



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

COUNCIL

**9:00 AM - ADOPT DRAFT LONG TERM PLAN
2024-2034, WEDNESDAY 3 APRIL 2024**

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Grant Smith (Mayor)	
Debi Marshall-Lobb (Deputy Mayor)	
Mark Arnott	Leonie Hapeta
Brent Barrett	Lorna Johnson
Rachel Bowen	Billy Meehan
Vaughan Dennison	Orphée Mickalad
Lew Findlay (QSM)	Karen Naylor
Roly Fitzgerald	William Wood
Patrick Handcock (ONZM)	Kaydee Zabelin

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

Te Marae o Hine | 32 The Square
Private Bag 11034 | Palmerston North 4442 | New Zealand
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CITY

COUNCIL MEETING

3 April 2024

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

4. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

5. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other matters.

6. **Confirmation of Minutes** Page 7
"That the minutes of the ordinary meeting of 6 March 2024 Part I Public be confirmed as a true and correct record."

7. **Correction of Minutes 13 December 2023** Page 23

REPORTS

8. **Draft 2024 Development Contributions Policy - Approval for Consultation** Page 25

Memorandum, presented by Jono Ferguson-Pye, City Planning Manager and David Murphy, Chief Planning Officer.

9. **Adopting the 2024-34 Long-Term Plan Consultation Material** Page 149

Memorandum, presented by David Murphy - Chief Planning Officer, Cameron McKay - Chief Financial Officer and Chris Dyhrberg - Chief Infrastructure Officer.

10. **Featherston Street Safety Improvements - Additional NZ Transport Agency Waka Kotahi Streets for People External Funding** Page 163

Memorandum, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

11. **Alternative Use of Speed Management Funds** Page 167

Memorandum, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

12. **Fast-Track Approval Bill - Palmerston North City Council Submission** Page 171

Memorandum, presented by James Miguel, Senior Transport Planner.

13. **External Funding & Commercial Revenue - Business Assurance Review** Page 179

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Fiona Dredge, Commercial Advisory Manager.

- 14. Mihara, Japan visit 2023** Page 193
Memorandum, presented by Councillor Vaughan Dennison.

- 15. Council Work Schedule** Page 199

RECOMMENDATIONS FROM COMMITTEE MEETINGS

- 16. Presentation of the Part I Public Risk & Assurance Committee Recommendations from its 6 March 2024 Meeting** Page 203
"That the Committee's recommendations be adopted or otherwise dealt with."

- 17. Presentation of the Part I Public Sustainability Committee Recommendations from its 13 March 2024 Meeting** Page 205
"That the Committee's recommendations be adopted or otherwise dealt with."

- 18. Presentation of the Part I Public Community Committee Recommendations from its 20 March 2024 Meeting** Page 207
"That the Committee's recommendations be adopted or otherwise dealt with."

- 19. Karakia Whakamutunga**

- 20. Exclusion of Public**

To be moved:

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
21.	Minutes of the ordinary meeting - Part II Confidential - 6 March 2024	For the reasons setout in the ordinary minutes of 6 March 2024, held in public present.	
22.	Environmental Health Contract-Follow up	THIRD PARTY COMMERCIAL: Disclosing the information could harm a company's commercial position	s7(2)(b)(ii)
23.	Contact Centre Progress Review - Quality Assurance Report	COMMERCIAL ACTIVITIES: This information needs to be kept confidential to allow Council to engage in commercial activities without prejudice or disadvantage	s7(2)(h)
24.	Employee Life Cycle - Business Assurance Review	THIRD PARTY COMMERCIAL: Disclosing the information could harm a company's commercial position and NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings	s7(2)(b)(ii) and s7(2)(i)
25.	Tender Award - Wyndham Street, Ashhurst Upgrade	THIRD PARTY COMMERCIAL: Disclosing the information could harm a company's commercial position	s7(2)(b)(ii)
26.	Part IIB Review of Chief Executive Six Month Performance	PRIVACY: This information needs to be kept private to protect personal information that is confidential or sensitive. This includes people who are no longer alive	s7(2)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

PALMERSTON NORTH CITY COUNCIL

Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 06 March 2024, commencing at 9.02am

Members Present: Grant Smith (The Mayor) (in the Chair) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, Karen Naylor and William Wood

Apologies: Councillor Rachel Bowen, Councillors Kaydee Zabelin (late arrival) and Lorna Johnson (late arrival).

Councillor Lorna Johnson entered the meeting at 9.15am during consideration of clause 24-24. She was not present for clauses 22-24 to 23-24 inclusive.

Councillor Kaydee Zabelin entered the meeting at 9.31am during consideration of clause 24-24. She was not present for clauses 22-24 to 23-24 inclusive.

Councillor Billy Meehan entered the meeting at 9.35am during consideration clause 24-24. He was not present for clauses 22-24 to 23-24 inclusive.

Karakia Timatanga

Deputy Mayor Debi Marshall-Lobb opened the meeting with karakia.

22-24 Apologies

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive the apologies.

Clause 22-24 above was carried 12 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, Karen Naylor and William Wood.

Declarations of Interest

The Deputy Mayor Debi Marshall-Lobb declared a conflict of interest in item 10 (page 303), Approval for international travel expenses (clause 27-24), she took no part in the debate.

23-24

Confirmation of Minutes

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That the minutes of the ordinary meeting of 14 February 2024 Part I Public be confirmed as a true and correct record.

Clause 23-24 above was carried 12 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Orphée Mickalad, Karen Naylor and William Wood.

REPORTS

24-24

Fees and Charges Review

Report, presented by Steve Paterson, Strategy Manager Finance and Cameron McKay, Chief Financial Officer

Councillor Johnson entered 9.15am.

Councillor Zabelin entered 9.31am.

Councillor Billy Meehan entered at 9.35am.

Officers noted there were several minor corrections to the budgets since the draft was approved for audit. The corrected figures have been used as the base for the calculations of fees and charges in this report.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

1. That Council receive the report titled 'Fees and Charges Review', presented on 6 March 2024, and note the current status of fees and charges.

Clause 24.1-24 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned at 10.43am
The meeting resumed 11.01am

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

Trade Waste

2. That Council agree for consultation the proposal of updated fees and charges for Trade Waste services effective from 1 July 2024 as attached in Appendix 2 and authorise the Chief Executive to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002.

Clause 24.2-24 above was carried 13 votes to 1, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillor Brent Barrett.

Abstained:

Councillor Leonie Hapeta.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

Planning & Miscellaneous

3. That Council agree for consultation the Statement of Proposal (and the associated summary) of updated fees and charges for Planning Services and Miscellaneous Services effective from 1 July 2024 as attached in Appendix 3, and authorise the Chief Executive to undertake the necessary consultative process under sections 83 and 150 of the Local Government Act 2002.

Clause 24.3-24 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William

Wood and Kaydee Zabelin.

Against:

Councillor Brent Barrett.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

Building

4. That Council agree the fees and charges for Building Services, as proposed in Appendix 4 for public notification to take effect from 1 July 2024.

Clause 24.4-24 above was carried 13 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Brent Barrett and Karen Naylor.

Moved Grant Smith, seconded Lorna Johnson.

Officers made an addition to the recommendation to include 'noting that the overall setting sits above the policy limits at 41%'. It is a legal requirement that council note this if the setting sits outside its policy setting which is currently 39%.

RESOLVED

Environmental Health

5. That Council agree the fees and charges for Environmental Health Services (in terms of regulation 7 of the Health (Registration of Premises) Regulations 1966) as proposed in Appendix 5, for public notification to take effect from 1 July 2024, noting that the overall setting sits above the policy limits at 41%.

Clause 24.5-24 above was carried 13 votes to 1, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

Councillor Brent Barrett.

Abstained:

Councillor Leonie Hapeta.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

Animal Management

6. That Council agree the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) as proposed in Appendix 6 - Attachment A for public notification to take effect from 1 July 2024.

Clause 24.6-24 above was carried 12 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillors Mark Arnott, Brent Barrett and Karen Naylor.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

7. That Council amend the draft Revenue and Financing Policy to include a change to the target revenue band for fees and charges for animal management from High (80-100%) to Medium/High (60-79%).

Clause 24.7-24 above was carried 12 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad and Kaydee Zabelin.

Against:

Councillors Vaughan Dennison, Karen Naylor and William Wood.

Moved Grant Smith, seconded Lorna Johnson.

RESOLVED

Burial & Cremation

9. That Council agree the fees and charges for Burial and Cremation, as proposed in Appendix 7 for public notification to take effect from 1 July 2024.

Service Connections

10. That Council agree the fees and charges for Service Connections, as proposed in Appendix 8 to take effect from 1 July 2024.

Resource Recovery

11. That Council agree the changes to fees and charges for Resource Recovery, as proposed in Appendix 9, to take effect from 1 July 2024, and specifically:

11.1 Increase the maximum retail price for rubbish bags from \$2.90 to \$3.80 (60L) and from \$2.20 to \$2.80 (40L);

12. That Council authorise Chief Executive to determine appropriate fees and charges if additional recyclable materials are to be accepted by the Council before the next annual review.
13. That the charge for End of Life Tyres cease from 1 September 2024, if the Council's Awapuni site becomes a registered site for the purposes of the Tyrewise Stewardship Scheme, or such other date as the scheme becomes operative.

Parks and Reserves

14. That Council agree the fees and charges for Parks and Reserves as proposed in Appendix 10 to take effect from 1 July 2024.

Backflow Prevention

15. That Council agree the fees and charges for Backflow Prevention testing and maintenance as proposed in Appendix 11 to take effect from 1 July 2024.

Corridor Access Request

16. That Council agree the fees and charges for Corridor Access Requests as proposed in Appendix 12 to take effect from 1 July 2024.

Parking

17. That Council increase the charge for metered parking from \$1.70 per hour to \$2.00 per hour effective from 1 July 2024 or the most practical day immediately thereafter.
18. That Council increase the revenue budget for metered parking for 2024/25 and beyond by \$450,000 with a consequential reduction in rates of the same amount.

Clauses 24.9-24 to 24.18-24 above were taken together and carried 13 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Against:
Councillors Billy Meehan and William Wood.

Moved Karen Naylor, seconded Brent Barrett.

Note:

On an amendment to resolution 2 (clause 24.2-24) above: That Council agree for consultation the proposal of updated fees and charges for Trade Waste services effective from 1 July 2024 as attached in Appendix 2 **subject to amending the increase to a minimum of 10% for each category level** and authorise the Chief Executive to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002.

The amendment was lost 3 votes to 11, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Vaughan Dennison and Roly Fitzgerald.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Lew Findlay, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Abstained:

Councillor Leonie Hapeta.

Moved Karen Naylor, seconded Brent Barrett.

Note:

On an amendment to resolution 4 (clause 24.4-24) above: That Council agree the fees and charges for Building Services, as proposed in Appendix 4 (**subject to amending the increases to achieve a 10% increase across this activity**) for public notification to take effect from 1 July 2024.

The amendment was lost 4 votes to 11, the voting being as follows:

For:

Councillors Brent Barrett, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan and Orphée Mickalad.

Moved Karen Naylor, seconded William Wood.

Note:

On a motion under Environmental Health: That the Revenue and Financing Policy (Funding source proportions for operating costs) be amended for Public Health to be User Fees and Charges: Medium (40-59%) and General Rates: Medium (40-59%).

The motion was lost 6 votes to 8, with 1 abstention, the voting being as follows:

For:

Councillors Vaughan Dennison, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Lew Findlay, Roly Fitzgerald, Patrick Handcock and Lorna Johnson.

Abstained:

Councillor Leonie Hapeta.

Moved Karen Naylor, seconded William Wood.

Note:

On an amendment to resolution 6 (clause 24.6-24): That Council agree the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) **are as follows: 15% increase from 2023/24 for Dog Registration Fees, and 30% increase from 2023/24 for all Pound fees except Adoption fee which will be \$559.** For public notification to take effect from 1 July 2024.

The amendment was lost 5 votes to 10, the voting being as follows:

For:

Councillors Vaughan Dennison, Leonie Hapeta, Billy Meehan, Karen Naylor and William Wood.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Lorna Johnson, Orphée Mickalad and Kaydee Zabelin.

Meeting adjourned 12.08pm

Meeting resumed 1.11pm

25-24

Adoption of the draft 2024 Palmerston North Future Development Strategy for public consultation

Memorandum, presented by Sam Dowse, Senior Planner and Rebecca Bell, Consultant.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council adopt the draft 2024 Palmerston North Future Development Strategy (Attachment 1) for public consultation.
2. That Council authorise the Mayor (Chairperson of the Palmerston North Future Development Strategy Joint Steering Group) and Chairperson of Horizons Regional Council to make minor amendments to the draft Palmerston North Future Development Strategy prior to public consultation.
3. That Council adopt the draft 2024 Future Development Strategy Statement of Proposal (Attachment 2) for public consultation.

Clause 25-24 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

26-24

Director Vacancy - Central Economic Development Agency

Memorandum, presented by Hannah White, Democracy & Governance Manager and David Murphy, Chief Planning Officer.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council agree to extend Margy Maré's term to 17 December 2024 (Option 1), noting the reason for the deviation from the CEDA Appointment of Directors Policy being this will enable a single fair appointment process in 2024.
2. That Council officers will advertise for two Director positions in mid-2024 to be appointed by 18 December 2024.

Clause 26-24 above was carried 12 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad and William Wood.

Against:

Councillors Brent Barrett, Karen Naylor and Kaydee Zabelin.

27-24

Approval for international travel expenses- Deputy Mayor Marshall-Lobb

Memorandum, presented by Hannah White, Democracy and Governance Manager.

Moved Grant Smith, seconded Brent Barrett.

RESOLVED

1. That Council approve the Deputy Mayor to travel on Council business to China from 11 April 2024 to 25 April 2024 to join the World Class Education delegation to Hefei, China.
2. That Council agree to cover up to a maximum of \$400 travel costs

associated with the Deputy Mayor's visit to China.

Clause 27-24 above was carried 14 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Note:

Deputy Mayor Debi Marshall-Lobb declared a conflict of interest. She answered questions, then withdrew from the discussion and sat in the gallery.

28-24

Remit proposal from Palmerston North City Council for Local Government New Zealand Annual General Meeting 2024

Memorandum, presented by Hannah White, Democracy and Governance Manager.

Councillor Lorna Johnson spoke to the first motion.

Councillor Roly Fitzgerald spoke to the second motion. He amended the title and opening statement.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Palmerston North City Council seeks support from Zone 3 and other councils to put forward Attachment 1: 'Community Services Card' to the Local Government New Zealand 2024 remit process.

