

Recommended Changes to the Development Contributions Policy as made by the Working Party

Recommendations to be made regarding the Capital Works Programme:

- Concern expressed that the capital works programme would not deliver what it promised within the next ten years. A comment was made that the members would like the Council to explain what will be done over the next ten years and how these things will be allowed to happen.
- Errors in terms of allocations and funding were noted. Suggestion that a process be put in place to ensure the community can have confidence in the programme.
- Concern expressed over the documents at the disposal of the asset team when preparing the capital works programme as some members felt the City Plan was out of date and the UDS document was only half complete. A member of the council staff advised that even if there was agreement that the City Plan was in need of revision, it is not a prescriptive document but is an enabling document and what is currently in place in the plan is considered law. The City Plan also does not create a development blue print; development can go in any number of directions. The LGA/LTCCP/DCP now provides the long term planning outside the RMA.
- Desire expressed for the Council and industry to have a better shared understanding of what influences and shapes the capital works programme.
- Suggestion made that developers be given the option to undertake work on their own to suit their own programme.
- Noted that many from the development community don't see what services the programme is planning for.
- Suggestion that the availability of private developer agreements be more clearly acknowledged, and clear guidelines/ protocols put in place around when and how they can be used.
- Suggestion that there be more flexibility within the capital works programme so that different works and opportunities can be incorporated.
- Agreed that there should be ongoing interaction between the Council and the development community in between annual plans so as to avoid surprises.
- Recommendation that a series of quarterly meetings between the Property Council or developer group and the City Council be put into place leading up to the LTCCP review of development contributions.
- Proposal made by a member that the information found in the UDS document outlining the projects for intensifications could be included in the policy instead of being a separate document.

- Recommendation for more detail, in the form of protocols, regarding private developer agreements. There was a debate around whether these should strictly cover things already in the programme or should allow for things not currently covered in the programme.
- The rule for private developer agreements should be fleshed out to make it easier to understand and apply. Noted that it doesn't matter if this section falls under the capital works programme or methodology.
- Comment made that in the past developers were able to recover extra over costs however the new policy has done away with extra overs. Staff advised that in this case developers would be repaid for putting in an extra service but would also have to pay development contributions.
- Regarding the above topic, it was agreed that the members did not have a problem with this area however they did feel a need for more detail to be put into the policy about it. They stated they would like clarification on how this system works and then provided with a measure of reassurance.
- Request, in respect of projects programmed/not programmed within the ten year plan, that since "not programmed" projects will eventually be in the capital works programme, a mechanism be put in place so that developers can talk about them now.
- Request that a mechanism for the Council to interact with developers outside of the annual process (possibly via the quarterly basis suggested) be put in place. If this group is formed the Council should agree to work with and recognise them.
- Recommendation made that a mechanism be put in place so that a new owner has the ability to access all the asset planning that has occurred in that area in the past as a part of ongoing proactive planning.
- Recommendation made that the planning department recognise that part of their role is intelligence gathering. A suggestion was added to this recommendation that the individuals responsible for this be put on a quota system in terms of public input from developers.
- As an alternative, recommendation that the Council have area development officers whose responsibility it is to get strategic information on areas of development and make sure that information is then strategically passed through to the asset plans.
- Recommendation that there is a strong need for accuracy of numbers in calculations, inputs and allocations in terms of growth.
- Agreed there was a need for background information on why certain points have been funded for growth.
- Need expressed for a greater focus on clarity and detail.
- Agreed it would help for it to be acknowledged that the programme is available to the public.

Recommendations to be made regarding Methodology issues:

