NEW ZEALAND INSTITUTE OF SURVEYORS
Te Ropu Kairuri o Aotearoa

DRAFT LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

SUBMISSION TO CHRISTCHURCH CITY COUNCIL

Submission:

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New Zealand Institute of Surveyors wishes to be heard in support of its submission.

Reserve Contribution Policy

It is noted that Christchurch City Council has decided to establish its reserve contribution policy within the provisions of the Local Government Act 2002. Section 203 of the LGA requires that development contributions for reserves must not exceed the greater of:

"(a) 7.5% of the value of the additional allotments created by a subdivision; and
(b) the value equivalent of 20 square metres of land for each additional household unit created by the development."

The historical background to reserve contributions as set out in Appendix 1, Page 79, Volume 3 concludes that:

"contributions towards reserve within Christchurch City have been able to be required at a rate of at least 7.5% of the land being subdivided (cash or land) since the 1800's. In many circumstances, more has been able to be required (10% or 130m²). The Council has generally required the maximum allowable contribution to be provided for reserves in Christchurch City. This has resulted in the level of reserves - open space, amenity plantings, recreation opportunities, etc - that the City's residents currently enjoy and expect to be able to continue to enjoy."

In general, we believe that under the Local Government Amendment Act 1979 an appropriate level of reserves have been set aside within residential subdivisions (7½% or 130m²) and we submit that the Council should generally continue to require vesting of reserve land within subdivisions wherever possible.

We are very concerned that the Council may make a practise of dispensing with reserves within new subdivisions and simply *"take the cash"* to purchase and develop reserves elsewhere. We believe strongly that most larger subdivisions (say 40 lots or greater) require recreational reserves within the subdivision and that residents expect a neighbourhood reserve nearby. The practise of taking reserve contribution in cash should, in general, be limited to situations where the subdivision

or development is already adequately served by reserves or the provision of reserves is impracticable. The temptation of the Council to require a cash contribution for larger subdivisions (where the cash contribution would be substantial) should be avoided at all cost and we would urge the Council to take a responsible stance on this matter.

Basis of Valuation to Calculate Land Equivalent

We are very concerned about the method the Council intends to use to determine the value of land when land is vested rather than cash contribution.

We strongly object to the basis of valuation to calculate land equivalent (4.1.8.4, Page 73, Volume 3). The requirement is that the Council will appoint a registered valuer to provide an undeveloped land value for the land to vest as reserve and this value should then be reconciled with the cash value of the contribution based on developed allotments as described in the formula in 4.1.8.2. This method is fundamentally flawed as the Council is proposing to establish a cash value based on developed lot values and then apply that cash value to acquire reserve land at undeveloped land rates. This method is unreasonable and unjustified and will enable the Council to acquire land at a vastly greater rate than the present 130m² per lot. Furthermore, the method is clearly ultra vires as the value of the land acquired would be substantially greater than the maximum permitted value of 7.5% of the developed lots.

The proposed method will introduce disparity in the amount of reserve land required for various subdivisions, depending on the undeveloped land value. We believe this is inequitable and that there is an expectation within the community that the amount of reserves to be provided should be consistent (regardless of the value of the undeveloped land or its relationship to developed lot values).

We submit that the value of the land to vest as reserve must be assessed at *"fair market value"* having regard to the enhancement of the land through the subdivision works carried out by the developer. Once land has been zoned for development purposes, its value should be based on development potential, taking into account the potential realisation from sale of allotments and then deducting construction and other associated costs that would be incurred in developing the subdivision. This produces a block value for the reserve land substantially higher than *"undeveloped land"* value. The *"undeveloped land"* value at which a developer purchases a block is obviously cheaper than this because in its undeveloped state no roading or services have been provided.

Appointment of Registered Valuer

Clauses 4.1.8.3 and 4.1.8.4 (Pages 72-73, Volume 3) state that the Council will appoint a registered valuer to provide valuations to apply to the formula in 4.1.8.2 but there is no ability for the subdivider to contest the valuation. We object to the fact that there is no means for the subdivider or developer to challenge the valuation established by the Council's valuer. We are strongly of the view that all valuations must be contestable before being applied to the reserve contribution formula. In the event of any dispute, the valuation should be determined through arbitration and could easily be arbitrated between the granting of subdivision consent and issuing of Section 224 certificate.

Maximum Rate of Contribution - 4.1.8.2

We are concerned that for rural allotments the value shall be based on *"the equivalent value of a house site of 1000m² within each allotment"* and how such a valuation can be determined when there are no such properties for sale in the market place to provide valuation comparisons. How can a valuation be established for a 1000m² portion of a rural lot?

