),

    6.2. Sections 21 – 31 – Trigger for DCs & Initial Assessment (p5), and

    6.3. Sections 87 – 94 – Funding Growth Expenditure

7. Section 13 – Project Example on page 3

7.1. "For example, a three-lot residential development in New Plymouth City with standard (three-bedroom) dwellings will pay three times the water, wastewater, stormwater, transportation, community infrastructure, and parks and open spaces charges, totalling $58,180 (GST exclusive)."

7.2. This example project is incorrect. Since the underlying allotment already has existing capacity (1 x HUE) on the New Plymouth City infrastructure, the example project is adding two additional allotments; therefore, two additional HUE should be calculated instead of three (3). The development contributions (**"DCs"**) in this example project should be $38,787 (GST exclusive).

7.3. The assumption should be noted that the underlying allotment has zero (0) or one (1) existing dwelling. If there are two (2) existing dwellings on the property, DCs would have been paid on the second dwelling at the time of building consent, being one of the three triggers for DCs; therefore, DCs are only required for one (1) additional HUE for the example project.

7.4. The corrected example we have provided would be considered equitable.

8. Sections 21 – 31 – Triggering For DCs & Initial Assessments on page 5

8.1. Section 22: "Council will generally require development contributions at the earliest possible point (i.e. whichever consent, certificate, or authorisation listed above is granted first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation for a development, this does not prevent the Council from assessing contributions on a subsequent consent, certificate or authorisation for the same development (for the reasons set out in the following paragraphs)."

8.2. Section 23: "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."

8.3. For a resource consent, Council must assess the development contributions at the point of time an application was accepted pursuant to section 88 Resource Management Act 1991. Council must follow their policy standard and that policy standard must be assessed and generated against s106 LGA.

8.4. DCs are payable by the number of household equivalent units (HUEs) multiplied by the development charge for that activity in that area.

8.5. Policy 2 of the NPS-UD states that Tier 1, 2, and 3 local authorities (NPDC being Tier 2), at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.

8.6. NPS-UD states that "development capacity" means:

Development capacity means the capacity of land to be developed for housing or for business use, based on:

(a) The zoning, objectives, policies, rules, and overlays that apply in the relevant proposed and operative RMA planning documents; and
(b) The provision of adequate development infrastructure to support the development of land for housing or business use

8.7. Then, NPS-UD states that "development infrastructure" means

Development infrastructure means the following, to the extent they are controlled by a local authority or council controlled organisation:

(a) Network infrastructure for water supply, wastewater, or stormwater
(b) Land transport (as defined in section 5 of the Land Transport Management Act 2003)

Section 5 of the Land Transport Management Act 2003 defines land transport means – transport on land by any means.

8.8. NPS-UD then states that in order to be "sufficient" to meet expected demand for housing, the development capacity must be:

(a) Plan enabled; **and**

(b) Infrastructure-ready; **and**

(c) Feasible and reasonably expected to be realised; **and**

(d) For tier 1 and 2 local authorities only, meet the expected demand plus appropriate competitiveness margin.

8.9. NPS-UD goes on to state that development capacity is **infrastructure-ready** if:

(d) In relation to the short term, there is adequate existing development infrastructure to support the development of the land;

(e) In relation to the medium term, either paragraph (d) applies, or funding for adequate development infrastructure to support development of the land is identified in a long-term plan.

8.10. It is our understanding that Council needs to supply sufficient development infrastructure to enable housing development and then recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term. The short term (1 – 3 years) means that it should be ready to go with the existing development infrastructure and the medium term (3 – 10 years) means that it is either ready to go or funding for development is identified in the long term plan, such as recover portion of costs through development contributions.

8.11. Section 31 of the DC Policy states that:

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

- Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.

- Development contributions have levied at the subdivision or land use consent stage were for a small home, but the home built is larger or is subsequently extended.

- The nature of the use has changed, for example, from a low infrastructure demand commercial use to a high infrastructure demand commercial use.

8.12. We disagree with the wording and possible intent as to the first point above in section 7.11 of this submission.

8.13. As mentioned earlier, development contributions must be assessed at the point of time when a resource consent is accepted to recover portion of costs to enable development ready infrastructure. The DCs must be the number of additional HUEs generated in the **first** development multiplied by the development charge for that area.

8.14. For example, Council **can not** 'change their mind' on the development contribution for a development if Council just so happen to change their DC policy.

See Everton Heights Limited v Hamilton City Council dated 31 January 2023.

8.15. Another example, Council can expect to assess development contributions at the time of subdivision consent application acceptance and then receive those contributions prior to the issuance of s224c RMA for a subdivision project when it generates additional HUEs. It is not acceptable or fair or equitable to then assess development contributions again (unless the HUE is larger than a three-bedroom house) upon receiving building consent later once the allotments are with the new owners if the DC Policy had change from the time of subdivision consent application.

8.16. Council **<u>must</u>** provide at least sufficient development capacity in its region or district to meet expected demand for housing (s3.2 NPS-UD). If there is a lack of foresight from subdivision consent activity to then building consent activity, why should the new landowner suffer for those consequences?

9. Sections 87 – 94 – Funding Growth Expenditure

9.1. To reiterate the above section 7 in this submission, section 87 of the DC Policy outlines that Council have modelled and anticipated growth in New Plymouth District, being an additional 9445 dwellings or HUEs.

9.2. Section 89 of the DC Policy then states "Council has decided to fund these costs from development contributions under the LGA02 for…"

9.3. Fortunately, the NPS-UD has decided for local authorities that you **<u>must</u>** provide sufficient development capacity and then in turn infrastructure. Then, the LGA02 explicitly states that development contributions enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term. Council can not recover all costs through development contributions.

10. DC Policy Conclusion

10.1. Taylor Patrick asks Council to provide certainty and clarification to the DC Policy to ensure the development sector fully understands the development contribution procedure.

10.2. The DC Policy needs to be amended to provide certainty and clarification.

10.3. The DC Policy needs to adhere to the LGA02, RMA, and NPS-UD.

11. Tuparikino Active Community Hub

11.1. We support Option 3 – additional funding (total $50m) phased over full 10 years.

11.2. We value the importance of an active community and this community facility will greatly benefit New Plymouth City.

12. Bellringer Pavilion

12.1. We support Option 1 – Replace the pavilion in a new and improved location.

13. Other Projects

13.1. We support acceleration stormwater catchment management planning and investment.

13.2. We support transport planning initiatives.

13.3. We support the Tracks and trails initiative, including the Coastal Walkway extension to Waitara.

13.4. We support the Tangaroa Stream and Waiari Stream stormwater projects (Waitara).

13.5. We support Urenui and Onaero adaption planning.

13.6. We support Urenui and Onaero wastewater upgrade.

13.7. We support Te Tiriti Partnerships.

13.8. We support a Council Controlled Organisation (CCO) for three waters and traffic management as an efficient solution to delivering services in these spaces.

14. Taylor Patrick wishes to speak to this submission.

Yours sincerely,

Stefan Kiss

Director

Financial Policies

Office Use Only: 38

Submission No: 25 **Ben Hawke**

Organisation: GJ Gardner Homes Ltd

Wish to speak to the Council: Yes

Development and Financial Contributions Policy

SUBMISSION ON NEW PLYMOUTH DRAFT LONG-TERM PLAN 2024-2034 LONG TERM PLAN AND FINANCIAL POLICIES

To:	New Plymouth District Council (*Council*)
Submitter:	GJ Gardner Homes Ltd Ben Hawke **–** Franchise Owner 3 Egmont Road, New Plymouth
Submission On:	Long Term Plan 2024-2034 (“Draft Plan”) Development and Financial Contributions Policy (“The Policy”) Development Contributions (“DC’s”)

Mr. Hawk wishes to speak to their submission.