Clause 28.1-24 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

2. That Palmerston North City Council seeks support from Zone 3 and other councils to put forward Attachment 2: "That LGNZ lobbies central government to ensure that Māori Wards and constituencies are treated the same as all other wards in in that they should not be subject to a referendum" to the Local Government New Zealand 2024 remit process.

Clause 28.2-24 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Against:

Councillor William Wood.

29-24 Council Work Schedule

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive its Work Schedule dated 6 March 2024.

Clause 29-24 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

RECOMMENDATIONS FROM COMMITTEE MEETINGS

30-24 Economic Growth Committee Part I Public - 15 and 28 February 2024

Consideration was given to Economic Growth Committee recommendations below.

The Chair added the following wording to recommendation Proposed Bus Shelter: 165 James Line, Kelvin Grove (clause 9-24): 'subject to no objection from 163 James Line'. The proposed bus shelter straddles both properties, hence the owners of 163 James Line need to be given the opportunity to object to the shelter before Council can proceed with installing a bus shelter at this site.

Moved Leonie Hapeta, seconded William Wood.

RESOLVED

1. That Council approve the Economic Growth Committee's recommendations from 15 February 2024 and 28 February 2024.

4-24 Proposed Bus Shelter: 92 Pacific Drive, Fitzherbert

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop with a modification to move further to the east side of the property boundary.

5-24 Proposed Bus Shelter: 36 Airport Drive, Milson

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

7-24 Proposed Bus Shelter: 17 Featherston Street, Takaro

1. That the Council decide not to proceed with the bus shelter at that site – 17 Featherston Street.

8-24 Proposed Bus Shelter: 292 Ruahine Street, Terrace End

1. That the Council decide not to proceed with the bus shelter at this site – 292 Ruahine Street.

9-24 Proposed Bus Shelter: 165 James Line, Kelvin Grove

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop subject to no objection from 163 James Line.

10-24 Proposed Bus Shelter: 552 Ruahine Street, Hokowhitu

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

11-24 Proposed Bus Shelter: 91 Milson Line, Milson

1. That the Council decide not to proceed with the bus shelter at that site – 91 Milson Line.

12-24 Proposed Bus Shelter: 41 James Line, Kelvin Grove

1. That Council dismiss the objection and the Chief Executive proceed with the installation of a bus shelter at this stop.

Economic Growth Committee Part I Public - 28 February 2024

16-24 Pioneer Highway Signalised Dual Crossing

Report, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

1. That Council agree Option 1 and construct the signalised

dual crossing in the location described in Attachment 2, noting this will remove the right-hand turn exit from the shopping centre.

19-24 Proposed Bus Shelter: 85 Amberley Avenue/ Clarke Avenue - Update

Memorandum, presented by Bryce Hosking, Acting Group Manager - Transport and Development.

3. That Council decide not to proceed with the proposal for a bus shelter at 85 Amberley Avenue.

Clause 30-24 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Abstained:

Councillor Karen Naylor.

Note:

Councillor Roly Fitzgerald vote was not recorded

31-24

Strategy & Finance Committee Part I Public - 21 February 2024

Consideration was given to Strategy & Finance Committee's recommendations below

Moved Vaughan Dennison, seconded Lorna Johnson.

RESOLVED

1. That Council approve the Strategy & Finance Committee's recommendations from 21 February 2024.

6-24 Treasury Report - quarter ending 31 December 2023

2. That Council note that at its meeting on 14 June 2023 it authorised the Chief Executive to borrow up to \$37 million of additional term debt to fund the approved 2023/24 annual budget.
3. That to reflect the subsequent resolutions approving additional expenditure Council increase the authorisation to the Chief Executive to borrow, in accordance with delegated authority, up to \$47 million ("the Borrowing") of additional term debt by way of bank loan or loans or credit facilities or other facilities or the issue of stock for the

Borrowing secured by the Debenture Trust Deed.

Clause 31-24 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

EXCLUSION OF PUBLIC

32-24 Recommendation to Exclude Public

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
18.	Minutes of the ordinary meeting - Part II Confidential - 14 February 2024	For the reasons set out in the ordinary minutes of 14 February 2024, held in public present.	
19.	Environmental Health Contract	PRIVACY: This information needs to be kept private to protect personal information that is confidential or sensitive. This includes people who	s7(2)(a) and s7(2)(b)(ii)

		are no longer alive and THIRD PARTY COMMERCIAL: Disclosing the information could harm a company's commercial position	
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This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Clause 32-24 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The public part of the meeting finished at 2.00pm.

Confirmed 3 April 2024

Mayor

REPORT

TO: Council

MEETING DATE: 3 April 2024

TITLE: Correction of Minutes 13 December 2023

RECOMMENDATION TO COUNCIL

1. That Council confirm the correction of clause 214-23, of the minutes of the 13 December 2023 as a true and correct record.

1. ISSUE

- 1.1 Councillor Naylor brought it to officers' attention that the description in clause 214-23 of the Council [minutes](#) of 13 December 2023 was inaccurate. These minutes were agreed by Council on 7 February 2024.
- 1.2 Officers have reviewed the wording and recommend the following correction:

214-23 2024-34 Long-term Plan Prioritisation: Capital Projects and Expenditure Updates

Memorandum, presented by David Murphy, Chief Planning Officer, Scott Mancer, Acting Chief Financial Officer and Bryce Hosking, Chief Infrastructure Officer.

Officers updated Council with amended tabled documents

- Attachment 2 Capital Growth Programme (see Attachment 7)
- Attachment 4 Capital New Programme (see Attachment 9)
- Table 5 Debt Headroom (in report) (see Attachment 6)

Officers corrected the following errors in the report:

- Programme 1133 Artificial Football turf should not be on the Capital New List as it is an operating expense.
- Debt re-payment of (\$176M ~~5k~~) had been missed from headroom calculation – meaning Council could increase borrowing ~~by~~ from \$183M to \$359M for capital projects across the life of the plan.

2. NEXT STEP

- 2.1 Officers will correct the minutes and have them re-signed and republished.

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Draft 2024 Development Contributions Policy - Approval for Consultation

PRESENTED BY: Jono Ferguson-Pye, City Planning Manager and David Murphy, Chief Planning Officer

APPROVED BY: David Murphy, Chief Planning Officer

RECOMMENDATIONS TO COUNCIL

1. That Council adopt the Draft 2024 Development Contributions Policy (Attachment 1) for public consultation concurrent with and linked to the Draft 2024-34 Long Term Plan.
 2. That Council adopt the Statement of Proposal for the review of the Draft 2024 Development Contributions Policy (Attachment 2) for public consultation concurrent with and linked to the Draft 2024-34 Long Term Plan.
-

1. ISSUE

- 1.1 The Council is required to have a Development Contributions Policy (the 'Policy') as a component of its Funding and Financial Policies under section 102(2) of the Local Government Act 2002 (LGA). Development contributions provide Council with the means to fund infrastructure required due to growth.
- 1.2 The Development Contributions Policy (the Policy) does not form part of the final Long-Term Plan (LTP) document but is a fundamental part of the mix of funding arrangements for the Council and needs to be updated every three years concurrently with the development of the LTP.

2. BACKGROUND

- 2.1 The Policy is updated on a three yearly basis and takes into account:
 - Updated growth assumptions and any other changes to significant assumptions underlying the Policy.
 - Any changes to the funding assumptions for the growth programmes or programmes that contain a growth component.
 - Any changes in capital development works programme for growth.

- Any changes to our land-use planning and the pattern or distribution of development in the City.
- Any changes that reflect new or significant modelling of infrastructure networks.
- The regular reviews of the Funding and Financial Policies and LTP.
- Any issues associated with implementation of the Policy.
- Any other matters the Council consider relevant.
- Alignment with the required statutory update of the LTP.

2.2 The broad purpose of the proposed amendments to the Policy are to:

- Respond to implications associated with the decision to externally fund the proposed Wastewater Treatment Plant (WWTP) and specified growth programmes to support urban development at Aokautere, Ashhurst and Kākātangiata.
- Ensure there is an equitable distribution of growth costs between residential and non-residential development, whilst also recognising we are competing nationally for non-residential development opportunities, many of which are dry freight and distribution activities.
- Improve alignment with LGA requirements.
- Improve effectiveness of recovery of growth costs.
- Administrative efficiency and clarity.
- Creation of new development contribution areas for locations serviced or planned to be serviced by Council infrastructure.
- Align the Policy's growth projections with the LTP.

2.3 A summary of the proposed amendments to the Policy is provided below:

- **Collection of Development Contributions for the WWTP:** removal of the WWTP from the Policy due to the funding assumptions for this programme.
- **LGA Alignment:** amendments to align with LGA requirements that development contribution policies must support principles set out in the preamble to the Te Ture Whenua Maori Act 1993 (the Act).

Note: Officers discussed with Rangitāne at the Te Whiri Kōkō on 16 February to discuss how the Policy might better support the principles set out in the Act. It was acknowledged by officers that the current Policy approach is passive, and that ongoing discussion was required as part of

the Partnership Agreement about how this requirement might be more active in its approach in the future.

- **City Goals:** amendments to the description of outcomes being sought by City Goals to align with changes expressed in the 2024-34 LTP.
 - **Rebalancing Distribution of Growth Infrastructure Cost for Water and Wastewater:** Council has undertaken a review of the methodology used to apportion the cost of growth infrastructure for water and wastewater across residential and non-residential development. Residential development will be picking a greater proportion of the water and wastewater costs under the 2024 Policy. This change reflects conversations held with elected members during the 2024-34 LTP process.
 - **Cost of Capital (Interest):** Including the cost of capital for back-works (infrastructure already funded and constructed in advance of growth) within the Policy.
 - **Non-Residential Development without a Service Connection:** a proposal to not charge a development contribution fee for water and or wastewater where a non-residential development does not have a service connection to the integrated network.
 - **New Areas:** the introduction of new development contribution areas for Mātangi and the proposed Roxburgh Crescent residential areas.
 - Update projected household growth data, maps and fee schedules.
- 2.4 **Collection of Development Contributions for specified growth programmes at Aokautere, Ashhurst and Kākātangiata (not Kikiwhenua):** While it is more of a consequential decision than an explicit amendment to the current Policy, a key consideration during the update to the 2024 Policy is how Council addresses the external funding assumptions for specified growth programmes at Aokautere, Ashhurst and Kākātangiata (not Kikiwhenua).
- 2.5 **Temporal Considerations, Intergenerational Equity and LTP Funding Assumptions:** The approach to funding of growth infrastructure through the Policy is different in nature to the other Council fees and charges. Growth infrastructure is put in place in anticipation of growth. The Policy also captures the future cost of additional infrastructure capacity to provide for growth. In that sense the Policy looks both back and forward in terms of identifying the total cost of growth. The Policy distributes the cost over time to ensure both the benefits to development now and in the future are equitably distributed. This is considered consistent with the principle of intergenerational equity.
- 2.6 The Council borrows funds as an interim funding mechanism for growth programmes prior to recovering those costs via development contributions. This process plays out over a long period of time. Development contributions as a funding mechanism therefore operates best when there is a settled land-

use planning, infrastructure and funding framework at all levels of government.

- 2.7 Significant changes to these frameworks, such as the decision to fund the proposed WWTP and specified growth programmes using an external funding mechanism (i.e. IFFA funding) and three waters reform, potentially impacts on how costs are distributed over time and consequently issues of intergenerational equity. The increased use of off-balance sheet funding mechanisms to fund growth programmes will require the Council to reflect further on the best mechanism to fund and recover growth costs as part of the 2024 LTP and future LTPs.

3. FUNDING ASSUMPTIONS AND IMPACTS ON POLICY ADMINISTRATION

Implications of LTP Funding Decisions for the Proposed WWTP on Administration of the Policy

- 3.1 Challenges relating to the funding of the proposed WWTP include identifying funding source options and understanding the implications of the different approaches for Council's balance sheet and debt limits. These issues also raise questions about how the WWTP project sits within Council's proposed 2024 Policy, given the planning assumption that funding sources for the new infrastructure will be external (that is not funded by Council).¹
- 3.2 In this regard, officers have carefully considered whether the recommended Policy should stop collecting development contributions to recover the growth costs associated with the proposed WWTP until alternative funding sources are arranged.
- 3.3 The recommended Policy (Attachment 1) excludes the WWTP from the growth costs that inform the calculation of the fees. This is a change to Council's existing approach that reflects the decision made by the Council regarding the funding assumption of the WWTP within the Draft 2024-34 LTP. The combination of these decisions alters the balance of responsibility for funding (as between developers, ratepayers, and third-party groups) that Council intends through its current Policy approach.
- 3.4 There are questions as to the appropriateness of Council continuing to collect development contributions for a project the Council anticipates being unable to fund on its own, and for charges that may eventually need to be transferred to a third party once a clear and feasible funding arrangement is in place.
- 3.5 Officers current understanding is it is unlikely that the Special Purpose Vehicle (SPV) under the Infrastructure and Financing Act (IFFA) would utilise, or is able to utilise, development contributions as a form of revenue to recover the growth costs of the WWTP. Given the Council's current funding assumption regarding the WWTP, removing it from the Policy at this time represents a change that aligns with the likely future funding mechanism for the WWTP.

¹ Minutes of Extraordinary Council Meeting (29 November 2023) at cl 193.11-23.

That is an annual fee / user charge / rate that incorporates growth, as opposed to a one-off development contribution and rates as currently applied by Council.

- 3.6 The 2021 Policy schedule includes programme 628: 'Totara Road WTP – Consent Renewal Upgrade' (Programme 628).² The amount identified in the 2021 Policy for Programme 628 is based on the costs included in the 2021-31 LTP.
- 3.7 Programme 628 in the 2021-31 LTP has a capital cost of \$350m with 20% of this figure being the growth component and proportion of capital cost that Council sought to recover through the 2021 Policy. If Programme 628 were to be included in the proposed 2024 Policy, the capital cost would be \$557m with a 20% growth component.
- 3.8 While 20% of \$557m is \$111m, the total growth cost for the 2024 Policy would be \$56m. This is because the Policy only includes the proportion of additional capacity that sits within the 20-year window of the Policy for planned works. For example, network infrastructure planned for year 19 provides limited capacity within the 20-year window. The policy also apportions growth programmes already delivered in anticipation of growth. For example, network infrastructure built 15 years ago provides less capacity for development today than network infrastructure built 5 years ago.
- 3.9 A core assumption of the draft 2024-34 LTP is that the proposed WWTP is to be funded using an external funding mechanism – for example via a levy charged to ratepayers pursuant to the IFFA. A benefit of this funding approach is that it allows Council to remove the costs of the WWTP off balance sheet, with development funding intended to be sourced through a SPV under the IFFA. This is, however, a change from the anticipated funding under the 2021-2031 LTP and the 2021 Policy.
- 3.10 In light of the assumption that external funding mechanisms are used, and as Programme 628 is to be removed from the 2024-34 LTP such that it is not identified as a project requiring funding by the Council, officers have had to consider the legal implications for Council if:
 - Programme 628 remains in the 2024 Policy and Council continues to collect development contributions for the growth component of the proposed WWTP; or
 - Programme 628 is removed from the 2024 Policy and what obligations Council has in respect of the development contributions already collected for Programme 628.