- Recommendation by a member that the Council should see the policy as a judgement call rather than a mathematical calculation.
- Recommendation for a greater clarity in the changing levels of service and demand. In terms of levels of demand, the Council should make a judgement call on how much to recover from the development community.
- Agreed that a recommendation be made that the Council decide what is included in growth, how it should be defined and whether growth has been reasonably charged to development.
- Recommendation that the Council objective be “obtain fair and reasonable contributions for additional growth demand for infrastructure, reserves and community infrastructure from development that generates that additional demand”.
- Recommendation that the Council be satisfied that it’s reasonably fair to charge developers (noted that it cannot be fair and reasonable if always 100%).
- Suggestion that guidelines are needed to help the Council reach a decision on what would be considered “fair and reasonable”; the legal tests in the LGA need to be met.
- Agreed that the example figure of 20m² is not fair or reasonable.
- Suggestion that the “fair and reasonable” test be applied at a more macro level.
- The Council should consider the likely impacts on Christchurch compared to neighbouring areas. Recommendation that the Council refer to what other relevant councils are doing.
- Recommendation that the Council should look at the impact of charging less with regard to how the city would then look, as opposed to just comparing the % to neighbouring regions.
- Noted that there be consideration of the fact that the policy is being read in an environment of competition.
- The impact of the policy is something the Council should consider.
- Recommendation that the Council look at other sources of recovery and consider alternative charges.
- Recommendation that there be consideration given to the way in which HUE’s are built up (applying a factor relating to size).
- Recommendation that there be a clear process for acknowledging/determining credits on the site in advance of demolition.
- Recommendation that historic credits allow for subdivisions that don’t add new buildings or demand.
- Question as to whether the difference between the 04 and 06 transition policies was reasonable.

- Recommendation that all titles (or consents applied for DC's paid) created before 1 July 07 should have one HUE credit or the non residential equivalent.
- Recommendation that Appendix 5 needs further explanation to support figures (perhaps as a background statement).
- Recommendation to re-visit the definition of "undeveloped" and "developed", possibly using new definitions, around "vacant lot" suggested by a member.
- Recommendation that the impact of the 10% sliding scale (page 12) on property purchases be re-visited (noted that if the one HUE credit option noted three bullets above is adopted, the sliding scale would have to be removed as part of that amendment).
- Recommendation that the methodology should include a discount to allow for uncertainty/credit-subsidisation.

Recommendations to be made regarding Incentives/Remissions:

- Grants be given for heritage buildings as incentives are not there for them.
- Private developer agreements may be a possible solution to the heritage issue.
- Point made that it is unreasonable to expect that a developer deliver a high quality product with no benefit.
- Transactions should be considered as opposed to remissions.
- Council create guidelines for minimum standards as they are not currently up to “Garden City” quality.
- Recommendation made that the remissions policy not be built back into LTCCP.
- Quality should be the main driver in the policy.

Recommendations to be made regarding Reserves:

- Suggestion that there be a move from valuation based charge to HUE based charge.
- Recommendation that reserves charges be calculated on a more consistent basis as others and be moved to a cost based methodology.
- There should be better feedback into the actual plan cycle. The mechanics need to be refined and worked out.
- Point that it is artificial to describe reserves in isolation. Use of combined needs and outcomes seen as a critical factor to consider.
- Suggestion that 7.5% seen as a blunt instrument.
- Recommendation that in light industrial or business areas there should be 100% remission as a trade off against reserves.
- Recommendation made that one way of addressing the anomaly between 20sqm's and 7.5% would be to move away from the 7.5% historical way of calculating reserves contributions to something that was cost per HUE.
- Recommendation that any industrial blocks which provide waterway/greenspace but seen as form of reserves and given some sort of concession.
- The dual purposes of Henderson's Basin should be recognized in the capital works programme.

Recommendations to be made regarding Other TLA's:

- Suggestion that the Council staff setting the DCP ought to have regard to what other councils are doing (Selwyn and Waimak, for example).
- A concern from the UDS: Selwyn and Waimak cannot exist is current trends for development take place in their districts as it is in the city. Recommendation that alignment take place.
- Noted that currently districts on the periphery of Christchurch use a different system for calculating DC levies. This brings up the issue of who has it right. The fundamental difference in approaches should be considered. If there is a view that the approach used in Christchurch is inferior than it should be amended.

Recommendations to be made regarding Transitional funding/Timing:

- Suggestion that the policy be simplified to gain better clarity and certainty.
- Timing of payments and assessment issues should be addressed.
- The portion on subdivision of residential lots should be taken out of the policy.
- The amalgamation of Banks Peninsula should be addressed in better detail.
- Recommendation that one HUE per lot makes sense for both residential and non residential lots going forward. Council should be aware of the impacts, including legal impacts, of this.