1. Introduction

1.1. This is a submission on the Council’s Long-Term Plan 2024-2034 and Development and Financial Contributions Policy by McKinlay Surveyors on behalf of GJ Gardner Homes Ltd who welcome the opportunity to provide feedback on the Draft Strategy.

1.2. GJ Gardner Homes Ltd are the leading building company in New Plymouth with the highest volume of new builds in the district. They are involved directly in the development activities of New Plymouth and have extensive experience and knowledge of the feasibility and capacity of the area, as well as the challenges faced by any prospective developer.

1.3. GJ Gardner Homes Ltd have concerns regarding the proposed Development and Financial Contributions Policy. The Policy proposes a significant increase in the charges per HUE, both across the district and in certain development areas and catchments. These have the potential to both supress development in the ‘expensive’ DC areas and intensify development in the ‘cheaper’ DC areas, which will result in outcomes contrary to the Future Development Strategy.

1.4. Development Contributions are a large percentage of the total cost in any development taking place. Whilst they are necessary for the District, they need to be balanced to both allow for the region to grow appropriately and ensure it remains viable for development to occur. This risk is referenced in the Policy stating *“Key Risk: That the growth predictions do not eventuate, resulting in a change to the assumed rate of development”*.

1.5. The current proposed DC’s will result in a change in the assumed rate of development. The DC increases on the development areas in the district average approximately a 550% increase, which will result in landowners and developers simply not developing in these areas; focusing instead on infill development, or development outside the district. If some landowners/developers do continue to develop in these areas – they will simply pass on the cost to the future buyer, raising the housing cost in the district. This will have detrimental effects on New Plymouth Districts future growth.

1.6. It is acknowledged that there is required to be an increase in the DC’s to allow for infrastructure within the district, however the total increase across the district, and the vast increases for development areas and the Inglewood stormwater catchment are not appropriate.

1.7. Despite the increase in DC’s being a key risk to the rate of development in the district as stated in the Policy, there is no analysis shown regarding the proposed increases and the potential effect that will occur on development and land/housing prices within the district. To accurately determine an appropriate cost per HUE, this analysis should be undertaken by the NPDC, as there is a risk that the council will exacerbate the current housing crisis.

1.8. The flow on effect from reduced development will be not only to the housing crisis, but also the NPDC’s revenue, which is also outlined as a risk in the Policy. As outlined in our submission on the proposed Future Development Strategy, there are a large number of challenges facing landowners/developers who seek to undertake any type of development in the district, with increasing consenting costs, processing timeframes far beyond the statutory limit and lack of certainty under the Proposed District Plan.

1.9. The effects of these challenges on the district is already being witnessed with reduced building activities and a reduction in actual revenue to the NPDC compared to their budgeted revenue. The NPDC Annual Report 2022-2023 reported a budgeted deficit of approximately $1.5m in consenting revenue which is simply described as ‘a reduction in activity’. The NPDC

Performance Report (July – September 2023) also reported that we are already not meeting expected development contributions, building consent revenue and resource consent revenue, which totals a deficit of $887,000 in three months or 18% less than budgeted.

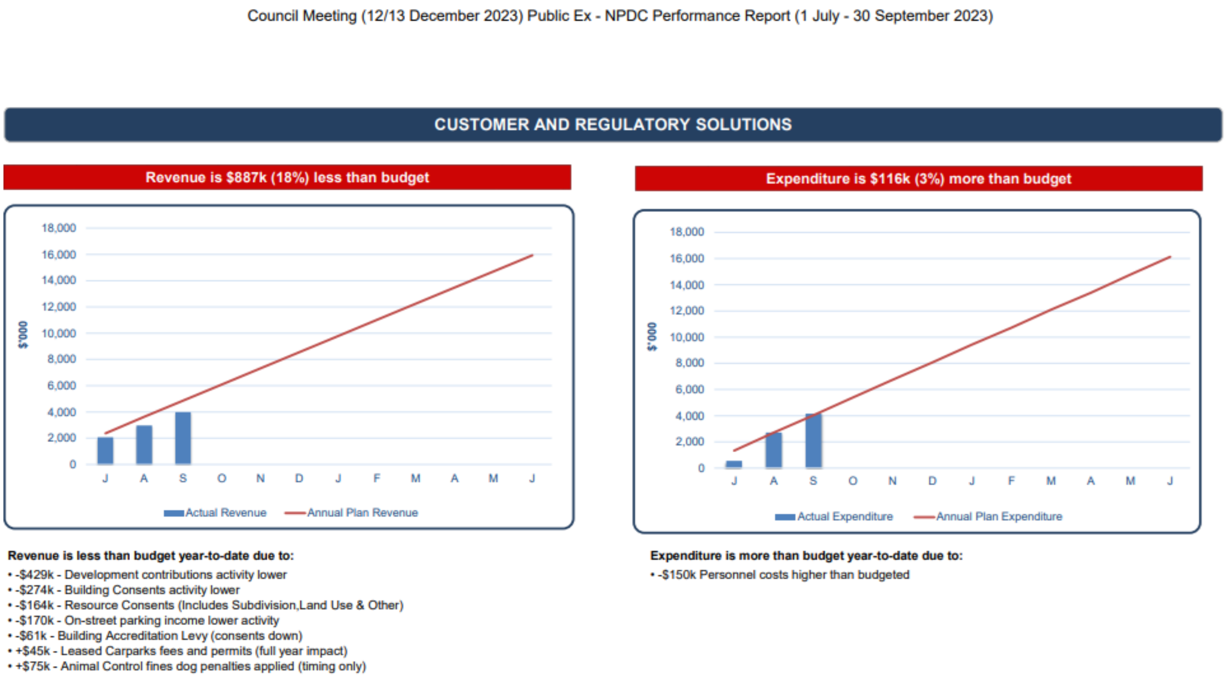

Figure 1: NPDC Performance Report (1 July - 30 September 2023) Excerpt

1.10. This is a representation of the challenges that are being faced by the district when attempting to develop. The combination of an acute increase in DC's, along with the existing challenges mentioned, will only serve to stagnate development further and intensify the consequences throughout the district.

2. Recommendations

2.1. To alleviate these risks and provide an appropriate balance of Development Contributions to the New Plymouth District the following is recommended:

2.1.1. Undertake an assessment of the proposed increase in development contributions on the 'feasible and realisable' development capacity in the NPDC HBCA, as this will have an impact on the uptake and subsequent growth of the district.

2.1.2. Provide distribution of development/financial contributions across the district to allow for a more shared approach to costs in growth. The targeted increases in development areas and the Inglewood stormwater catchment will result in stagnation within these areas. Sharing the costs throughout the district will help to resolve this.

2.1.3. Provide a staged approach in the Development Contribution Policy, where the increases are phased in over time (years). The immediate and large increase in DC's will halt development from occurring, as this will only serve as another challenge for developers and incentivise them to leave the district. By phasing in the increase, this will also allow for the current challenges as outlined in the FDS submissions to be resolved.

2.1.4. Review the development areas and the budgeted infrastructure for these areas and compare the cost-yield to rezoning of other greenfield sites. As raised in our FDS submission, these development areas and FUZ areas were zoned without appropriate investigation or ground truthing. We are now proposing through the LTP to spend millions on servicing these areas which will yield far less than originally thought by NPDC. There are far more cost-efficient areas to develop in this district. NPDC must undertake consultation with developers and landowners to identify greenfield sites in the district that are economically viable and can be developed in a timely manner to provide capacity and address the recognised deficit in housing supply in New Plymouth.