² Palmerston North City Council Development Contributions Policy 2021, Planned Works, pg 57.

- 3.11 The LGA allows Council to keep collecting development contributions for infrastructure projects that it intends funded by a SPV under the IFFA. This applies to infrastructure identified under existing Programme 628.
- 3.12 Continuing to collect a portion of the expected total capital expenditure for the project would be consistent with Council's current approach that a proportion of the funds required for capital expenditure be paid by those generating a need for those assets. However, for all previous LTPs and development contributions policies, the Council has assumed that it will fund all growth programmes, including the WWTP.
- 3.13 If Council continues to collect development contributions until the SPV is established, it would then be required to follow the process in the IFFA for development contributions held by the Council, including any directions issued by the SPV to either transfer development contributions to the SPV, or refund them. In that respect, any development contributions already collected on the WWTP or levied in the future for the WWTP represent a potential liability for the Council. Importantly, if collected funds are transferred, the SPV would then apply a formula in relation to any levies charged against certain rating units to avoid 'double dipping'. This indicates the SPV intends to have a system to recover the costs of growth.
- 3.14 If Council decided to stop collecting development contributions for the WWTP, it may continue to hold collected funds until such time as an SPV is established. Under this scenario, the provisions of the IFFA would apply to development contributions collected and held by Council, as described in the paragraph above. There is a potential risk associated with allowing new developments to proceed in the meantime without requiring contributions, despite Council retaining contributions already collected from other developers. This risk can be managed by the SPV adjusting its charging mechanism to reflect development contributions already collected.
- 3.15 Council does not currently ring-fence development contribution revenue for the purpose of holding funds to deliver specific growth programmes. If the WWTP was included in the 2024 Policy and future policies, development contribution revenue would need to be ring fenced and held by Council. Council has not previously ring-fenced development contributions received, including development contributions for the WWTP.
- 3.16 Irrespective of whether the WWTP remains in or out of the 2024 Policy, any development contributions collected (in the past and in the future) would need to be held by the Council and either transferred to the SPV or refunded to the rating unit the development contribution relates to. The decision to transfer or refund development contributions would be subject to the process in the IFFA, including any directions issued by the SPV.
- 3.17 The administrative task associated with transferring collected funds to the SPV would require an analysis of all previous development contributions invoices. The administrative task of returning funds to rating units for the growth portion of Programme 628 years after it was collected would be very complex and

resource intensive. Similarly, the task of developing and administering a formula in relation to any levies charged against certain rating units to avoid double dipping is likely to be resource extensive. These tasks would become further complicated if there are further changes to the estimated and actual cost of delivering the WWTP.

- 3.18 Continuing to collect development contributions for the WWTP given the current funding assumption and uncertainty regarding the final cost of the WWTP would further complicate the existing situation and appear at odds with the likely cost recovery mechanism used by the SPV. Officers current understanding is the SPV is unlikely (and potentially unable under the current legislation) to use development contributions.
- 3.19 Balancing the reasonableness question and equity issues associated with removing programme 628 from the proposed 2024 Policy with the financial, process and administrative risks associated with retaining the programme, officers have proposed to remove Programme 628 from the 2024 Policy. This decision can be reconsidered after submissions are received and when the Policy is reviewed again in 2027, when further information is known about the nature of funding arrangements for the WWTP.

Implications of Funding Assumptions for Growth at Ashhurst

- 3.20 To remain within debt limits, Council's planning assumption for development of the LTP included a decision that all growth programmes for Ashhurst would be funded using an external funding mechanism (that is not funded by Council).³
- 3.21 Consequently, officers have removed all growth programmes relating to Ashhurst from the proposed 2024 Policy. The impact of this funding decision is that funding of growth infrastructure to support both greenfield and infill development in Ashhurst has been removed.
- 3.22 Of the five growth programmes⁴ removed from the Policy, all five provide for infill development. Three of the five programmes provide for both infill and greenfield development.⁵
- 3.23 Given the small geographical size of Ashhurst and the proximity of the existing village to proposed greenfield areas, growth infrastructure programmes provide shared benefit (capacity) to both infill and greenfield development. This is unlike the disaggregated approach of growth programmes in the city that separate out programmes supporting infill and greenfield development (e.g. citywide programmes serving the existing urban areas verse separate greenfield programmes supporting growth at Aokautere).

³ Minutes of Extraordinary Council Meeting (29 November 2023) at cl 193.7-23.

⁴ 1412 Wastewater, 1841 Water, 1860 Reserves, 2034 Stormwater and 1684 Transport.

⁵ 1412 Wastewater, 1841 Water, 1860 Reserves. Note: Transport and Stormwater are provided in whole in part by developers.

- 3.24 As described above, the funding assumption within the Draft LTP has consequential implications for the Development Contributions Policy. If the Council was concerned about the impact of the funding assumptions for the Ashhurst growth programmes, this would need to be addressed within the LTP first, and then consequentially within the Development Contributions Policy.

Funding Assumptions for Aokautere Growth Programmes (Stormwater and Local Reserves)

- 3.25 Notwithstanding Council's resolution⁶ and the other advice and recommendations within this report, officers have included stormwater and local reserve land purchase growth programmes for the Aokautere growth area in the Policy. These programmes are shown in the Policy but are not charged until land is zoned. Officers consider having a development contribution in place for these programmes will better position Council to negotiate a developer agreement for the delivery of the stormwater and local reserve infrastructure at Aokautere, particularly if the developer is able to deliver infrastructure in a more cost-effective manner than is provided for by the relevant growth programme.
- 3.26 The reason why a different approach is recommended between Aokautere and Ashhurst is the stormwater and local reserve programmes at Aokautere only serve greenfield growth and are attributable to a small number of discrete landowners / developers. It would be very difficult (if not impossible) to negotiate developer agreements for infrastructure that serves to benefit infill development as there is not a clearly defined set of benefactors (developers) when the infrastructure is put in place. This is because infill development is sporadic and provided for across the entire residential zone,
- 3.27 At Aokautere careful negotiation via developer agreements will be required with a small number of landowners to achieve stormwater infrastructure and local reserves that deliver on the anticipated outcomes within the District Plan.

Funding Assumptions for Kākātangiata Growth Programmes

- 3.28 Like Ashhurst, to remain within debt limits, Council's planning assumption for development of the LTP included a decision that all growth programmes for Kākātangiata (not Kikiwhenua) would be funded using an external funding mechanism (that is not funded by Council).
- 3.29 The future development of Kākātangiata is going to be subject to finding alternative funding sources and / or working with major landowners to develop Kākātangiata in a staged manner. This is likely to have implications for the nature, timing and rollout of network infrastructure and therefore the development of land. There is a risk that the decision to proceed with external funding for Kākātangiata will result in ad-hoc or inefficient provision of site-specific infrastructure enabled via private plan change proposals. The

⁶ Minutes of Council Meeting (29 November 2023) at cl 193.11-23.

Resource Management Act process will need to be used to attempt to manage this risk.

- 3.30 Given the scale of Kākātangiata, many of the growth programmes are also likely to have broader network benefits beyond the immediate boundaries of the Kākātangiata growth area. This means the costs of network infrastructure to serve Kākātangiata cannot be recovered entirely from new development in this location.
- 3.31 Given the Council funding decision and the uncertainty regarding the nature of future development at Kākātangiata, officers have removed all growth programmes relating to Kākātangiata from the draft 2024 Policy.

4. KEY CHANGES TO THE DEVELOPMENT CONTRIBUTION FEE SCHEDULE

- 4.1 **Cost of Capital** – an additional cost feeding into the proposed fees is the introduction of the cost of capital (debt servicing costs) within the Policy. The cost of capital is the interest paid on loans that are used as an interim funding mechanism when expenditure occurs before the full amount of development contribution revenue is received.
- 4.2 The draft Policy applies the cost of capital to back-works only. Back-works are growth infrastructure works already financed and delivered by Council, where interest is being applied. The Council does not incur interest on forward-works until such time as the programme is delivered. The total cost of capital over the 20-year Policy period for back-works is calculated to be \$21.5m.
- 4.3 **Changes to Total Estimated Spend on Growth Over 20-Years** – In the draft Policy across the activity areas (water, wastewater, stormwater, transport, citywide and local reserves) the total estimated growth component of programmes to be funded by development contributions across the 20 years changes compared to the 2021 Policy. The key changes relate to three waters and transport. A comparison of the total estimated growth costs between the 2021 and proposed 2024 Policy are shown in Table 1 below:

Table 1: Changes to Total Estimated Spend on Growth over 20-years

Activity	2021: Total Estimated Growth Component 20-Years	2024 Total Estimated Growth Component 20-Years	Difference
Water	\$29m	\$77m	\$48m
Wastewater	\$77m	\$28m	-\$49m
Stormwater	\$15m	\$34m	\$19m
Transport	\$91m	\$224M	\$133m

4.4 The key reasons for changes across the activity areas include:

Water

- Four new water bores are planned to be developed over the next 20-years to meet growth needs.
- New water standards and increasing costs of construction have increased the cost of existing and new growth programmes.
- A review of the budgeting assumptions of existing growth programmes were not budgeted to accurately reflect the likely cost of infrastructure delivery.
- While the development contribution fee for water increases, the proportion of the total cost of growth infrastructure for water being paid by non-residential development decreases. This outcome is related to the review of the methodology used to apportion the cost of growth infrastructure across residential and non-residential development.

Wastewater

- The total cost of growth infrastructure for wastewater reduces significantly for residential and non-residential subdivision because the WWTP (Programme 628) is recommended to be removed from the 2024 Policy.
- The proportion of the total cost of growth infrastructure for wastewater being paid by non-residential development decreases. Again, this outcome is related to the review of the methodology used to apportion the cost of growth infrastructure across residential and non-residential development.

Transport

An increase in transport fees is proposed across residential, non-residential and rural subdivision and development. This increase is primarily driven by programmes targeted at supporting growth at Te Utanganui (North East Industrial Zone), stage 1 of Kākātangiata (Kikiwhenua) and the extension of the Aokautere residential area. These supporting programmes include:

- **Programme 2058 North East Industrial Zone New Roads:** (increase from 11.4m to \$21.3m): this programme includes the upgrade of Roberts Line to industrial design standard, safety work associated with the Richardsons Line and Milson Line intersection and improvements to Roberts Line and Railway Road intersection.
- **Programme 2013 PNITI Strategic Transport Corridor Improvements (increase from \$88m to \$148m):** involves land purchase, initiation of design, consent application and construction for major transport investment arising from the Palmerston North Integrated Transport Initiative (PNITI) associated with the strategic ring road for Palmerston North. This includes upgrading intersections and bridges along with new bridges as required to enable PNITI to be achieved.
- **New Programme 2059 PNITI / Bunnythorpe Bridge Replacements (\$15m):** Council has already undertaken a full concept design for this project. Detailed design /and resource consenting are the next steps for the programme. Pending detailed design there may be a requirement for land purchase so that the need to raise the road height to satisfy Horizons Regional Council's consenting requirements for 200-year flood protection.
- **New Programme 1681 Kikiwhenua (\$21.7m):** This programme includes:
 - Land purchase of Te Wanaka Road to facilitate additional road reserve to meet a connector road standard
 - Intersection development of Te Wanaka and Pioneer Highway
 - Land purchase for new collector route from Te Wanaka to Grand Oaks
 - New bridge to facilitate access across the Mangaone stream for the connection of Te Wanaka and Grand Oaks.
- **New Programme 2089 Aokautere Transport Improvements (\$24m):** to support the development of land proposed to be rezoned to residential use by Plan Change G: Aokautere.

Note: many of the large increases across the transport programmes sit late in the 20-year window. For this reason, the impact of the increase on the total estimated growth component is not fully felt by the proposed 2024 Policy but will more heavily impact increases in future Policies.

Stormwater: The total growth component of stormwater programmes over 20 years under the 2024 Policy is estimated to be \$34m compared to \$15m in the 2021 Policy. These increases predominately relate to greenfield areas at Whakarongo, the Napier Road Residential Extension, Longburn and the North East Industrial Extension Area. The main drivers sitting behind the increase in stormwater fees relate to:

- Increasing cost of land purchase and construction

- Increasing environmental outcomes being driven by regulatory obligations and community expectations
- Greenfield growth located in areas within challenging environmental settings requiring a complex engineering response

4.5 **Summary of Change in Proposed Fees for Subdivision:** A summary of the 2021 and Draft 2024 fees are detailed in Table 2 below. All fees are exclusive of GST. The 2021 Policy fees include 2023 Producer's Price Index annual adjustment.

Table 2: Summary of Change in Proposed Fees (2021 vs 2024)

Subdivision <i>With the Cost of Capital</i>	2021 Policy	2024 Policy	Dollar Difference	Percentage Difference
Residential Infill (Per lot, Area B)				
Transport	\$4,328	\$5,187	\$ 856	20%
Water	\$1,761	\$3,579	\$1,818	103%
Wastewater	\$4,657	\$2,401	-\$2,256	-48%
Citywide Reserves	\$ 737	\$ 633	-\$ 104	-14%
Total	\$11,483	\$11,800	\$317	3%
Residential Greenfield (Per 700m ² lot, Area M: Whakarongo)				
Transport	\$ 4,328	\$ 5,187	\$ 856	20%
Water	\$ 1,761	\$ 3,579	\$ 1,818	103%
Wastewater	\$ 4,657	\$ 2,401	-\$ 2,256	-48%
Citywide Reserves	\$ 737	\$ 633	-\$ 104	-14%
Stormwater	\$15,217	\$26,364	\$11,147	73%
Local Reserves	\$ 6,712	\$ 7,085	\$ 373	6%
	\$33,412	\$45,249	\$11,837	35%
Non-Residential (Per hectare, Area B)				
Transport	\$138,500	\$166,000	\$ 27,500	20%
Water	\$ 31,300	\$ 20,900	- \$ 10,400	-33%
Wastewater	\$196,500	\$ 20,400	-\$176,000	-89%
Total	\$366,300	\$207,300	-\$159,000	-43%

Rural (Per lot, Area A)				
Transport	\$4,328	\$5,187	\$859	20%
Citywide Reserves	\$ 737	\$ 633	-\$104	-14%
Total	5,065	\$5,820	\$755	15%

4.6 If the WWTP was included in the 2024 Policy, the wastewater fees for residential and non-residential development in Table 2 above would be:

- Residential **\$8,489** (vs \$2,401 without the WWTP included) per allotment (82% increase compared to 2021)
- Non-Residential **\$72,000** (vs \$20,400 without the WWTP included) per hectare (-63% increase compared to 2021)

5. NEXT STEPS


- 5.1 Council will consult on the draft Policy alongside the LTP from early April to early May.
- 5.2 Council will consider submissions and adopt the final Policy by 30 June 2024.
- 5.3 Officers will send a letter to the local development community advising of the proposed changes to the Policy, including the proposed changes to fees and outlining how they can make comment on the draft Policy.

6. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City Goal 1 recognises the importance of integrating land use planning with infrastructure provision as a powerful economic tool. Development contributions provide Council with the means of funding infrastructure in a way that is integrated with the City's land use planning for growth.	
The recommendations contribute to the achievement of action/actions in City	

<p>Growth</p> <p>The action is:</p> <ul style="list-style-type: none"> - Administer the Development Contributions Policy - Implement the National Policy Statement on Urban Development Capacity - Comply with new legislative and government policy requirements - Provide additional infrastructural capacity that accommodates urban intensification 	
<p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>	<p>The Development Contributions Policy provides Council with a means to fund infrastructure required due to growth. The update of the Policy recognises amended legislation and ensures its ongoing administrative efficiency. The Policy provides funding for additional infrastructure capacity to meet growth planning outcomes identified in Council's implementation of the National Policy Statement for urban Development Capacity.</p>

ATTACHMENTS

1. Draft 2024 Development Contributions Policy [↓](#) 
2. Statement of Proposal Draft 2024 Development Contributions Policy [↓](#) 



**Palmerston North City Council
2024 Development Contributions Policy**

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2021~~4~~ Development Contributions Policy

[1] Introduction

[1.1] Legislative Requirements and Powers

- .1 Council is required to have a Development Contributions Policy as a component of its Funding and Financial Policies under section 102(2)(d) of the Local Government Act 2002 (LGA02). Section 198 of the LGA02 gives territorial authorities the power to require a contribution for developments. Development Contributions provide Council with the means to fund infrastructure required due to growth.
- .2 The purpose of development contributions under section 197AA of the LGA02 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.
- .3 Section 197AB of the LGA02 sets out 7 principles to take into account when preparing a development contributions policy or when requiring a development contribution as follows:
 - a) Development contributions can only be required when the effect of development is to require territorial authorities to have provided, or to provide, new or additional assets or assets of increased capacity.
 - b) Development contributions should be determined in a manner that is generally consistent with the capacity life of assets, and in a way that avoids over-recovery of costs allocated to development contributions funding.
 - c) Cost allocations used to establish development contributions should be determined according to who benefits (including the community as a whole) as well as who created the need for assets.
 - d) Development contributions must be used for the purpose for which they were collected, and for the benefit of the district or part of the district in which they were required.
 - e) Sufficient information should be available to demonstrate what development contributions are being used for and why.
 - f) Development contributions should be predictable and consistent with the methodology and schedules in the development contributions policy.
 - g) When calculating or requiring developments contributions, territorial authorities may group development or categories of land use, provided administrative efficiencies are balanced with fairness and equity, and grouping

across entire districts is avoided where practical.

- .4 Palmerston North City Council has a legislative obligation under Te Ture Whenua Act Maori Act 1993 to promote the retention of Māori land in the hands of its owners, their whanau and their hapu and to facilitate the occupation, development and utilisation of that land for the benefit of its owners, their whanau and hapu.
- .5 Council achieves these outcomes by (i) operating a transparent, equitable and reliable development contributions scheme; and (ii) funding, procuring and delivering infrastructure to the boundary of Māori Land to enable development.

[1.2] When a Development Contribution is Required

- .1 A Development Contribution is required in relation to a development when:
 - a) the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and community infrastructure; and
 - b) the Council incurs capital expenditure to provide appropriately for those assets, i.e. network infrastructure, reserves and community infrastructure.
- .2 The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with other development. A Development Contributions Policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

[1.3] Limitations to the Application of Development Contributions

Council will not require a development contribution for the purposes of network infrastructure, reserves or community infrastructure in the following cases:

- .1 Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or
 - a) Where the developer will fund or otherwise provide for infrastructure such as a reserve, network infrastructure, or community infrastructure; or
 - b) Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.

[1.4] Relationship to Resource Management Act 1991

- .1 Development contributions under the LGA02 are in addition to, and separate from, Financial Contributions under the RMA. While Council generally considers development contributions under this Development Contributions Policy as its main funding tool for infrastructure to provide for growth it may also require Financial Contributions under the RMA. Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. Financial Contributions must not be applied as a condition on a consent where a Development Contribution has been required for the same purpose on the same development.
 - c) Despite the above the Council still has the power to require services or works for subdivisions or developments to avoid, remedy and mitigate the environmental effects through resource consent conditions.

[2] City Vision and Goals

The Council outlines its City Vision and goals in Section 1 of the Long-Term Plan (LTP), which are:

[2.1] Vision:

Palmerston North: small city benefits, big city ambition.

[2.2] City Goals:

- .1 An innovative and growing city where everyone shares in the benefits of a resilient, sustainable and prosperous economy. We want a productive economy that attracts new businesses and where existing businesses thrive. ~~that is clever about the ways it uses its natural advantages to encourage and support innovation, entrepreneurship and new industries, and positions itself to take advantage of change to fuel sustainable growth, prosperity and wellbeing.~~
- .2 A creative and exciting city that inspires creativity and celebrates our diverse cultures and unique heritage. We want our diverse communities to see their contributions to arts and culture being built into our city infrastructure. ~~draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people, and nurtures creative talent.~~
- .3 A connected and safe community where everyone feels connected and included. A safe city where people have

access to the housing they need and opportunities to connect with others. a city that includes, supports, connects and uses the talents and advantages of the whole community in the pursuit of prosperity and wellbeing. A city that has an international reputation as a safe city in which to live, study, work and play. A city that embraces its iwi heritage and partnership, and where people connect with the city's past, celebrating its history and heritage.

- .4 An eco-city sustainable and resilient city with a healthy natural environment and resilient urban system that sustains everyone, now and the future.: we want a future focused city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.
- .5 A driven and enabling Council and organisation that works as one team with its communities and is a catalyst and enabler for change in the city.

[3] Overview of Development Contributions Policy

Section 201 of the LGA02 outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Act.

[3.1] Purpose of a Development Contributions Policy

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service. This cost will be met from other sources.

[3.2] Trigger for Taking a Development Contribution

- .1 Under Section 202 of the LGA02 Council may apply a development contribution for developments generating increased reserves, network or community infrastructure demands upon the granting of:
 - a) A resource consent; or
 - b) A building consent; or
 - c) An authorisation for a service connection.
- .2 A resource consent, building consent or authorisation for a service connection is only a trigger for taking developing development

contributions in the sense of timing, not in the definitional context. The application of development contributions by Council upon the granting of a resource consent, building consent or authorisation for service connection is subject to clause 1.2 and 1.3 of this Policy.

[3.2.1] Preferred Stage of Applying a Development Contribution

It is Council's preference to apply a development contribution at the first stage of development, which is generally at the subdivision consent stage. It is not the intent of the Policy to delay the payment of contribution to subsequent consent/development stages. Deferring payment of development contributions to subsequent stages is both administratively onerous and also results in the same request at all subsequent development stages. Council considers that the subdivision consent stage is generally the most appropriate stage to take a development contribution for the following reasons:

- a) Practicality of implementation;
- b) Economies of scale in implementation costs;
- c) Fairness; and
- d) Best available knowledge for projections and allocating budgets.

[3.2.2] Payment of Development Contributions at Subsequent Development Stages

- .1 While generally development contributions will apply at subdivision consent stage, Council will apply contributions at the building consent stage or at the service connection stage on all types of development where **additional units of demand** are created in the absence of subdivision.
- .2 The Council's experience is that occasionally units of demand are created on land already subdivided. In such cases, as a matter of equity, Council will assess and seek the appropriate development contribution at the building consent or service connection stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage Council will require a development contribution at service connection stage.
- .3 Refer also to clause 5.2 (Amount, Payment and Collection of Development Contributions) and clause 5.3 (Transitional Provisions) of the Policy.

[3.2.3] Determining the Contribution Payable based on the Type of Development

- .1 There are three types of development categories in assessing a Development Contribution. These include:
- .2 Residential;

.3 Non-Residential; and

.4 Rural.

- a) Development is categorised by type to adequately reflect the demand that type of development has on our infrastructure networks. When Council levies a development contribution, the expected dominant nature of activities in the underlying zone will generally determine the type of development contribution payable. For example, the dominant activity in the industrial zone will be assumed to be non-residential and will therefore be subject to a non-residential development contribution.
- b) However, there are exceptions where the underlying zone will not appropriately reflect the dominant activity proposed for a development. For example, a residential development / dwelling in a non-residential zone. In this circumstance it may be appropriate to levy a 'residential' unit of demand to that development where there is certainty that it will be the dominant activity on that particular site.

[3.3] Activities Requiring a Development Contribution to Meet the Costs of Growth

.1 Council may require a development contribution from any development for the following:

- a) Capital expenditure **expected** to be incurred as a result of growth; and/or
- b) Capital expenditure **already** incurred in anticipation of development.

.2 Funding Council's capital expenditure for growth with development contributions must be considered alongside Council's other funding tools. Development Contributions will be required from development under this Policy to meet the growth component of the future capital expenditure budgets, not met from other sources, for Community Facilities: network infrastructure, community infrastructure and reserves. Table 1 identifies activities Council will require a development contribution on.

Table 1: Activities Requiring a Development Contribution

ACTIVITIES	COMMUNITY FACILITIES
Water	Network Infrastructure
Wastewater	Network Infrastructure
Roading	Network Infrastructure
Stormwater	Network Infrastructure

Parks and Reserves – Buildings and Works	Community Infrastructure
Parks and Reserves – Land	Reserves

- .3 In section 13 of the Policy is a schedule of assets that form Council's capital expenditure for growth for which development contributions will fund. The schedule of assets provides information regarding the planned programme of capital works that are yet to take place and capital works that have already taken place in anticipation of development (back works).

[3.4] Capital Expenditure Council Expects to Incur as a Result of Growth

- .1 The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for network infrastructure, reserves, and community infrastructure over the next 20 years, is summarised in Table 2. The total growth component, excluding funding from other sources, of the capital expenditure budgets will be funded by development contributions.
- .2 In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under section 101(3) of the LGA 02 for each individual activity (network infrastructure or community facility). Key considerations included:
- a) The nature and operation of the activity;
 - b) An analysis of who will benefit from the planned capital expenditure work; and
 - c) An analysis of who will cause the need for the planned
 - d) Capital expenditure work.
- .3 A detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 of this Policy.
- .4 A detailed description of each activity, the funding approach taken for each activity and justification for the funding approach taken for each activity is included in section 6 of this Policy.
- .5 The reasons for the difference between the total estimated growth component and the total estimated growth component to be funded by this Development Contributions Policy are:
- a) Many of the growth works planned over the next 20 years will provide capacity beyond the 20-year planning horizon of this Development Contributions Policy; and

- b) The local reserves costs represent future costs in Kelvin Grove (including the Whakarongo Residential Area) and Aokautere only.
- c) The stormwater costs represent future costs in Kelvin Grove (including the Whakarongo Residential Area), Aokautere and the North East Industrial Zone Extension Area only.

Table 2: Summary of 20 Year Estimated Capital Expenditure and Funding for Growth¹

Activity	Total Planned Capital Expenditure Work	Total Level of Service Component	Third Party Funding	Total Estimated Growth Component (20 Years)	Total Estimated Growth Component included in the 10 Year Plan (10 Years)	Total Estimated Growth Component to be funded by the 2024 4 Development Contributions Policy ²
Water	<u>\$351,598</u>	<u>\$146,355</u>	<u>\$21,126</u>	<u>\$77,110</u>	<u>\$31,247</u>	<u>\$27,041</u>
Wastewater	<u>\$788,146</u>	<u>\$645,053</u>	<u>\$576,500</u>	<u>\$27,640</u>	<u>\$20,333</u>	<u>\$16,113</u>
Roading	<u>\$1,101,424</u>	<u>\$639,675</u>	<u>\$576,865</u>	<u>\$223,900</u>	<u>\$49,985</u>	<u>\$46,011</u>
Stormwater	<u>\$150,840</u>	<u>\$79,045</u>	<u>\$49,441</u>	<u>\$34,335</u>	<u>\$30,020</u>	<u>\$26,820</u>
City Reserves – Reserves and Community Infrastructure	<u>\$19,001</u>	<u>\$4,043</u>	<u>\$430</u>	<u>\$4,565</u>	<u>\$919</u>	<u>\$795</u>
Local Reserves – Reserves and Community Infrastructure	<u>\$60,813</u>	<u>\$7,253</u>	<u>\$28,058</u>	<u>\$14,593</u>	<u>\$12,502</u>	<u>\$13,233³</u>

[3.5] Capital Expenditure Council Has Incurred in Anticipation of Development (\$000s)

Development contributions will also be required from development to meet the cost of capital expenditure already incurred in anticipation of development, where Council has assessed it appropriate and reasonable. The capital

¹ The values in Table 2 are based on the actual splits between levels of service and growth not the broad categories the individual programmes within each activity most relate to.

² As estimated in June 2024.

³ This figure is the total estimated growth component for local reserves in Kelvin Grove and Aokautere/Summerhill development contribution areas only.

expenditure already incurred to meet increased growth demand for network infrastructure, reserves and community infrastructure over the next 20 years is summarised in Table 3 and will be funded by development contributions.

Table 3: Summary of Capital Expenditure Council Has Incurred in Anticipation of Development

TOTAL CAPITAL EXPENDITURE INCURRED IN ANTICIPATION OF DEVELOPMENT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS (000s)⁴

Water	<u>\$6,528</u>
Wastewater	<u>\$5,143</u>
Roading	<u>\$16,801</u>
Stormwater	<u>\$13,256</u>
City Reserves – Reserves and Community Infrastructure	<u>\$3,422</u>
Local Reserves – Reserves and Community Infrastructure	<u>\$3611</u>

[3.6] Council Use of Development Contributions

- .1 Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.
- .2 Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions in Table 2. Similarly, third party funding received for capital expenditure Council has incurred in anticipation of development has also been excluded from figures represented in Table 3.