We object to the five year limit imposed between creation of the allotment and construction of the building (or vice versa) beyond which time no credit applies for reserve contribution previously provided. We request that the five year limit be deleted.

We object to the requirement for:

"Cash equivalent of the value of 2m² of land for each additional 100m² of new, net, non-residential, building floor area created, at the time of building consent, less any contribution made at the time of previous subdivision."

We request that this requirement be deleted on the basis that reserve contribution has already been provided and non-residential developments do not create demand to justify any additional reserves.

Mean Value of Allotments

We object to 4.1.8.3 where presumably all individual allotment values will be used to determine a mean value to be applied to the formula in 4.1.8.2. There are often situations where it is inappropriate to apply a mean value of all the lots, such as when balance allotments substantially larger and more valuable than other allotments are included in the subdivision, or where the purpose of the allotment is for on-sale and development and it is not appropriate to impose reserve contribution. Such allotments should be excluded from the mean value calculation.

Remissions

We support the philosophy of granting remissions from reserve contribution where certain criteria have been met (Page 85, Volume 3). However, we are concerned about many of the criteria, that some of the requirements are either inappropriate or too onerous, and that the Council has too much discretion in considering which of the criteria may qualify a particular subdivision for a remission.

With regard to development works undertaken to form and develop a reserve, there is concern at the basic development standards (Page 81, Volume 3) above which the Council will not grant remission. We believe some of the requirements are overly prescriptive and in some cases inappropriate. For example:

"2. Planting of specimen trees that attain a mature height of at least 15 metres and are a minimum of 2 metres in height at the time of planting, between 10 and 15 metres apart, over 30% of the total area."

Hence if trees are not spaced between 10 and 15m apart the work does not qualify for remission. Or if specimen trees are chosen that grow to less than 15m height no remission is granted. These requirements are too prescriptive.

Under Surface Water Management (Page 86, Volume 3) the words *"through fulfilment of some or all of the following circumstances"* suggest that the Council may decide only a small number of the listed items need to be addressed to qualify a particular subdivision for a 20% remission, or then again it could require that all of the criteria be met. This is far too arbitrary.

Some of the criteria listed under Surface Water Management (pages 86-87) appear more as a *"wish list"* setting out how the Council wants to see reserves designed generally, rather than specifically relating to surface water management reserves. For example, we submit that most of the *"location"* criteria have no particular relevance to surface water management and the following should be deleted (page 86):

Being land:

- *of at least 200m wide fronting a local street which immediately adjoins a living zone or zones.*
- *adjoining or linking through to existing land for open space and recreation purposes.*
- *within 5-10 minutes walk from both the living and business areas they are intended to serve.*
- *which, for district parks, is within 400m walking distance of the nearest bus stop.*
- *safely accessed by pedestrians via an on-site public car-park, or an immediately adjoining public car-park, or a pedestrian crossing or pedestrian islands on the road or roads immediately adjoining it.*
- *located in an area of low rural and/or urban amenity values and/or bio-diversity.*

We submit that none of these criteria relate to surface water management reserves any more than they relate to recreation reserves in general, and that remissions from reserve contribution should be granted in respect of <u>all</u> reserves meeting the location criteria, not just surface water management reserves.

Notwithstanding the above, we submit that the requirement that a reserve must have at least 200m frontage to a local street to qualify for remissions is excessive. We request that this requirement be amended along the lines *"where the profile of the reserve is enhanced with substantial frontage to a street adjoining a living zone"* then remissions should apply.

The design criteria listed for both Surface Water Management (page 87) and Esplanade Reserves or Strips (Page 88) includes *"on which there is good visual and a physical separation of at least 5m between paths and tracks and the waterway"*. We believe that paths can be successfully designed well within 5m of a waterway, as is evidenced by paths and boardwalks throughout the oity. We request that this requirement be deleted.

We submit that the maximum remissions on development contributions for open space and recreation are too low (Page 85, Volume 3). We request that remission of *"up to 20% in all other circumstances"* be increased to 30%. We also note that *"a combined total of 50%"* remissions will be too low for a subdivision or development that meets several remission criteria (existing allotments and buildings, surface water management, esplanade reserves or strips, heritage items,

vegetation/trees, natural features/ecology/habitats, artworks in public places, social/affordable housing).

Submitted by

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On behalf of New Zealand Institute of Surveyors
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