2.1.5. As stated in our FDS submission, inadequate consultation with developers and landowners of Future Urban Zones/Development Areas has taken place. NPDC are budgeting and setting DC's for these areas without any knowledge on landowners future intentions which has the potential to impact infrastructure planning, yield and revenue. Consultation must be undertaken to allow for appropriate development contributions to be calculated.

Ben Lawn
Environmental Planner
McKinlay Surveyors

On Behalf of:
GJ Gardner Homes Ltd
Ben Hawke **–** Franchise Owner

Financial Policies

Office Use Only: 39

Submission No: 26 **Sam Broadmore**

Organisation: Survey and Spatial NZ - Taranaki Branch

Wish to speak to the Council: No

Development and Financial Contributions Policy

SUBMISSION ON NEW PLYMOUTH DISTRICT DEVELOPMENT AND FINANICAL CONTRIBUTION POLICY

To:	New Plymouth District Council (**"Council"**)
Submitter:	Survey Spatial New Zealand – Taranaki Branch (**"Branch"**)
Submission On:	Development and Financial Contribution Policy 2024 (**"DC Policy"**)

1. Survey and Spatial New Zealand Tatai Whenua (**"SSNZ"**) is a professional association representing members in the survey spatial sector in New Zealand. The SSNZ include people working in land development, urban design, resource management, civil engineering surveying, positioning and measurement, cadastral surveying, hydrographic surveying, and spatial GIS. The SSNZ vision is to be a globally respected organisation sustaining innovation and excellence for the benefit of our communities.

2. The Survey Spatial New Zealand – Taranaki Branch (**"Branch"**) is dedicated to engaging with the community to raise awareness about the importance of surveying and spatial information in resource management, infrastructure development, and land use.

3. The Branch welcomes the opportunity to submit on the DC Policy.

4. The purpose of development contributions is to "enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term" (Local Government Act 2002).

5. Part 1, Section 13, page 3: "For example, a three-lot residential development in New Plymouth City with standard (three-bedroom) dwellings will pay three times the water, wastewater, stormwater, transportation, community infrastructure, and parks and open spaces charges, totalling $58,180 (GST exclusive)."

5.1. This example project is incorrect. Since the underlying allotment already has existing capacity (1 x HUE) on the New Plymouth City infrastructure, the example project is adding two additional allotments; therefore, two additional HUE should be calculated instead of three (3). The development contributions (**"DCs"**) in this example project should be $38,787 (GST exclusive).

5.2. The assumption should be noted that the underlying allotment has zero (0) or one (1) existing dwelling. If there are two (2) existing dwellings on the property, DCs would have been paid on the second dwelling at the time of building consent, being one of the three triggers for DCs; therefore, DCs are only required for one (1) additional HUE for the example project.

5.3. The corrected example we have provided would be considered equitable.

6. Part 2, section 113, page 20: "Development contributions are based on 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 updated, generally through the annual plan process."

6.1. The Branch advocates for its members and emphasises the importance of collaboration between Council and surveying and spatial professionals.

6.2. If better information becomes available and the Council considers updating the policy, the Branch recommends that this process should involve ongoing engagement with the development community and SSNZ members. This collaborative approach will ensure that updates to the policy are informed by the latest data and insights, allowing for a more accurate assessment of projected estimates for future asset works, as well as valuable feedback on infrastructure costs and solutions in detail.

7. The Branch emphasises the importance of collaboration between the Council and surveying and spatial professionals.

8. In conclusion, the Branch reaffirms its commitment to supporting the Council in developing a robust and compliant DC Policy. We stand ready to provide expertise and assistance to ensure that the DC Policy aligns with the Local Government Act 2002, district plans, and Future Development Strategy that serves the long-term interests of our community.

Yours sincerely,

Sam Broadmore

Chairperson

Survey Spatial New Zealand – Taranaki Branch

Financial Policies

Office Use Only: 40

Submission No: 27 **Oliver Boyd**

Organisation: Summerset Group Holdings Limited

Wish to speak to the Council: No

Development and Financial Contributions Policy

Summerset

Summerset Group Holdings Limited
Level 27, Majestic Centre, 100 Willis St, Wellington
PO Box 5187, Wellington 6140

Phone: 04 894 7320 | **Fax:** 04 894 7319
Website: www.summerset.co.nz

19 April 2024

To: New Plymouth District Council
By email

Submission on New Plymouth District Council's Draft Development and Financial Contributions Policy 2024 on behalf of Summerset Group Holdings Limited

1. Summerset is New Zealand's second largest developer and operator of retirement villages, which makes it one of New Zealand's largest home-builders. Summerset has 38 villages completed or in development across New Zealand and provides a range of living options for more than 8,000 residents.

2. New Zealand is facing a housing crisis, including a retirement living and aged care crisis. The New Plymouth District Council's draft Future Development Strategy notes the district's greatest population increase is forecast to be in the 65 and over age group, which will result in even further demand for retirement villages. It is vital that the regulatory environment recognises and provides for the development that is required to meet this growing demand, and funding for associated infrastructure, but does so on a fair, equitable and proportionate basis that reflects, for comprehensive care retirement villages like Summerset's:

   2.1. the reduced occupancy per unit when compared to a typical household unit - Summerset's average occupancy for its independent units is 1.3 residents per unit and for its care units is 1 resident per unit; and

   2.2. the typically low pattern of demand on community infrastructure, amenities and facilities when compared against the demand assumptions for a typical household unit - residents entering Summerset's villages average 81 years, have specialist physical and social needs, and access Summerset's extensive range of on-site amenities.

3. To fairly account for the lower demand profile, both a population per unit discount (to account for the lower occupancy) and a demand factor discount (to account for the older demographic and on-site amenities) should be applied to set specific contribution calculations for comprehensive care retirement villages. This should distinguish retirement units, and aged care rooms, and provide separate rates for each. In setting calculations, the Council needs to clearly demonstrate the causal connection between any infrastructure required as a result of the increase in demand (if any) directly attributable to retirement village development.

4. For example, in determining community infrastructure impact, the Draft Development and Financial Contributions Policy 2024 (Draft Policy) assumes 2.5 people in residence per household unit equivalent (HUE), each placing demand on the funded community infrastructure, being the Tūparikino Active Community Hub, Waitara Library, Bell Block Library and Bell Block public

toilets. By contrast, average occupancy within Summerset's villages is 1.3 and 1 residents per unit for independent and care units respectively, with typically very low demand on the specific items of community infrastructure being funded.

5. Similarly, for transport impact, the Draft Policy assumes 10 trips per day per HUE. While the Draft Policy proposes an assessment for standard retirement village units of 0.5 HUE per unit, this rate still exceeds the average demand on transport from a standard retirement unit. Retirement units generate around 20% of the trips of a standard dwelling and aged care rooms generate around 10% of the trips of a standard dwelling. These figures are based on information published in an independent review commissioned by the Tauranga City Council in July 2023 into infrastructure demand by retirement village residents, the report of which is set out in Appendix 1. They include allowance for staff and visitor transport.

6. Taking into account both population per unit/room, and demand factors, Summerset suggests the rates in the table below. These are based on the equivalent rates in the most recent Tauranga City Council Development Contributions Policy, which were established following the independent review into infrastructure demand by retirement village residents. The review found that on average residents have a demonstrably lower demand for transport, reserves and community facilities, due to villages providing many on-site facilities/amenities and, for aged care residents, a higher need for 24/7 medical care and reduced mobility. We encourage the Council to review the contents of the report set out in Appendix 1 and seek an independent review of its own, which we would be happy to contribute to.