[3.7] Level of Service

The level of service component of Council’s identified infrastructure works, for the network activities, relates to increasing the level of infrastructure provision due to higher public expectation, environmental or statutory obligation e.g. environmental

⁴ As calculated June 2024 in 000s.

standards for water quality or technological improvements. The level of service proportion of the identified infrastructure works will not be funded by development contributions. Approved Council Asset Management Plans for each activity define the relevant level of service for that activity.

[3.8] Implementation and Review

- .1 It is anticipated that this policy will be updated on a three- yearly basis, or at shorter intervals if Council deems it necessary. Any review of the policy will take account of:
 - a) Any changes to significant assumptions underlying the Development Contributions Policy;
 - b) Any changes in the capital development works programme for growth;
 - c) Any changes in the pattern and distribution of development in the District;
 - d) Any changes that reflect new or significant modelling of the networks;
 - e) The regular reviews of the Funding and Financial Policies, and the LTP;
 - f) Any issues associated with the implementation of the Policy; and
 - g) Any other matters Council considers relevant.
- .2 The three-year review period of the Policy is preferred and takes into account the following:
 - a) The need for certainty of the fee structure over a reasonable duration; and
 - b) Alignment with the required statutory update of the Council's LTP.
- .3 The Policy would only be reviewed at a shorter interval than the preferred three-year period where there was a significant change in the projected growth rates and assumptions, or issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated.

[3.9] Development contribution applications for land within a Boundary Reorganisation Scheme under the Local Government Act 2002

Development contributions for subdivision or development of land within an area subject to a Boundary Reorganisation Scheme under the Local Government Act 2002 will be assessed and payable under the Palmerston North City Council Development Contributions Policy only after the Scheme comes into effect. The expected dominant nature of activities in the underlying zone will generally determine the area and type of development contribution payable. Further guidance on determining a contribution payable based on the type of development is provided in section 3.2.3.

[3.10] Cost of Capital

Development contributions include the cost of capital (debt servicing costs) for back-works as it is an integral component of funding growth related infrastructure. The total cost of capital expenditure (on which development contribution fees are based) includes the cost of capital. Cost of capital is the interest paid on loans that are used as an interim funding mechanism when expenditure occurs before the full amount of development contribution revenue is received.

[4] Significant Assumptions of the Development Contributions Policy

[4.1] Approach to Methodology

In developing a methodology for the Development Contributions Policy, Council has taken an approach to ensure that the cumulative effect of development is considered from a system-wide perspective. This policy considers the specific infrastructure demands created by individual developments in the context of Council's wider community responsibilities as an infrastructure service provider.

[4.2] Development Contribution Areas

For the purposes of development contributions, the City is broken into twenty-one development contribution areas based on activity service catchments (Refer to Map 1 in Appendix A to this policy). This map is indicative only and zones may change during the life of this Policy. Where a zone does change, for example from rural to residential, then the principles of Section 3.2.3 shall apply. Where a rural zone is changed to a residential or non-residential zone those fees attributable to Development Contribution Area B shall apply and be based on the dominant type of development within the new zone.

[4.3] Planning Horizons

A 20-year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with Council's asset management planning horizons. Benefits will be distributed over that timeframe with averaging to avoid the effects of lumpy infrastructure⁵ works within any given year on development contributions.

[4.4] Projecting Growth

- .1 To estimate the number of residential and rural developments Council expects over a 20-year period, this policy has used, and has

⁵ Lumpy infrastructure is where in any given year there are large sums assigned given the discrete nature of the development work.

maintained consistency with, Council's urban growth planning and asset management planning data. Projected growth for residential and rural development is a medium growth scenario based on a specific Palmerston North projection, which also accommodates the additional margins required by the National Policy Statement for Urban Development. Based on this growth the rate of accumulating population growth is projected to be 1.0% ~~1.3%~~ over a 20-year period. Over the next 20-year period. ~~Over the next 20-year period, the~~ The rate of accumulating household growth is projected to increase by 1.1% ~~1.4%~~ per annum for the first 10 years with growth averaging 1.0% and 1.4% per annum over the ~~for the following 10~~ 20-year period. This represents 7,314 ~~9,171~~ new households in the City over the 20-year period.

- .2 Council has used past trends in non-residential land uptake to estimate the area of non-residential development Council expects each year. This represents approximately 6-8.08ha of non- residential development in the City. This estimate recognises that a number of non-residential developments within the City will be classified as non-residential brownfield redevelopment.

[4.5] Best Available Knowledge

Development contributions are based on capital expenditure budgets from Council Asset Management Plans, which in turn feed into the LTP budgets. The capital expenditure budgets, and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The policy will be updated, as practicable, to reflect better information as it becomes available, as per Section 3.8 of this policy.

[4.6] Growth in the District

In the short term, continued greenfield residential development will take place in the following areas:

- Kelvin Grove (including The Whakarongo Residential Area
- Napier Road
- Mātangi
- Kikiwhenua
- ~~Aokautere/Summerhill area~~

~~units respectively in the short to medium term. Within the Kelvin Grove area the Whakarongo Residential Area became operative in the District Plan in 2014. It is envisaged that the Whakarongo Residential Area will provide additional greenfield land supply to the market in the short to medium term. Kikiwhenua Residential Area became operative in the District Plan~~

in 2021. This is the first stage of the wider Kākātangiata Growth Area (formerly referred to as City West), which is intended to provide

In the medium to long term, growth for greenfield housing will take place in the follow areas:

- Whakarongo
- Napier Road
- Mātangi
- Kikiwhenua
- Ashhurst
- Kākātangiata
- Aokautere

~~during the course of the 20-year period covered by the Policy other greenfield residential areas will be required to meet the projected growth, as directed by the Innovative and Growing City Strategy.~~ Further residential development within existing developed residential areas and brownfields development is expected in:

- The Hokowhitu Residential Area,
- Roxburgh Crescent
- Ongoing subdivision and increased density via District Plan pathways.

~~are also assumed within the district.~~ Further rural development, rural-residential development, in the district is assumed to continue at current trends.

Non-residential development is expected to continue within all relevant zones, in particular the Business Zones, the North East Industrial Zone and the North East Industrial Zone Extension Area. Where any new Greenfield areas are rezoned prior to an update of the Policy Section 4.2 shall apply.

[4.7] Unit of Demand

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to clause 6.6.2 and table 4 – Units of Demand for Community Facilities for further guidance).

Council will demonstrate that it has attributed units of demand to particular developments or types of developments on a consistent and equitable basis. For all activities a differentiation is made between residential, rural and non-residential development due to the demand and use they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Section 6 of this policy. Clauses 6.6.4 – 6.6.7 provide specific guidance for measuring units of demand for certain types of activities and different development scenarios e.g. Multi-unit residential development and development in the absence of subdivision.

[5] Administration of Development Contributions

[5.1] Additional Considerations: Reconsiderations, Postponements, Refunds and Special Circumstances of Development Contributions

[5.1.1] Reconsiderations and Postponements

At the request of the applicant, the development contribution required on a development may be reconsidered or postponed.

[5.1.2] Reconsideration Criterion

- .3 An applicant may request the Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:
 - a) The development contribution was incorrectly calculated or assessed under the 2021 Development Contributions Policy;
 - b) The Council incorrectly applied the 2021 Development Contributions Policy; and
 - c) The information relied upon to assess the applicant's development against the 2021 Development Contributions Policy, or the way the Council recorded or used the information when requiring a development contribution, was incomplete or contained errors.
- .4 A person may not apply for a reconsideration of a requirement for a development contribution if the person has already lodged an objection to that requirement under section 199C and Schedule 13A of the LGA02.
- .5 A reconsideration must be applied for before a development contribution payment is made to Council. Council will not allow reconsiderations retrospectively.

[5.1.3] Postponements

Postponement of the land-based⁶ portion of a development contribution applicable to the balance lot⁷ of a development may be allowed in the following circumstances:

- a) The development contribution is deemed by Council to be manifestly excessive given that no immediate capital works or expenditure are planned or required by Council.

[5.1.4] Postponements Criterion

- .1 Postponements must be applied for before a development contribution payment is made to Council. Council will not allow postponements retrospectively.
- .2 The postponed land-based portion of a development contribution will be reassessed at the next and any subsequent development phase.
- .3 In certain circumstances the Council may choose to only postpone part of the land-based portion of a development contribution applicable to the balance lot.
- .4 The postponed land-based portion of the development contribution that is applied at a subsequent development phase will be assessed on the development contribution charges applicable at that time.
- .5 Postponement of the land-based portion of a development contribution required on a development does not indicate that the development does not create additional units of demand.

[5.1.5] Process for Reconsideration of a Development Contribution

- .1 A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from the Council of the level of development contribution that the Council requires.
- .2 A request for reconsideration must be made in writing to the Council and identify the basis on which the reconsideration is sought.
- .3 The Council will consider the request for reconsideration with respect to the criteria set out in clause 5.1.2 of the Policy.
- .4 The Council may reject, uphold, reduce or cancel the original amount of development contribution required and shall communicate

⁶ The land-based portion of a development contribution includes those charges that are calculated on the area of land included within a development

⁷ A balance lot is a remaining allotment not yet intended for development that will be developed at a later date.

its decision in writing to the person who lodged the request within 15 working days of receiving the request.

- .5 The Council will make the decision, by way of delegation to officers to an appropriate level, on the papers without convening a hearing.
- .6 A person who requested the reconsideration may object to the outcome of the reconsideration in accordance with section 199C and Schedule 13A of the LGA02.
- .7 An applicant may request a remission for a development contribution fee assessed prior to 8 September 2014 under clause 5.1.5 of the 2012 Development Contributions Policy as if the Policy had not been subsequently amended or replaced on or after 8 September 2014.

[5.1.6] Process for Consideration for Postponement of Development Contribution

- .1 Any request for postponement of a development contribution shall be made by notice in writing, from the applicant to Council, before development contributions required on the development are paid. Any request for postponement shall set out reasons for the request.
- .2 In undertaking the review:
 - a) Council shall consider the request as soon as reasonably practicable.
 - b) Council may, at its discretion postpone the original amount of development contribution required on the development and shall communicate its decision in writing to the applicant within 15 working days of receiving the request.
 - c) Council will make the decision, by way of delegation to officers to an appropriate level, and on the papers.
- .3 Where Council decides to consider such a postponement the following matters will be taken into account:
 - a) The Development Contributions Policy.
 - b) The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
 - c) Existing uses on the allotment area of the proposed development.
 - d) Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - i) Development Contributions.

- ii) Agreements with Council.
 - iii) Financial Contributions under the RMA.
 - e) Any other matters Council considers relevant.
 - f) The timing, likelihood and type of capital works or expenditure planned or required within or surrounding the postponed balance lot.
- .4 In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.
 - .5 The applicant may request a further review of an officer's determination on a request for postponement. That review will be undertaken by the Council's Hearings Committee. No further review will be available unless:
 - a) The further request is received by Council together with the prescribed fee within 20 working days of receipt of the officer's decision; and
 - b) The Hearings Committee gives leave for a further review.
 - .6 The Hearings Committee will determine an application for leave on the papers. The Hearings Committee may give leave for a further review only if it is clearly arguable that the development contributions are manifestly excessive.
 - .7 A Council decision must not have the practical effect of altering the methodology of this policy including the underlying averaging approach inherent to the calculation of units of demand.

[5.1.7] Objection

- .1 An applicant may object to the assessed amount of a development contribution required by the Council.
- .2 The right to make an objection applies irrespective of whether a reconsideration of a requirement for a development contribution has been requested.
- .3 Pursuant to section 199C of the LGA02, the right to make an objection does not apply to challenges to the content of the Development Contributions Policy.

[5.1.8] Objection Criterion

- .1 An objection may be made only on the grounds that the Council has:

- a) Failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the city or within parts of the city; or
- b) Required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- c) Required a development contribution in breach of section 200 of the LGA02 (Limitations applying to requirement for a development contribution); or
- d) Incorrectly applied its development contributions policy to the objector's development.

[5.1.9] Process for Objection

- .1 An objection must be made to Council within 15 working days after the date on which the applicant received notice from the Council of the level of development contribution that the Council requires.
- .2 If the applicant has received notice of the outcome of a reconsideration under clause 5.1.5(.4) of the Development Contributions Policy, the 15 working day clause in 5.1.9(.1) begins on the day after the date on which the applicant receives written notice of the reconsideration outcome.
- .3 The request to the Council for an objection must:
 - a) Be in writing; and
 - b) Set out the grounds and reasons for the objection; and
 - c) State the relief sought; and
 - d) State whether the objector wishes to be heard on the objection.
- .4 The Council will as soon as practicable after receiving the objection select no more than 3 development contributions commissioners to decide the objection.
- .5 A hearing on an objection need not be held if:
 - a) The objector has indicated they do not wish to be heard or has otherwise agreed that no hearing is required; or
 - b) The development contribution commissioner/s who will hear and decide the objection are satisfied, having regard to the nature of the objection and the evidence already provided, that they are able to determine the objection

without a hearing.

- .6 The selected development contribution commissioners will give parties notice of the date by which briefs of evidence relating to the objection must be exchanged. Briefs of evidence, and any additional or amended evidence, must be exchanged not later than 10 working days before:
 - a) The commencement of a hearing; or
 - b) If there is no hearing, a date fixed by the commissioners.
- .7 Written copies of the development contributions commissioners' decision will be served on the objector and the Council within 15 working days after:
 - a) The end of the hearing; or
 - b) If no hearing is held, the last day of the commissioners' consideration of the evidence.
- .8 If an applicant objects to the Council's requirement that a development contribution be made, the Council may recover from the applicant, pursuant to section 150A of the LGA02, its actual and reasonable costs in respect of the objection. The costs the Council may recover include:
 - a) The selection, engagement, and employment of the development contributions commissioners; and
 - b) The secretarial and administrative support of the objection process; and
 - c) Preparing for, organizing, and holding the hearing.
- .9 An applicant may object to a development contribution fee assessed on or after 8 September 2014 under clause 5.1.9 of the 2015 Development Contributions Policy.

[5.2.0] Refunds

- .1 The refund of money and return of land if development does not proceed and refund of money or return of land if not applied to specified reserves purposes will be applied in accordance with Sections 209 and 210 of the LGA02 as set out in Appendix B.
- .2 Any refunds will be issued to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

[5.2] Amount, Payment and Collection of Development Contributions

- .1 Any resource consent, building consent or service connection applications received on or after the date the 2024~~1~~/~~34~~ LTP came into effect (1 July 2024~~1~~) will be subject to a development contributions charge under this Policy (the 2024~~1~~ Policy).
- .2 The development contribution payable during the life of this Policy shall not be less than the amounts shown in the attached schedule of fees and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB)$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs)⁸ for the base year⁹.

- .3 Subject to the Council's powers under section 208 LGA 02 the development contribution assessed under this Policy may be paid at any time until the consent or authorisation that triggered the assessment lapses or expires. If the consent or authorisation lapses or expires, a new consent will be required in which case the development contribution payable will be re- assessed. If the development contribution is not paid within 12 months of the date the assessment was made, then the development contribution shall increase annually on 1 July each year by the amount of increase in the Producer's Price Index – Construction for that year.
- .4 Development contributions payable on resource consents, building consents or service connections will not be re-assessed following an update to the Policy.
- .5 If payment of development contributions is not received Council will exercise its powers outlined in Section 208 LGA02. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may:
 - a) In the case of a development contribution required under section 198(1)(a), -
 - i. Withhold a certificate under section 224(c) of the Resource Management Act 1991:

⁸ ⁶ December 2010 Quarter (=1000)

⁹ ⁷ The year the Development Contributions Policy was updated

- ii. Prevent the commencement of a resource consent under the Resource Management Act 1991;
- b) In the case of a development contributions required under section 198(1)(b), withhold a code of compliance certificate under section 95 of the Building Act 2004;
- c) in the case of a development contribution required under section 198(4A), withhold a certificate of acceptance under section 99 of the Building Act 2004;
- d) In the case of development contribution required under section 198(1)(c), withhold a service connection to the development; and
- e) In each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

[5.3] Transitional Provisions

- .1 Any resource consent, building consent or service connection applications received on or after the date the interim 2004/2005 – 2013/2014 10 Year Plan came into effect (1 July 2004) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2004 Policy and will not be reassessed based on the fees applicable under the 2006 Policy or any other Development Contributions Policy adopted by Council.
- .2 Any resource consent, building consent or service connection applications received on or after the date the 2006/2007 – 2015/2016 10 Year Plan came into effect (1 July 2006) but before any subsequent Policy came into effect will be subject to a development contributions charge under the 2006 Policy and will not be reassessed based on the measure of a unit of demand and fees applicable under the 2007 Policy or any other Development Contributions Policy adopted by Council.
- .3 Any resource consent, building consent or service connection applications received prior to the date the 2007/2008 Annual Plan came into effect (1 July 2007) will not be subject to Producer's Price Index – Construction adjustment.

[5.4] Valuing of Land

Council will no longer accept land as a development contribution. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. Future land requirements for reserves purposes are budgeted for in Council's Recreation and Community Facilities Asset Management Plan. Council will use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.

[5.5] Special Circumstances

- .1 Council reserves the discretion to enter into specific arrangements outside the Development Contributions Policy with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand. Where a development is considered to be a special circumstance, an individual assessment will be undertaken by Council to determine the effect of the development on the network infrastructure, reserves and community facilities and the development contributions amount payable.
- .2 A development may be identified as a special circumstance for one of the following reasons:
 - a) The potential effect the development may have on the capacity of the network infrastructure, reserves and community infrastructure is likely to be greater than that taken into account when developing a methodology for the Development Contributions Policy and calculating the development contributions charges per unit of demand.
 - b) The development is likely to require the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.
- .3 Significant adverse effects on infrastructure of particular developments will be considered as part of the evaluation of application for resource consent and may influence consideration of the application in the absence of agreed mitigation with the Council.

[5.6] Development Agreements

- a. Pursuant to section 207A of the LGA02, a developer may request that the Council enter into a contractual agreement with the developer to provide infrastructure as an alternative to paying all or part of a development contribution. The contractual agreement in this instance is called a “development agreement”.
- b. Pursuant to section 207B of the LGA02, the Council will consider the request for a development agreement and provide written notice to the developer of its decision on the request, and the reasons for the decision without unnecessary delay.
- c. The content and effect of a development agreement must comply with sections 207D and 207E of the LGA02.

[5.7] Non-Residential Brownfield Redevelopment

- .1 Non-residential brownfield redevelopment¹⁰ generally places negligible increased demand on the capacity of the network infrastructure. This is because it occurs in established areas and the new or altered activities and buildings established on the site generally place a similar demand on the network infrastructure as the previous activity or building. For this reason, non-residential brownfield redevelopment does not create additional units of demand.
- .2 Non-residential brownfield redevelopment will generally occur on allotments that have not paid development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies).
- .3 The alteration of an existing non-residential building or construction of a new non-residential building may still create additional units of demand and be subject to development contributions (refer to sections 6 and 7 for further guidance) e.g. the extension of a non-residential building established after 1 July 2004 located on an allotment that has not paid any development contributions in the past based at the subdivision stage.
- .4 The applicant shall provide sufficient information to enable the Council to determine whether or not:
 - a) A development is a non-residential brownfield redevelopment: and
 - b) Existing or past site coverage was or is legally established under the RMA and or the Building Act.

[5.8] Massey University – Turitea Campus

The Massey University Turitea Campus¹¹ is made up of a number of different sites. For the purposes of clause 5.7 (Non-Residential Brownfield Redevelopment), the various sites that make up the Massey University Turitea Campus shall be considered as one site.

[5.9] Tax – GST

Development contributions required will incur a Goods and Services Tax upon assessment of a contribution payable.

¹⁰ s Brownfield redevelopment means further development of sites that are developed at or over 40% site coverage, or were at some time in the past at or over 40% site coverage, provided the buildings located on the site were established prior to 1 July 2004, and specifically includes further subdivision of the site; alterations and additions to existing buildings; and development contributions in the past based at the subdivision stage

¹¹ Massey University Turitea Campus means land that is occupied by Massey University whether leasehold or freehold that is zoned Institutional within the Palmerston North City District Plan.

[5.10] Cross Area Development

In the situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development allotment area.

[6] Community Facilities: Network Infrastructure, Reserves and Community Infrastructure

[6.1] Water

- .1 The water reticulation network is made up of four service catchments, being the Palmerston North, Ashhurst, Longburn, and Bunnythorpe urban areas. Each of the defined service catchments of the water reticulation system is characterised by interdependent components. For the purposes of development contributions, the water reticulation network is optimised to include only those components necessary to the effective operation of the network-wide system
- .2 Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of this network is undertaken with network-wide supply and demand issues in mind. This network is referred to as the 'Integrated Water Network' and its components in the service catchments are defined visually on Map 2 in Appendix C.
- .3 The Integrated Water Network for water is made up of:
 - a) All trunk and distribution pipelines, valves, and hydrants 200 mm in diameter or larger
 - b) All reservoirs
 - c) All water sources capable of delivering more than 1,000 m³/day, including but not limited to the Turitea Water Treatment Plant and all bores
 - d) Any pipe(s) that are not trunk or distribution pipelines but provide capacity to the Integrated Network

The Integrated Network contains trunk mains and distribution mains. These pipelines have an important function in transferring water from source (trunk mains) to a series of pipes that convey water to areas or groups of streets (distribution mains). Local pipes receive water from distribution mains and serve individual properties. Local pipes are part of the overall water network but in most cases, but not all, do not form part of the Integrated Network for the purpose of the Development Contributions Policy.

- .4 Inadequate capacity in a trunk or distribution main can have a significantly greater impact on the overall operation of the water network than inadequate capacity in a smaller localised pipe.
- .5 The requirement to provide water in sufficient volumes at a required pressure and for the extinguishing of fires guide the decision of which components of the overall water network make up the Integrated Network. Achieving the required flows and pressures established in Council's level of service for every property (including at extreme ends of the network) means that those pipes conveying water from source to trunk mains and distribution mains need to have sufficient capacity to ensure levels of service are met. As growth occurs the capacity of trunk and distribution mains need to be increased to ensure levels of service are maintained.

[6.1.1] Development Contributions Approach

A development contribution for the identified water service catchments will be based on the value of future identified growth works and growth works incurred in anticipation of development on each of the service catchments in the 'Integrated Water Network'. The anticipated future works on the 'Integrated Water Network' in each area are identified in the Palmerston North City Council's Water Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy.

[6.1.2] Who Gets Charged?

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:

- a) Developments in the rural area that are not connected to the City water systems (Development Contributions Area A); ~~and~~ **or**
- b) Developments in Longburn and Bunnythorpe that have a separate water network on which no future growth works are planned (at present) (Development Contribution Areas Q and R); **or**
- c) Any non-residential development without a service connection to the water network.

[6.1.3] Justification for Approach

All growth works on the 'Integrated Water Network' are considered to contribute to the function of the integrated network. All components of the integrated network also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

[6.1.4] Unit of Demand

- .1 The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non- residential demand.
- .2 The following factors have been used to portion out the 20-year residential and non-residential growth costs for water:
 - d) an average non-residential – ~~non~~-residential water demand ratio;
 - e) the average number of equivalent household units per hectare; and
 - f) the residential and non-residential growth projections.
- .3 All residential and non-residential development is assumed to create ~~a~~-units of demand. All rural development is assumed to create zero units of demand.
- .4 The measure for a residential unit of demand is:
 - g) per additional allotment at subdivision; or
 - h) per connected equivalent household unit at building consent or service connection.
- .5 The measure for a non-residential unit of demand is:
 - a) per 100m² of allotment area at subdivision; or
 - b) per 100m² of Gross Floor Area (GFA) at building consent or service connection.
- .6 The measures for units of demand is summarised at the end of this section in Table 4.
- .7 Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).
- .8 Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.2] Wastewater

- .1 The wastewater reticulation network is made up of three discrete service catchments. The first service catchment is made up of the Palmerston North, Ashhurst and Bunnythorpe urban areas. The second service catchment is Longburn. The third service catchment are pressure sewer areas, which are intended to service Kākātangiata , North East Industrial Zone Extension Area,

Matangi Residential Area and the Napier Road Residential Extension Area. Each of the defined service catchments of the wastewater system is characterised by a combination of interdependent components. For the purpose of development contributions, the wastewater network is rationalised to include only those components necessary to the effective operation of the network-wide system.

- .2 Interdependence within the network creates a need for integrated management of the operation of these necessary components. As such, the management of the identified network is undertaken with network-wide supply and demand issues in mind. This network is referred to as the 'Integrated Wastewater Network' and its components are defined visually on Map 3 in Appendix D
- .3 To be considered part of the Integrated Wastewater Network an asset must first have a direct connection to and be hydraulically linked to the existing Integrated Network. The Integrated Network for wastewater is made up of:
 - a) Any trunk or collector gravity pipe of 250mm or larger.
 - b) Pump stations and associated pressure pipelines at Maxwells Line, Jickell Street, Massey, College Street, Tremaine Avenue, and Ashhurst.
 - c) Any new pump station carrying a flow equivalent to that produced by 3,000 persons (35 l/sec) or more.
 - d) Wastewater treatment plant(s) serving Palmerston North, Ashhurst, and Bunnythorpe, and any oxidation ponds.
 - e) Any pipe(s) that are not a trunk or collector gravity pipe of 250mm but provide capacity to the Integrated Network.

The Integrated Network contains a series of main trunk pipelines which carry large volume of flows to the treatment plant.

Collector pipes convey flows from local streets to the trunk mains. A number of smaller more localised pipes connect into each collector or directly to the trunk mains.

- .4 Wastewater pipes serving individual properties or pipes in a local street connecting to another street do not contribute to or have a very limited impact on the overall operation of the wastewater network. However, overloading of one trunk main or collector pipe could have significant network wide operational impacts due to hydraulic inter-connectivity of the trunk pipes. Inadequate capacity in one trunk could have an effect on another trunk placing the entire system under stress.
- .5 There is a degree of interdependence between the trunk systems that creates a requirement for management and operation of the system at a network level. The inter- dependency of the trunks and the resulting requirement to manage system operation at a network level enable identification of those components that form the Integrated Network. Consequently, the demarcation of components at trunk and collector level and, in the case of pump stations, at a capacity level, is considered appropriate for determining which components of the system form the Integrated Network.

- .6 The Integrated Wastewater Network and Villages – Ashhurst, Bunnythorpe and Longburn – Both Ashhurst and Bunnythorpe are connected to the existing Integrated Network and the nature of the connection means they are hydraulically linked with the City’s Integrated Network. For these reasons both Ashhurst and Bunnythorpe are considered as part of the City’s Integrated Network for wastewater. The wastewater trunk main serving Longburn is directly connected to the treatment plant. However, the trunk main is not connected to or hydraulically linked to the City’s Integrated Network. For these reasons Longburn it is not considered part of the City’s Integrated Network.

[6.2.1] Development Contributions Approach

The development contribution is based on the value of future identified growth works and growth works incurred in anticipation of development in each of the service catchments in the ‘Integrated Wastewater Network’. The anticipated future works on the ‘Integrated Wastewater Network’ are identified in the Palmerston North City Council’s Wastewater Asset Management Plan and the value is summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy.

[6.2.2] Justification for Approach

All growth works on the ‘Integrated Wastewater Network’ are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. All necessary components of the integrated networks also have excess capacity that will cater for anticipated future capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.

[6.2.3] Who Gets Charged?

Under the above outlined method, all new developments in the Palmerston North, Ashhurst and Bunnythorpe service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:

- a) developments in the rural area that are not connected to the City wastewater systems (Development Contributions Area A); or
- b) ~~developments in Longburn that have a separate wastewater network on which no future growth works are planned (at present) (Development Contributions Area R)~~ Any non-residential development without a service connection to the wastewater network.

[6.2.4] Unit of Demand

- .1 The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non- residential demand.
- .2 Production of wastewater correlates closely with the consumption of water. Therefore, the following factors have been used to portion out the 20-year residential and non- residential growth costs for wastewater:
 - a) an average non-residential – ~~non~~-residential wastewater demand ratio.
 - b) the average number of equivalent household units per hectare.
 - c) the residential and non-residential growth projections.
- .3 All residential and non-residential development is assumed to create a units of demand. All rural development is assumed to create zero units of demand.
- .4 The measure for a residential unit of demand is:
 - a) per additional allotment at subdivision; or
 - b) per connected equivalent household unit at building consent or service connection.
- .5 The measure for a non-residential unit of demand is:
 - a) per 100m² of allotment area at subdivision; or
 - b) per 100m² of GFA at building consent or service connection.
- .6 The measures for units of demand is summarised at the end of this section in Table 4.
- .7 Refer also to clause 5.5 (Special Circumstances), clause 5.7 (Non-Residential Brownfield Redevelopment).
- .8 Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.3] Rooding

- .1 The roading network service is contained within the Palmerston North City Council territorial boundary. The roading network is characterised by a combination of interdependent components. Interdependence within the network creates a need for integrated management of operation of these components. As such, the management of the network is undertaken with network-wide supply and demand issues in mind.
- .2 For the purposes of development contributions, the roading network is considered to be an unrestricted system. This means that the roading network can be accessed by anyone at any time in the City. The roading network is defined visually on Map 4 in Appendix E.
- .3 To be considered part of the Integrated Roding Network a road must be classified, or proposed to be classified, in the Palmerston North City District Plan roading hierarchy as either a Major Arterial, Minor Arterial or Collector Road.