Development type	**Activity**	**Units of demand**
Retirement unit	Transport	0.2 HUE per unit
	Community infrastructure	0.1 HUE per unit
	Parks and Open Spaces	0.1 HUE per unit
Aged care room	Transport	0.1 HUE per room
	Community infrastructure	0.05 HUE per room
	Parks and Open Spaces	0.05 HUE per room

We would like to thank you for the opportunity to submit and are happy to appear in support of our submission.

Yours faithfully,

Oliver Boyd
National Development Manager
Summerset Group Holdings Limited

Appendix 1

INSIGHT | ECONOMICS

Final Report: 12 July 2023

Assessment of Tauranga City Council's Approach to DCs for Retirement Villages

Prepared for:

Tauranga City Council

Authorship

This document was written by Fraser Colegrave and Danielle Chaumeil.

Contact Details

For further information about this document, please contact us at the details below:

Phone: +64 21 346 553
Email: fraser@ieco.co.nz
Web: www.insighteconomics.co.nz

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Contents

1. Executive Summary

Tauranga City Council (TCC), like all high-growth Councils, uses development contributions (DCs) to help recover the cost of growth-related infrastructure directly from property developers. During recent consultation on its 2022/23 DC policy, TCC received submissions from stakeholders in the retirement village (RV) sector, who felt that the policy did not go far enough to reflect the allegedly lower-than-average needs of RV residents. Accordingly, TCC commissioned us to review their current approach to charging DCs for RVs and to recommend any potential refinements arising. This document presents our review.

Our review begins by summarising the way and extent to which other Councils in high growth areas accommodate RV developments within their DC policies. In short, while many Councils separately classify RV units and set corresponding conversion ratios for them, there is very little publicly available information supporting them. Further, while very few Councils separately classify aged care units in their DC policies, those that do typically set very low conversion ratios to reflect the highly immobile nature of occupants.

Next, we assessed publicly available information about RV infrastructure demands from resource consent documentation submitted for new or expanded villages. This exercise strongly indicated that RV and aged care units both have similar three water demands to small household units, as currently contemplated by TCC's DC policy, but that their demand for transport, reserves, and community facilities infrastructure are significantly lower than the policy currently provides for. This is due not just to the older age of RV residents and their relatively limited activity/mobility, but also the often-extensive provision of onsite social and recreational facilities to meet residents needs without having to travel offsite.

Finally, we reviewed a range of other information sources to complete the picture, including recent sports and recreation participation surveys, the NZTA household travel survey, and trip generation data collated by the Institute of Traffic Engineers (ITE). These data confirm that older people do indeed travel far less often than younger people, and that they participate much less frequently in sport and recreation.

Accordingly, we recommend that the conversion ratios for citywide DCs be revised to match the table below, with further work required to determine whether such changes are needed or merited for local DCs (given the unique/differing way in which they are applied).

Table 1: Proposed Conversion Ratios for Citywide DCs

Asset Types	RV units	Aged Care units
Water	0.50	0.40
Wastewater	0.50	0.40
Stormwater	0.50	0.40
Transport	0.20	0.10
Reserves	0.10	0.05
Community facilities	0.10	0.05

2. Introduction

2.1. Context and Purpose of Report

Tauranga City Council (TCC), like all high-growth Councils, uses development contributions (DCs) to help recover the cost of growth-related water, wastewater, stormwater, parks, reserves, transport, and community facilities infrastructure directly from property developers. This ensures that the costs of meeting growth are met by those who cause the need for, and benefit from, the underlying capital works.

During recent consultation on TCC's 2022/23 DC policy, the Council received three submissions from stakeholders in the retirement village (RV) sector. They argued that the DC policy does not go far enough to reflect the lower-than-average needs of retirement village residents. Specifically, they note that RV units not only have lower average household sizes, as already reflected in the policy, but that the infrastructure demands of RV residents are also lower per capita due to their older average age, relative inactivity/immobility, and the provision of onsite facilities and activities in lieu of Council-provided ones.

Accordingly, to ensure that the DC policy adequately accounts for the differing infrastructure demands of RVs, TCC commissioned us to review their current approach and recommend any potential refinements. This document presents our review.

2.2. Key Policy Considerations

Altering DC policies is a lengthy and time-consuming process, which must be done either during triennial LTP reviews, or via a special consultative procedure under the Local Government Act 2002 (LGA). Consequently, TCC have requested that evidence supporting any proposed policy refinements be sufficiently compelling and also put in context of the following key considerations:

- DCs are effectively a zero-sum game, so any DC reductions for RVs will need to be offset by higher DCs for other developments (otherwise DC costs will not be fully recovered).

- The policy already enables RV units to be charged 0.5 HEUs for citywide DCs.

- Local infrastructure in greenfield areas must be planned and delivered well ahead of development occurring, so there is limited – if any – scope to adjust the type or quantum of infrastructure capacity provided to reflect the allegedly lower requirements of RVs.

- Local DCs in new greenfield areas are charged on a per hectare basis, with those in existing urban areas effectively fixed at a capped rate per hectare. This may affect the merits of, or need for, changes to local DCs.

- RV infrastructure demands include not only residents but also staff and visitors. To that end, TCC currently does not charge DCs for the non-residential elements of villages.

2.3. Retirement Villages vs Lifestyle Villages

This review considers only the infrastructure demands of comprehensive care retirement villages (RVs), which are defined in para 21 of Summerset's submission as:

> "providing a full range of living and care options from independent living through to assisted living, rest home, hospital and memory care (dementia). The residential care component makes up a relatively high percentage of the overall unit mix."

This contrasts with the other type of village – lifestyle villages – that also fall under the same umbrella but have different characteristics and hence infrastructure demands to RVs.

For example, according to the Summerset submission, "the average age of a resident on entry to its villages is 81 years, with most living at home for as long as possible, and only moving there usually due to a specific need (such as deteriorating health or mobility challenges, or for companionship – many of Summerset's residents are widows). By contrast, lifestyle villages cater for a younger, more active early retiree, with a higher proportion of couples. The average age of a resident moving into a lifestyle village is more mid-to-late 60s."

We acknowledge these important differences between comprehensive care retirement villages and lifestyle villages. Further, because lifestyle villages attract a demographic whose ages and activity levels – and therefore infrastructure demands – are not overtly atypical, we do not consider them any further here and instead consider the case for potentially refining the DC policy to reflect the unique circumstances of only RVs.

2.4. Scope and Focus of Our Review

While our review covers all DC infrastructure types, we focus on the potential case for change in relation to DC-funded parks, reserves, transport, and community facilities infrastructure. These are the activities where the current approach, of charging 0.5 HEUs per retirement village unit, may not adequately reflect the unique nature of retirement villages, including their differing demographics, and the – often significant – provision of onsite facilities and amenities that may reduce the demand for DC-funded ones.

2.5. Steps in the Analysis & Report Structure

Following are the key steps in our analysis and the sections in which they are presented:

- Reviews the approach taken by other Councils to charging DCs for RVs (**section 3**).

- Examines the estimated infrastructure demands of recent RV developments according to publicly available resource consent documentation (**section 4**)

- Explores a range of other information sources to better understand the likely infrastructure demands of RVs (**section 5**)

- Considers possible implications for TCC's DC policy (**section 6**).
- Provides an overall summary and recommendations (**section** 7)

3. Review of Other DC Policies

3.1. Purpose

This section considers the approach taken by other Councils in their DC policies to charging DCs for RVs to gain a better understanding of current practice.