[6.3.1] Development Contributions Approach

- .1 Development contributions are applied citywide and are based on the value of future identified growth works and growth works incurred in anticipation of development on the roading network. The anticipated future growth capital development works are identified in the Palmerston North City Council's Roding Asset Management Plan and the values are summarised in Table 2 in Section 3.4 of this Policy. The value of growth works incurred in anticipation of development is summarised in Table 3 in Section 3.5 of this Policy. The development contribution for the roading network is based on the proportion of these works that have been assessed as the result of increased demand generated by new residential, rural and non-residential development.
- .2 The proportion of future growth works resulting from increased demand attributable to new residential and non-residential development is determined by Council from data collected for Palmerston North City Council's Transportation Management Plan.

[6.3.2] Who Gets Charged?

Under the above outlined method, all new developments in all development contribution areas will be subject to a development contribution for the roading network.

[6.3.3] Justification for Approach

All components included in the development contribution for the roading network are considered to service any allotment within the specified boundary, up to a uniform service level, at any time. The current network also has excess capacity that has been planned and will cater for anticipated future capacity uptake. Any identified capital development works undertaken on the network enhance the capacity of the existing integrated network directly.

[6.3.4] Unit of Demand

- .1 The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non- residential demand.
- .2 The following factors have been used to portion out the 20-year rural, residential and non-residential growth costs for roading:
 - a) average vehicle trip generation data for residential and non-residential activities.
 - b) the residential and non-residential growth projections.
- .3 All residential, non-residential and rural development is assumed to create a unit of demand.
- .4 The measure for a residential and rural (dwellings) unit of demand is:
 - a) per additional allotment at subdivision; or
 - b) per connected equivalent household unit at building consent or service connection.
- .5 The measure for a non-residential unit of demand is:
 - a) per 100m² of allotment area at subdivision; or
 - b) per 100m² of GFA at building consent or service connection.
- .6 The measure for a rural (other) unit of demand is:
 - a) per 100m² GFA at building consent or service connection.
- .7 The measures for units of demand is summarised at the end of this section in Table 4.
- .8 Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).
- .9 Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.4] Stormwater

- .1 The stormwater network is defined using a catchment-based approach because it is dependent on natural geographical features

and events. The stormwater network is characterised by a number of relatively autonomous service catchments and within each of these is an integrated system of interdependent network components. For the purposes of this policy there are thirteen defined service catchments that make up twenty-one development contribution areas.

- .2 Stormwater infrastructure development within service catchments is based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. For the purpose of development contributions specific demand analysis has been undertaken on existing service catchments and infrastructure requirements have been identified as a result.

[6.4.1] Development Contributions Approach

- .1 A stormwater development contribution for each of the thirteen service catchments is based on the value of components to be located within each in order to meet the defined level of service under the fully developed catchment scenario.
- .2 Anticipated future components are identified in Council's Stormwater Asset Management Plan capital development budgets.
- .3 Current and planned future stormwater infrastructure provided in the ~~thir~~ fourteen service catchments is anticipated to cater for the entire catchment when it is fully developed. Thus, in partially developed service catchments, infrastructure provision identified will specifically cater for growth in that service catchment.

[6.4.2] Who Gets Charged?

Under the above outlined method, all new developments in

development contribution areas D, E, F, G, H, I, J, K, L, M, ~~N~~, O, P, S and I will be subject to a development contribution.

New developments in other catchments will not be required to pay any development contributions for stormwater.

[6.4.3] Justification for Approach

- .1 Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Investigations suggested that additional development within existing developed stormwater catchments would have little effect on the demand for additional stormwater infrastructure. In contrast, additional development in partially developed catchments had a significant effect on the demand for additional stormwater infrastructure.
- .2 Only Aokautere, Kelvin Grove (including the Whakarongo and Napier Road Residential Areas), the Midhurst Street Industrial Area and the North East Industrial Zone Extension Area stormwater service catchments will be subject to development contributions for stormwater as other identified stormwater catchments have level of service deficiencies that require remedy before it is appropriate to further develop infrastructure for growth, and thus apply a development contribution in these catchments. As a

result of the findings of these demand investigations Council will apply development contributions to partially developed service catchments only. Identified partially developed catchments are illustrated on Map 5, 6 and 7 in Appendices F, G and H.

[6.4.4] Unit of Demand

- .1 The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential, rural and non- residential demand.
- .2 The allotment area of development and hence information related to site coverage and impermeable surface area has been used to calculate a unit of demand.
- .3 All residential development is assumed to create one unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create two units of demand.
- .4 The measure of a unit of demand is per 700m² of allotment area.
- .5 The measures for units of demand is summarised at the end of this section in Table 4.
- .6 Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).
- .7 Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.5] Reserves and Community Infrastructure

- .1 The Palmerston North City reserves and community infrastructure asset comprises two distinct parts. They are land zoned as reserve and identified for recreational purposes (“reserves”), and infrastructure associated with that zoned land (“community infrastructure”). Community infrastructure includes capital developments and facilities associated with the identified reserves, such as playgrounds, car parks, and fences.
- .2 The reserves and community infrastructure assets are also distinguished at two levels, these being “citywide” and “local”.

RESERVES AND COMMUNITY INFRASTRUCTURE

“Citywide” “Local”

[6.5.1] Citywide Reserves and Community Infrastructure

The primary purpose of citywide reserves and community infrastructure is to provide active recreational facilities to the city community. Citywide reserves are destination reserves that are accessed for recreational purposes from all areas of the City

and people within the Palmerston North City boundary. The citywide reserves and community infrastructure service catchment is illustrated on Map 8 in Appendix I.

[6.5.2] Local Reserves and Community Infrastructure

Identified local reserves and community infrastructure primarily serve a local area. The primary purpose of these assets is to provide amenity for local areas by breaking up the urban environment and also to provide for passive recreation. Local reserves are not considered destination type reserves. Local reserves and community infrastructure service catchments are illustrated on Maps 1, 9 & 10 in Appendices A, J & K.

[6.5.3] Development Contributions Approach

A city development contribution is based on the value of identified future provision of citywide reserves and community infrastructure and the provision that has incurred in anticipation of development.

A local development contribution is based on the value of identified future provision of local reserves and community infrastructure and the provision that has incurred in anticipation of development.

[6.5.4] Who Gets Charged?

- .1 All residential and rural developments (dwellings and additional allotments only) in all development contribution areas will pay a citywide development contribution for 'citywide' reserves and community infrastructure.
- .2 All residential development within the Kelvin Grove (including the Whakarongo [and Napier Road Residential Areas](#)), [Matangi and Kikiwhenua Residential Areas](#) and Aokautere/Summerhill development contributions areas will pay a development contribution for 'local' reserves and community infrastructure.

[6.5.5] Justification for Approach

- .1 The assumed demand for citywide reserves and community infrastructure is created and driven as a result of additional people, or residential households, being located within the Palmerston North territorial boundary. As citywide reserves and community infrastructure are destination reserves, increased demand can come from anywhere within the defined city boundary from both residential and rural development. Non- residential development is generally assumed to have no impact on the demand for citywide reserves and community infrastructure networks.
- .2 As one of the key purposes of 'local' reserves and community infrastructure is to provide amenity by breaking up the urban environment, it is assumed for the purposes of development contributions that the key driver and demand for the provision of such 'local' assets is the take up of land in a defined local area. While local population increase within a defined local area does

have a bearing on the provision of local reserves, ultimately there is only a finite land area in which to provide local reserves. Residential development is considered to have an impact on the provision of local reserves because of the development of land area and the need for local reserves to provide amenity by breaking up the urban environment and provide for passive recreation needs.

[6.5.6] Legislative Considerations

- .1 A development contribution for reserves may not exceed the greater of 7.5% of the value of additional allotments created by a subdivision and the value equivalent of 20 square metres of land for each additional household unit created by the development.
- .2 A development contribution for community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13 of the LGA02.

[6.5.7] Unit of Demand

- .1 The development contribution is subject to a form of measurement to allocate units of demand to development. This allows for differences between residential and rural demand.
- .2 For citywide reserves, information regarding the average resident populations and households has been used to calculate a unit of demand for citywide reserves and community infrastructure.
- .3 For local reserves, information regarding the average allotment area of development and hence information related to public access to reserve areas available has been used to calculate a unit of demand for local reserves and community infrastructure.
- .4 For **citywide reserves and community infrastructure**, all residential and rural development (dwellings and allotments only) is assumed to create one unit of demand. The measure of a unit of demand for citywide reserves and community infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.
- .5 For **local reserves and community infrastructure**, all residential development is assumed to create one unit of demand (Aokautere / Summerhill, Matangi, Kikiwhenua and Kelvin Grove areas only). All rural development is assumed to create zero units of demand. The measure of a unit of demand for local reserves and community infrastructure is per 700m² of allotment area.
- .6 The measures for units of demand is summarised at the end of this section in Table 4.
- .7 Refer also to clause 5.5 (Special Circumstances).

- .8 Further guidance on measuring units of demand is provided in sections 6.6 and 7.

[6.6] Units of Demand for All Community Facilities Requiring a Development Contribution

[6.6.1] Key Criterion in Assessing Contributions under the Policy

- .1 The **key criterion** that Council uses to assess whether a development contribution is payable on a proposed development is ‘**units of demand**’ and the characteristics of that unit of demand.
- .2 **Units of demand** can be assessed at subdivision, building consent and service connection stage.
- .3 **Units of demand** can also be created outside of the subdivision process i.e. an additional dwelling on an existing lot. Therefore, the Policy enables Council to assess units of demand created at the building and service connection stage also.
- .4 It is Council’s preference to assess and apply a development contribution at the first stage of development, namely the subdivision consent stage. The reasons for this are set out in Section 3.2.1 of this Policy and Council will apply this preference consistently.

[6.6.2] Measuring Units of Demand

- .1 Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments.
- .2 The measures for units of demand is summarised at the end of this section in Table 4.
- .3 Further guidance on measuring units of demand is provided in clauses 6.6.4 - 6.6.7 and section 7.
- .4 **Water and Wastewater**
 - a) **Residential:** The measure of a residential unit of demand for water and wastewater is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.
 - b) **Rural:** Not applicable.
 - c) **Non-Residential:** The measure of a non-residential unit of demand for water and wastewater is per 100m² of allotment area at subdivision or per 100m² of GFA with service connection at building consent or service

connection.

- d) Whether a lot or site has existing services on site or at the boundary does not necessarily determine an existing unit of demand i.e. the placement of a new dwelling on a site with existing services.

.5 Rooding

- a) **Residential:** The measure of a residential unit of demand for roading is per additional allotment at subdivision or per connected equivalent household unit at building consent or service connection.
- b) **Rural:** The measure of a rural (dwellings) unit of demand for roading is per additional allotment at subdivision or per equivalent household unit at building consent or service connection. The measure for a rural (other) unit of demand for roading is per 100m² GFA.
- c) **Non-Residential:** The measure of a non-residential unit of demand for roading is per 100m² of allotment area at subdivision or per 100m² of GFA at building consent or service connection.

.6 Citywide Reserves and Community Infrastructure

- a) **Residential:** The measure of a residential unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.
- b) **Rural:** The measure of a rural unit of demand for Citywide Reserves and Community Infrastructure is per additional allotment at subdivision or per equivalent household unit at building consent or service connection.
- c) **Non-Residential:** Not applicable.

.7 Stormwater and Local Reserves and Community Infrastructure

- a) **Residential:** Access to stormwater, local reserves and community infrastructure is limited to the land area within specific service catchment areas. Therefore, the measure for a residential unit of demand for stormwater, local reserves and community infrastructure is per square meter of allotment area developed. Each equivalent household unit is assumed to occupy 700m² of allotment area.¹²
- b) **Non-Residential:** Access to stormwater and community infrastructure is limited to the land area within specific

¹² The number of units of demand created is the total allotment area divided by the measure of 700m² where the allotment area is greater or lower than 700m²

service catchment areas. Therefore, the measure for a non-residential unit of demand for stormwater and community infrastructure is per square metre of allotment area developed. Each equivalent household unit is assumed to occupy 700m² of allotment area.¹³

c) **Rural:** Not applicable.

d) **Non-Residential:** Not applicable to Local Reserves.

[6.6.3] Applying Units of Demand

- .1 Individual developments may create multiple units of demand for any of the given community facilities. To determine the number of units of demand created by development on a particular community facility the unit of demand factor is multiplied by the number of measures associated with the development as defined in 6.6.2 and shown in Table 4. Examples of applying the units of demand to development can be found in Section 10 of this policy.
- .2 Table 4 gives a summary of the assessed units of demand for residential, rural and non-residential development for each of the community facilities and should be read in conjunction with the Residential, Rural and Non-Residential Schedule of Contributions per Unit of Demand contained within section 8 of the Policy. The table also illustrates the measure associated with a unit of demand for each of the community facilities.

Table 4 – Units of Demand for Community Facilities

COMMUNITY FACILITIES	UNIT OF DEMAND			MEASURE: SUBDIVISION	MEASURE: BUILDING CONSENT AND SERVICE CONNECTION
	RESIDENTIAL	RURAL	NON-RESIDENTIAL		
Water	1	0	1	Residential: Per Additional Allotment Rural: Not Applicable Non-Residential: Per 100m ² of Allotment Area	Residential: Per Connected EHU Rural: Not Applicable Non-Residential: per 100m ² GFA <u>with service connection</u> *
Wastewater	1	0	1	Residential: Per Additional Allotment Rural: Not Applicable Non-Residential: Per 100m ² of Allotment Area	Residential: Per Connected EHU Rural: Not Applicable Non-Residential: per 100m ² GFA <u>with service connection</u> *

¹³ The number of units of demand created is the total allotment area divided by the measure of 700m² where the allotment area is greater or lower than 700m²

Stormwater	1	0	2 ¹²	Residential: 700m ² of Allotment Area Rural: Not Applicable Non-Residential: 700m ² of Allotment Area	Residential: 700m ² of Allotment Area Rural: Not Applicable Non-Residential: 700m ² of Allotment Area
Roading	1	1	1	Residential: Per Additional Allotment Rural: Per Additional Allotment Non-Residential: Per 100m ² of Allotment Area	Residential: One EHU Rural (Dwellings): One EHU Rural (Other): Per 100m ² GFA* Non-Residential: Per 100m ² GFA*
Citywide Reserves and Community Infrastructure	1	1	0	Residential: Per Additional Allotment Rural: Per Additional Allotment Non-Residential: Not Applicable	Residential: One EHU Rural (Dwellings): One EHU Rural (Other): Not Applicable Non-Residential: Not Applicable
Local Reserves and Community Infrastructure	1	0	0	Residential: 700m ² of Allotment Area Rural: Not Applicable Non-Residential: Not Applicable	Residential: 700m ² of Allotment Area Rural: Not Applicable Non-Residential: Not Applicable

¹² Note: for the North East Industrial Zone Extension Area the unit of demand is 1.