3.2. Approach

We reviewed the DC policies of the various Councils classified as being Tier 1 or Tier 2 under the NPSUD to identify whether, or how, they treat RVs differently from other developments. Reviewing these specific Councils' policies reflects the fact that they are high growth areas, whose DC policies will have also been subject to constant scrutiny - and thus refinement – by an engaged and well-resourced development community. Accordingly, these policies are likely to contain the most robust and reliable information for the matter at hand.

3.3. Findings

Several DC policies separately classify retirement village and/or aged care units from other types of residential development, but few provide any useful detail explaining how village-specific conversion ratios are derived. Nonetheless, to begin, Table 2 shows the conversion ratios currently set by Tier 1 and Tier 2 Councils for RV units, while Table 3 covers aged care units.

Table 2: Conversion Ratios for **Retirement Village Units** in Tier 1 and 2 DC Policies

Councils	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water supply
Auckland[1]	0.10	0.10	0.10	0.30	n/a	n/a
Christchurch	0.10	0.10	-	0.50	0.50	0.50
Hutt	-	-	0.50	0.30	0.50	0.50
Kāpiti Coast	0.60	0.60	0.60	0.60	0.60	0.60
Palmerston North	0.44	0.44	0.44	0.44	0.44	0.44
Porirua	0.50	0.50	0.50	0.50	0.50	0.50
Queenstown Lakes	0.54	0.34	-	0.24	0.48	0.50
Rotorua	0.50	0.50	0.50	0.50	0.50	0.50
Selwyn	-	-	-	-	0.50	-
Tasman	-	-	-	0.30	-	-
Waipa	0.50	0.50	0.50	0.50	0.50	0.50
Western Bay of Plenty	0.50	0.50	0.50	0.50	0.50	0.50
Median	**0.47**	**0.39**	**0.47**	**0.47**	**0.50**	**0.50**
Average	**0.32**	**0.30**	**0.30**	**0.39**	**0.46**	**0.41**

[1] Auckland Council does not set DCs for water or wastewater because Watercare – an Auckland Council CCO – sets infrastructure growth charges to recover growth-related water and wastewater infrastructure costs instead.

Table 3: Conversion Ratios for **Aged Care Units** in Tier 1 and 2 DC Policies

Councils	Community Infrastructure	Reserves	Stormwater	Transport	Wastewater	Water supply
Auckland[2]	0.10	-	-	0.20	n/a	n/a
Christchurch	-	-	-	0.10	0.40	0.40
Hutt	-	-	0.50	0.30	0.50	0.50
Porirua	0.40	0.40	0.40	0.40	0.40	0.40
Median	**0.05**	**-**	**0.20**	**0.25**	**0.40**	**0.40**
Average	0.13	0.10	0.23	0.25	0.43	0.43

According to Table 2, 12 Tier 1 or 2 Councils separately classify RV units in their DC policy with a range of corresponding conversion ratios set for them. Generally, the conversion ratios set for RV units are about 0.5 or lower, but with some Councils setting higher ones. For example, Kapiti Coast sets a ratio of 0.6 based on average household sizes of 2.5 for all dwellings but only 1.5 for RV units. Across infrastructure types, the lowest conversion ratios are typically set for community infrastructure, reserves, transport, and stormwater. This makes sense as RV units are likely to generate relatively minor demand for these activities – except for stormwater – due to:

- the older age and relative immobility of village residents, coupled with
- the often-significant onsite provision of activities and facilities for the benefit of residents.

Fewer Councils separately identify/classify aged care units, with only four singling them out in their current DC policies. However, where aged care units are separately classified, they tend to attract very low conversion ratios, especially for community infrastructure, reserves, transport, and stormwater. Again, this makes sense, as residents of aged care units are generally highly immobile and unlikely to leave the village often, if at all.

[2] Auckland Council does not set DCs for water or wastewater because Watercare – an Auckland Council CCO – sets infrastructure growth charges to recover growth-related water and wastewater infrastructure costs instead.

4. Review of Resource Consent Documentation

4.1. Introduction

To obtain more direct evidence of the likely infrastructure demands of typical RVs units (and aged care rooms), we reviewed numerous resource consent applications to scan for any information on modelled or expected infrastructure demands, either per unit, or for the development overall. This section presents our findings.

4.2. Review Approach

Resource consent applications lodged in New Zealand must include an Assessment of Environmental Effects (AEE) that consider the proposal's likely environmental impacts across various dimensions. While the focus and content of each AEE may differ based on the specific development proposed, most include an assessment of infrastructure impacts so that the Council(s) involved can determine whether sufficient capacity exists to service them. As a result, good information on the likely infrastructure demands of RVs may be embedded in the AEEs lodged for them. Accordingly, this section describes the infrastructure demand information that we managed to extract from AEE's filed recently in New Zealand for new RVs, or expansions to existing ones.

4.3. Key Findings

The discussion below summarises salient information found in recent AEE's for eight new or expanded RVs across New Zealand. Where possible, we have converted the estimated infrastructure demands into a per unit or per room equivalent for ease of comparison with the conversion ratios set by TCC and other Councils as per the previous section of this report.

Water and Wastewater

The AEEs show that the water and wastewater demand of a typical RV resident are akin to those of residents living in a "typical" dwelling. Hence, differences arise mainly due to the smaller average household sizes of RV units, which we understand the policy already (largely) accounts for.

That said, we note that some proposed development's expected village water and wastewater usage to be lower than average on a per resident basis, but that this was offset by demand from visitors and staff. Consequently, the overall average for the village (per resident) more or less matches the local equivalents for a typical household/dwelling.

Stormwater

Just like water and wastewater, RV stormwater demands are also unlikely to differ significantly from the average on a per unit or per resident basis as they are driven purely by the quantum and nature of impervious surface area (ISA). Consequently, the stormwater demands of new or expanded villages in Tauranga should probably be assessed just by considering their impacts on ISA.

Transport

Fortunately, many of the AEEs that we found for new or expanded RVs included detailed traffic assessments, which presumably formed part of Integrated Traffic Assessments (ITAs). Amongst other things, these traffic assessments provided direct estimates of the number of daily and AM/PM peak trips for either:

- The overall development (i.e. including both RV and aged care units), or
- RV and aged care units separately.

Where the data were provided in aggregate for the overall development, we have assumed that the RV units generate double the traffic of the aged care units. This allowed us to split the traffic data out into RV units and aged care units to produce the table below, which shows the estimated traffic demands of seven recently consented/developed villages. As far as we understand, these include traffic generated by residents, plus staff and visitors.

Table 4: Estimated Traffic Demand from AEEs for New/Expanded RVs (Vehicle Trips per Unit per Day)

	RV Units			Aged Care Units/Beds		
Village Name	**Daily Avg**	**AM Peak**	**PM Peak**	**Daily Avg**	**AM Peak**	**PM Peak**
Ryman Kohimarama	3.07	0.17	0.20	1.54	0.08	0.10
Ryman Malvina Major	2.50	n/a	n/a	1.25	n/a	n/a
Summerset Waikanae	3.47	0.35	0.40	1.74	0.18	0.20
Waiiti Glenvar	2.97	0.17	0.07	1.48	0.08	0.04
Summerset Prebbleton	3.03	0.11	0.26	0.37	0.06	0.13
Oceania Melrose	3.50	n/a	n/a	1.75	n/a	n/a
Metlifecare Pakuranga	2.40	n/a	n/a	1.20	n/a	n/a
Median	**3.03**	**0.17**	**0.23**	**1.48**	**0.08**	**0.12**

According to Table 4, the average RV unit generates about three vehicle trips per day, with aged care units closer to 1.5 trips per unit per day. Given that TCC's DC policy assumes that an average new dwelling generates approximately 10 trips per day, these data strongly suggest that RV and aged care units generate significantly less traffic than average and hence that policy refinements may be appropriate.

4.4. Reserves and Community Facilities

The three submissions made by the RV stakeholders strongly argue that villages create very limited demand for Council-funded reserves and community facilities because:

- Residents are in their final life stages, and hence often have limited mobility and/or propensity to "leave the village" for recreational pursuits, and
- The villages also provide (often-extensive) recreational facilities and amenities for residents to enjoy onsite without the need to travel elsewhere.

While the AEEs don't appear to speak specifically to these points, it is useful to note that the transport figures quoted above support the claim that residents seldom travel offsite. In addition, we confirm that the various villages we reviewed for this exercise do indeed provide extensive onsite amenities that avoid the need for residents to travel offsite for recreational and social purposes. This is illustrated in the table below, which shows the range of amenities proposed for each new/expanded village in our sample.

Table 5: Planned Onsite Community Facilities at Proposed New/Expanded Villages

Village Name	Onsite Community Infrastructure
Ryman Kohimarama	Amenities include a bowling green, swimming pool, spa, gym, theatre, games room, library, and pool and darts room.
Ryman Malvina Major	Bowls, pétanque course, swimming pool, gym, bar, village lounge, library, café, hair salon
Summerset Waikanae	Amenities include a bowling green, café, restaurant, swimming pool, library, recreation centre, and cinema.
Summerset Prebbleton	Recreation and entertainment activities, a café, communal sitting areas; gymnasium, swimming pool, lounges, library, theatre/chapel, hair salon
Metlifecare Pakuranga	Activity and events spaces, lounges, gym, and pool
Ryman Karori	Indoor pool, spa, theatre, crafts room, gym, activities room, bowling green, library, pool and darts room, residents' workshop

In our view, the provision of these onsite facilities coupled with the generally lower mobility of residents – and hence their much lower travel demands -means that RV and aged care units are highly likely to place significantly lower demands on DC-funded reserves and community facilities than a typical household/dwelling.

5. Review of Other Information Sources

5.1. Introduction

Our final research task was to identify and review other information sources that may help us better understand the likely infrastructure demands of new or expanded RVs in Tauranga.

5.2. Participation in Sports (16-Year Trends)

In 2016, Sport New Zealand published a report on trends in sports participation over the past 16 years.[3] It found that weekly participation in sport and active recreation by peopled aged 65+ fell slightly from 68% in 1998 to 65.8% in 2014. When walking is excluded, the fall was more pronounced, with weekly participation in sport and active recreation for those aged 65+ dropping from 33.3% in 1998 to 27.5% in 2014.

Sport club membership is also on the decline, with the number of people aged 65+ that belong to one dropping from just under 50% in 1998 to just over 33% in 2014.[4]

Overall, fewer people are participating in sport and recreation over time, including older people.

5.3. Participation in Sports (2019 Snapshot)

In addition to the trends report noted above, Sport New Zealand has also published other (more recent) data on sport and active recreation participation, which provides a more up-to-date view into the likely infrastructure demands of older people.[5] While this report contains many interesting insights into the relatively sedentary lifestyle of older people living in New Zealand, the table below appears to provide the most detailed information that is relevant here. It shows the proportion of people of each age, gender, or ethnicity that have participated in each sport or activity during the 2019 calendar year. It shows, for example, that 39% of all respondents ran or jogged during the year, compared to only 2% of those aged 75+.

Overall, these data confirm that people aged 75+ are far less active than younger people. While data for peopled aged 80+ are unavailable, it seems safe to conclude – based on a simple extrapolation of these data – that their participation rates would be lower than those 75+. Finally, given that the recreational activities most commonly done by older people do not utilise Council-funded infrastructure (such as netball or tennis courts), it follows that they generate very low demands for DC-funded reserves and community facilities.

[3] *Sport and Active Recreation in New Zealand. The 16-Year Adult Participation Trends 1998 to 2014*

[4] On the flip side, gym membership rates increased slightly over the period for most (if not all) age groups.

[5] *Sport New Zealand. 2020. Active NZ 2019 Participation Report. Wellington*

Figure 1: Participation Rates by Age, Gender, and Ethnicity in 2019 (All respondents aged 18 or older)

Table 8: Proportion of those who have participated in each sport or activity in the 12 months prior among adults in 2019

%		Age						Gender		Ethnicity			
Participated 12 months	TOTAL	18–24	25–34	35–49	50–64	65–74	75+	Male	Female	European	Māori	Pacific	Asian
Walking	85%	88%▲	89%▲	89%▲	83%	79%▼	66%▼	80%▼	89%▲	86%▲	84%	84%	82%▼
Gardening	46%	25%▼	43%▼	50%▲	52%▲	53%▲	48%	42%▼	51%▲	50%▲	43%▼	36%▼	29%▼
Running / jogging	39%	71%▲	61%▲	49%▲	24%▼	6%▼	2%▼	40%▲	38%▼	38%▼	40%	48%▲	46%▲
Individual workout using equipment	38%	61%▲	50%▲	41%▲	31%▼	19%▼	13%▼	38%	38%	38%	43%▲	50%▲	38%
Swimming	34%	44%▲	42%▲	41%▲	29%▼	20%▼	11%▼	32%▼	36%▲	36%▲	35%	30%	27%▼
Playing games (eg, with kids)	32%	34%▲	44%▲	47%▲	20%▼	16%▼	6%▼	28%▼	35%▲	33%▲	36%▲	38%▲	25%▼
Day tramp	24%	34%▲	32%▲	28%▲	22%▼	11%▼	7%▼	24%	24%	27%▲	21%▼	12%▼	17%▼
Group fitness class (eg, aerobics, crossfit)	19%	29%▲	31%▲	22%▲	11%▼	8%▼	10%▼	11%▼	27%▲	20%▲	22%▲	24%▲	15%▼
Yoga	17%	23%▲	28%▲	21%▲	13%▼	6%▼	2%▼	9%▼	25%▲	18%▲	16%	14%	16%
Marine fishing	13%	12%	15%▲	15%▲	15%▲	9%▼	5%▼	19%▲	8%▼	15%▲	16%▲	9%▼	6%▼
Canoeing / kayaking	11%	16%▲	14%▲	14%▲	10%	4%▼	1%▼	12%▲	11%	13%▲	10%▼	7%▼	6%▼
Golf	11%	12%▲	12%▲	10%	10%▼	11%	7%▼	17%▲	5%▼	11%▲	10%	8%	7%▼
Road cycling	10%	9%	10%	12%▲	11%	9%▼	4%▼	11%▲	9%▼	11%▲	8%▼	7%	6%▼
Dance / dancing (eg, ballet, hip hop and so on)	10%	20%▲	14%▲	9%	7%▼	6%▼	4%▼	5%▼	15%▲	9%▼	12%▲	17%▲	13%▲
Surfing / body boarding	10%	14%▲	11%▲	14%▲	8%▼	3%▼	0%▼	11%▲	8%▼	11%▲	10%	8%	4%▼
Tennis	8%	13%▲	10%▲	10%▲	7%▼	3%▼	2%▼	9%▲	7%▼	9%▲	6%▼	6%	7%
Table tennis	8%	18%▲	9%	9%▲	6%▼	2%▼	2%▼	10%▲	6%▼	8%▼	7%	7%	13%▲
Overnight tramp	8%	12%▲	10%▲	9%▲	8%	3%▼	1%▼	9%▲	7%▼	9%▲	7%	3%▼	4%▼

▲▼ Significantly higher/lower than the total
Results are from 2019
Base: All respondents aged 18 and over

5.4. NZTA Household Travel Survey

The New Zealand Household Travel Survey measures New Zealander's travel patterns by asking everyone in randomly selected households to record their travel over 2 days.[6] The results offer valuable insights into how, when and why New Zealanders travel, including variations in travel propensity by respondent age. The following excerpts illustrate how the travel patterns of older people compare to the rest of the population.

[6] The survey has run in a range of forms since 1989, mainly focusing on a 2 day travel diary. In 2015, the methodology was changed to collect 7 days of travel information. However, in July 2018 we changed this back to 2 days to make it easier for participants and get better data quality.

Figure 2: Time Spent Travelling per Person per Week by Age (2018 - 2021)

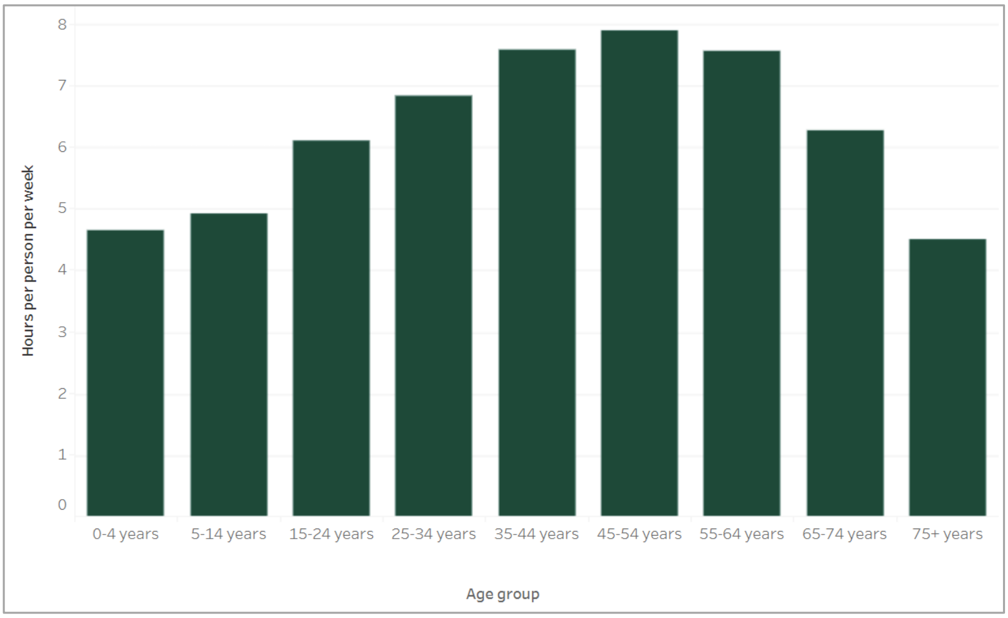
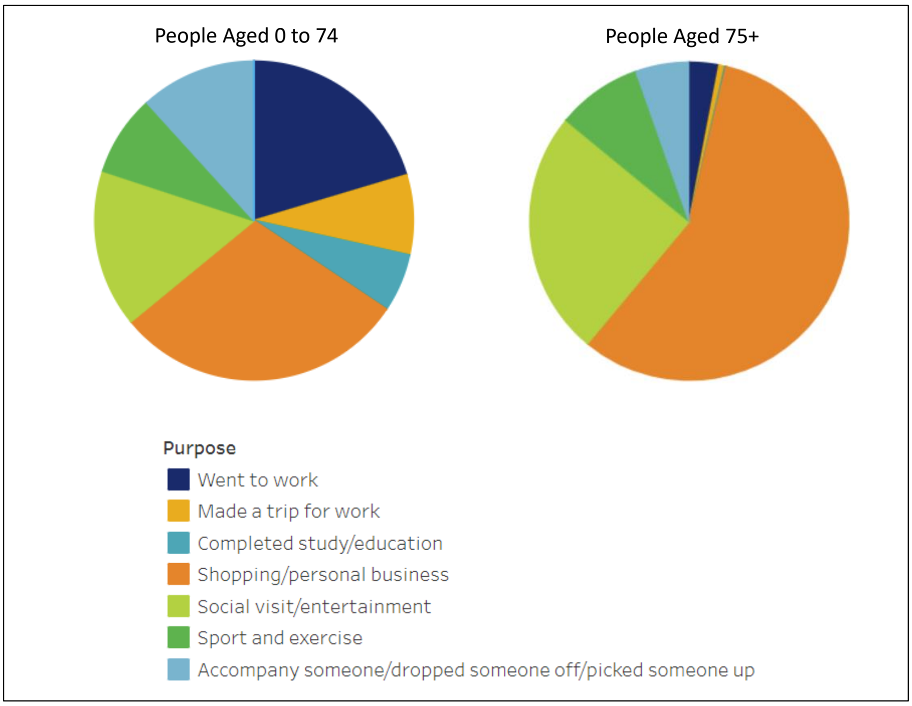


Figure 2 shows that people aged 75+ travel significantly fewer hours per week than younger people. In fact, the average for people of all ages is 6.6 hours per week compared to only 4.6 for those aged 75+.

Not only do older people travel less, but they also travel for different reasons. This is illustrated in the chart below, which compares the purpose of travel between people aged up to 75, and those aged 75 or older. Note that most travel by people aged 75+ is for discretionary reasons (i.e. non-work and non-school) which enables it to be undertake off-peak and thus minimise contributions to congestion during the busiest times.

Figure 3: Purpose of Travel by Age Group



While not shown in the charts above, this survey also shows that people aged 75 or over are more likely to have mobility issues that limit their willingness and ability to travel, including difficulties driving, walking, and taking public transport. Thus, overall, older people appear to place lower demands on the transport network than younger people.

5.5. Trip Generation Data

Trip generation data, which are used to estimate the traffic and parking demand associated with new developments, adds further context to the relative travel demands of people living in RV or aged care units. For example, the table below (from the 10th edition of the ITE Trip Generation Manual) shows that RV and aged units generate much lower PM peak travel demands than those living in a standard/detached dwelling.

INSTITUTE OF TRANSPORTATION ENGINEERS
COMMON TRIP GENERATION RATES (PM Peak Hour)

(Trip Generation Manual, 10th Edition)

Code	Description	Unit of Measure	Trips Per Unit	Setting/Location General Urban/ Suburban	Dense Multi-Use Urban
PORT AND TERMINAL					
30	Intermodal Truck Terminal	1,000 SF GFA	1.72		
90	Park-and-Ride Lot with Bus Service	Parking Spaces	0.43		
INDUSTRIAL					
110	General Light Industrial	1,000 SF GFA	0.63		
130	Industrial Park	1,000 SF GFA	0.40		
140	Manufacturing	1,000 SF GFA	0.67		
150	Warehousing	1,000 SF GFA	0.19		
151	Mini-Warehouse	1,000 SF GFA	0.17		
154	High-Cube Transload & Short-Term Storage Warehouse	1,000 SF GFA	0.10		
155	High-Cube Fulfillment Center Warehouse	1,000 SF GFA	1.37		
156	High-Cube Parcel Hub Warehouse	1,000 SF GFA	0.64		
157	High-Cube Cold Storage Warehouse	1,000 SF GFA	0.12		
160	Data Center	1,000 SF GFA	0.09		
170	Utilities	1,000 SF GFA	2.27		
180	Specialty Trade Contractor	1,000 SF GFA	1.97		
RESIDENTIAL					
210	Single-Family Detached Housing	Dwelling Units	0.99		
220	Multifamily Housing (Low-Rise)	Dwelling Units	0.56		
221	Multifamily Housing (Mid-Rise)	Dwelling Units	→	0.44	0.18
222	Multifamily Housing (High-Rise)	Dwelling Units	→	0.36	0.19
231	Mid-Rise Residential with 1st-Floor Commercial	Dwelling Units	0.36		
232	High-Rise Residential with 1st-Floor Commercial	Dwelling Units	0.21		
240	Mobile Home Park	Dwelling Units	0.46		
251	Senior Adult Housing - Detached	Dwelling Units	0.30		
252	Senior Adult Housing - Attached	Dwelling Units	0.26		
253	Congregate Care Facility	Dwelling Units	0.18		
254	Assisted Living	1,000 SF GFA	0.48		
255	Continuing Care Retirement Community	Units	0.16		
260	Recreation Homes	Dwelling Units	0.28		
265	Timeshare	Dwelling Units	0.63		
270	Residential Planned Unit Development	Dwelling Units	0.69		
LODGING					
310	Hotel	Rooms	0.60		
311	All Suites Hotel	Rooms	→	0.36	0.17
312	Business Hotel	Rooms	0.32		
320	Motel	Rooms	0.38		
330	Resort Hotel	Rooms	0.41		
RECREATIONAL					
411	Public Park	Acres	0.11		
416	Campground / Recreation Vehicle Park	Acres	0.98		
420	Marina	Berths	0.21		
430	Golf Course	Acres	0.28		
431	Miniature Golf Course	Holes	0.33		

New Zealand research paints a similar picture, with the oft-cited NZTA Research Report 453 – which presents data on trip and parking generation by land use type – shows that RV units generate average and peak daily travel demands that are about 75% lower than a standard dwelling.

6. Implications for the DC Policy

This section considers potential implications of our findings for TCC's DC policy.

6.1. Citywide DCs

TCC currently charges each development a citywide DC towards infrastructure that services all new residents and businesses regardless of where they work or live. The schedule below shows the current charge per standard residential dwelling excluding GST.

Table 6: Citywide DCs per Standard Dwelling ex GST

Asset Types	$/HEU ex GST	Shares
Water	$15,131	52%
Wastewater	$8,331	29%
Stormwater	$0	0%
Transport	$274	1%
Reserves	$522	2%
Community facilities	$4,933	17%
Total	**$29,191**	**100%**

Table 6 shows that more than 80% of citywide DC relate to the provision of bulk water and wastewater infrastructure, with a further 17% relating to community facilities. Transport and reserves account for the remaining 3%, with no citywide stormwater DCs applying.

In our view, and based on the information summarised and presented herein, we believe that there are compelling reasons to set conversion ratios as per the table below for the purpose of calculating citywide DCs on new or expanded RV developments.

Table 7: Proposed Conversion Ratios for Citywide DCs

Asset Types	RV units	Aged Care units
Water	0.50	0.40
Wastewater	0.50	0.40
Stormwater	0.50	0.40
Transport	0.20	0.10
Reserves	0.10	0.05
Community facilities	0.10	0.05

These proposed conversion ratios acknowledge that typical RV and aged care units generate approximately the same infrastructure demands as a small residential unit for the three waters activities, but that their demands for the other asset types are significantly lower due to:

- The older average age of residents;
- Their relatively limited mobility/activity levels;
- Their limited offsite travel; and
- The onsite provision of social and recreational amenities in lieu of Council-funded ones.

However, at the same time, new retirement village and aged care units do receive "non-use" benefits from new Council infrastructure by improving the amenity of the neighbourhoods in which they reside. In addition, new village and aged care units create network demands from employees and visitors that must be included. The likely overall impacts of these various factors on network demand are reflected in our proposed conversion ratios above.

6.2. Local DCs

In addition to citywide DCs, TCC also charges local DCs to recover the costs of infrastructure that are installed to service growth in discrete parts of the city, including new growth areas.

While we recommend that the proposed new conversion ratios shown in the table overleaf also apply to local DCs, we acknowledge that this is more complicated due to the different way that local DCs are charged. Specifically, while citywide DCs are charged on a per HEU basis, local DCs are charged per lot or per hectare. Accordingly, further work is required by the Council to consider whether or how the changes proposed above for citywide DCs are best given effect to for local DCs, if at all.

7. Summary and Recommendations

This report has considered whether or how TCC's DC policy should be refined to reflect the seemingly different infrastructure demands of retirement village and aged care units. Our review of various data sources suggests that, consistent with submissions received, such units do indeed materially lower demands for certain infrastructure types, namely transport, reserves, and community facilities. While we are clear that these differences should be reflected in changes to the application of citywide DCs, further work is required to understand the need for and/or merits of corresponding local DCs due to the differing way in which they are calculated and charged.

Financial Policies

Office Use Only: 41

Submission No: 28 **John Collyns**

Organisation: Retirement Villages Association of New Zealand

Wish to speak to the Council: No

Development and Financial Contributions Policy

19 April 2024

To: New Plymouth District Council
By email

Submission on New Plymouth District Council's Draft Development and Financial Contributions Policy 2024 on behalf of the Retirement Villages Association of New Zealand

1. The Retirement Villages Association of New Zealand (RVA) is a voluntary industry organisation that represents the interests of the owners, developers and managers of registered retirement villages throughout New Zealand. The RVA was incorporated in 1989 by a group of entrepreneurs to:

    1.1. represent the interests of retirement village owners, developers and managers;
    1.2. develop operating standards for the day-to-day management of retirement villages; and
    1.3. protect their residents' wellbeing.

2. New Zealand has more than 460 registered retirement villages and 96% by unit number are members of the RVA. The RVA's members include all five publicly-listed companies (Summerset Group, Ryman Healthcare, Arvida Group, Oceania Healthcare, and Radius Residential Care Ltd), other corporate groups (such as Metlifecare, Bupa Healthcare, Arena Living, independent operators), and not-for-profit operators (such as community trusts, religious and welfare organisations).

3. The RVA welcomes the opportunity to provide feedback to the New Plymouth District Council on its Draft Development and Financial Contributions Policy 2024.

4. Retirement villages play a key role in addressing the housing crisis, and the retirement living and aged care crises. Retirement village developments have a higher population density than traditional residential development. The development of affordable retirement village dwellings, such as those provided by RVA members, reduces land demand pressure and makes further residential housing available as new village residents release their properties to the market.

5. This increase in housing supply helps to relieve pressure on the housing market and contributes towards improved housing affordability in the long term. Affordable housing and the realistic prospect of home ownership for younger generations provides the opportunity for more secure accommodation than renting, and long-term investment opportunities.

6. Retirement villages also have benefits in reduced transport demand from residents, consequential reductions in the use and demand for infrastructure, and climate benefits resulting from the overall density of villages and the aforementioned transport benefits.

7. The RVA wishes to express its support for the submission of Summerset Group Holdings Limited in its entirety. The RVA requests the New Plymouth District Council engages constructively with Summerset in relation to the Draft Development Contributions Policy.

Signed: 

On behalf of the Retirement Villages Association of New Zealand

Date: 19 April 2024

Address for Service:

The Retirement Villages Association of New Zealand
PO Box 25-022
Wellington 6146

Contact's Details:

Attention: John Collyns
Email: john@retirementvillages.org.nz

Financial Policies

Office Use Only: 42

Submission No: 29 **Justin Walker**

Wish to speak to the Council: No

Development and Financial Contributions Policy

I do not support catchment areas with specific DC's as this will not encourage development in these areas. It will strangle development with the high DC fees making development unviable. I support a standard fee across the entire district which will even out the DC and ensure development in all areas affordable. Revenue will also be generated quicker with higher DC's collected more often.