*For fees applied at the building consent stage for non-residential development a minimum of 100m² GFA, or a minimum increase of 100m² GFA, applies.

[6.6.4] Measuring Units of Demand – Specific Guidance, Principles and Notes (Residential)

- .1 **Communal Residential Development:** For the purposes of establishing the number of equivalent household units that apply for communal residential developments, the maximum possible number of occupants on any given night is to be divided by 2.6, which is the average number of occupants per dwelling in Palmerston North (2013 Census).
- .2 **Accommodation Motel:** For the purposes of establishing the number of equivalent household units that apply for accommodation motels, the number of individual units that meet the definition of an equivalent household unit is to be multiplied by 0.48 (48%), which is the average occupancy rate for Palmerston North (Statistics New Zealand Accommodation Survey). For units that do not meet the definition of an equivalent household unit, the communal residential development measure can be used in combination with the average occupancy rate multiplier (0.48).
- .3 **Retirement Villages:** For the purposes of establishing the number of equivalent household units that apply for retirement villages, the total number of units within a development that meet the definition of a dwelling shall be multiplied by 0.44. Any part of a retirement village that does not meet the definition of a dwelling shall be assessed as a communal residential development.
- .4 In determining the final number of equivalent household units that apply to a particular development, a combination of the general

measure of an equivalent household unit, the communal residential development measure of equivalent household units and the accommodation motel measure of equivalent household units may be used to recognise the specific composition of a particular development. For example, a retirement village that includes a combination of independent dwellings and communal living arrangements or an accommodation motel that includes a combination of fully serviced units, hostel accommodation and a manager's unit.

- .5 **Small Dwellings:** Where a new dwelling is constructed that is below 100m² Gross Floor Area (for example a Minor Dwelling) and the development contributions for the dwelling are levied by Council at the building consent or service connection stage, the following calculation shall apply for the purposes of establishing the equivalent household unit of the dwelling:
- .6 GFA of the dwelling / 100 = equivalent household unit.
- .7 **Dependent Dwelling Units and Accessory Buildings:** where an existing dependent dwelling unit or accessory building is being used as an equivalent household unit a development contribution fee will be payable.
- .8 Refer to the residential development contributions assessment flowchart for further guidance.

[6.6.5] Measuring Units of Demand – Specific Guidance, Principles and Notes (Rural)

- .1 It is assumed that each additional rural allotment may accommodate an additional dwelling. Each additional rural allotment therefore creates one unit of demand for roading and citywide reserves and community infrastructure.
- .2 While most new rural development is likely to be dwellings, occasionally a more general rural activity may establish in the rural area e.g. a rural industry or milking shed. These types of activities are identified in table 4 above as Rural (Other) and attract one unit of demand per 100m² GFA at the building consent or service connection stage for roading only.
- .3 For the purposes of assessing units of demand for rural developments, Rural (Other) does not include accessory buildings.
- .4 Refer to the residential development contributions assessment flowchart for further guidance.

[6.6.6] Measuring Units of Demand – Specific Guidance, Principles and Notes (Non-Residential)

- .1 **General:** All new non-residential subdivisions are assessed and measured based on allotment area (per 100m²). Subsequent non-residential building development on sites that have paid development contributions based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) are assumed to have paid in full and therefore do not create additional units of demand.

Refer to the non-residential development contributions assessment flowchart for further guidance.

.2 Subdivision:

- a) Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and there is (or was) a non- residential building located on the site, the remaining lot¹⁴¹³ is to be excluded from the final allotment area calculation.
- b) Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the site, the entire site is subject to additional units of demand.
- c) Where development contributions are applied at the subdivision stage they will be assessed and measured based on allotment area (per 100m²).
- d) Non-residential boundary adjustments and amalgamations will be assessed on a case by case basis. Refer to clause 11.1 Boundary Adjustments / Amalgamations for further guidance.
- e) Refer to the non-residential development contributions assessment flowchart for further guidance.

.3 Building Consent or Service Connection

- a) Where the underlying allotment of a particular development has not paid any development contributions in the past based on allotment area (2007 Policy or later), or per additional allotment (the 2004 and 2006 Policies) and there is or was a building located on the site, the following principles shall apply when measuring units of demand:
 - i) Buildings established or approved between 1 July 2004 and 30 June 2007 (2004 and 2006 Policies) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand.
 - ii) Buildings established or approved after 1 July 2007 (2007 Policy or later) that have paid development contributions at the building consent or service connection stage based on the GFA measure are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand.
 - iii) A new or additional building on an allotment with remaining development potential is assumed to

¹⁴ A remaining lot is an allotment created as part of a new subdivision that remains with or provides for an existing non-residential building located on the original allotment.

create additional units of demand.

- iv) As provided by clause 5.7 of this Policy, non- residential brownfield redevelopment does not create additional units of demand.

- b) Where the underlying allotment has not paid any development contributions in the past based on allotment area (2007 Policy or later) or per additional allotment (2004 and 2006 Policies) and a building has never been located on the allotment, it is assumed that development on the site will create additional units of demand.
- c) Where development contributions are applied at the building consent or service connection stage they will be assessed and measured based on GFA (per 100m²) or the overall increase in GFA (per 100m²).
- d) For fees applied at the building consent stage for non- residential development a minimum of 100m² GFA, or a minimum increase of 100m² GFA, applies to ensure small insignificant buildings and alterations and additions to existing buildings are not levied development contributions. This will also ensure the application of the Policy does not become administratively onerous.
- e) Refer to the non-residential development contributions assessment flowchart for further guidance.

.4 Non-Residential Brownfield Redevelopment and Special Circumstances

- a) Refer to clauses 5.5 to 5.7 for further guidance on non- residential brownfield redevelopment and special circumstances.
- b) Refer to the non-residential development contributions assessment flowchart for further guidance.

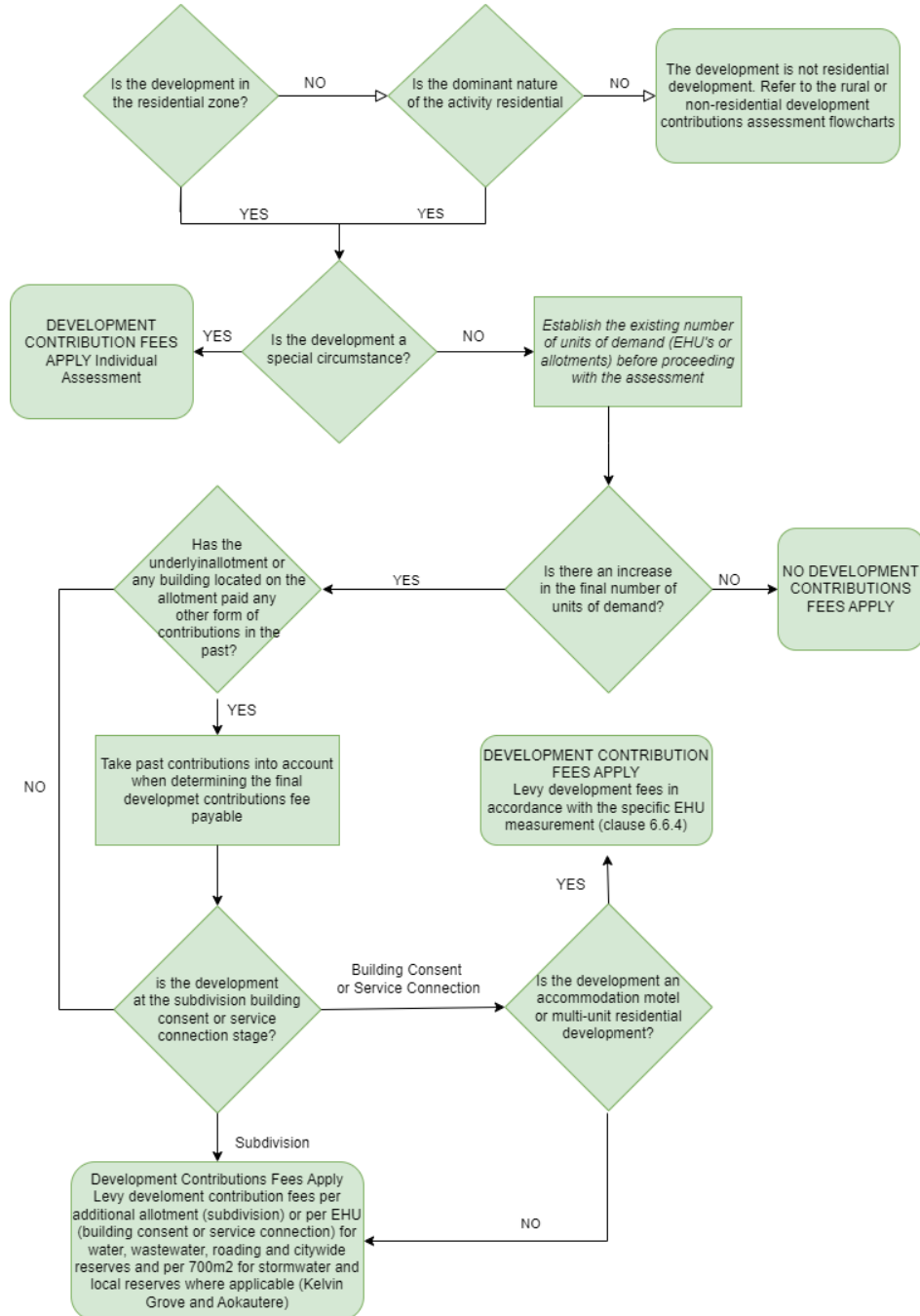
[6.6.7] Measuring Units of Demand – Specific Guidance, Principles and Notes (General)

- .1 **Stormwater and Local Reserves: Building development in the absence of Subdivision:** Where building development occurs in the absence of subdivision in a development contributions area that is subject to local reserves and /or stormwater charges, the total area of the underlying allotment will determine the stormwater and local reserves fees applicable.

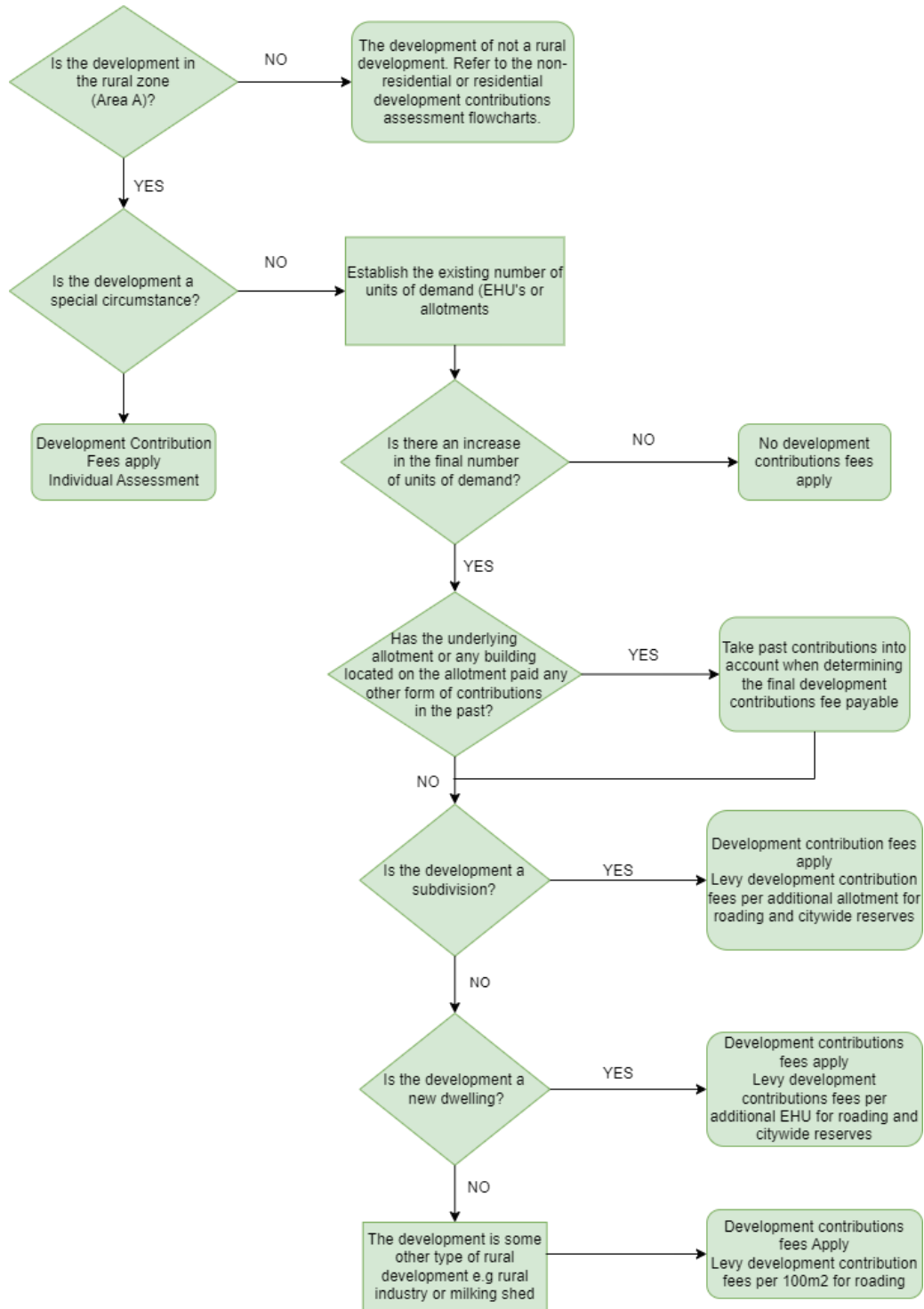
[7] Development Contributions Assessment Flowcharts

The following flowcharts have been included in the Policy to assist with determining whether or not development contributions fees apply. The flowcharts are for guidance purposes only.

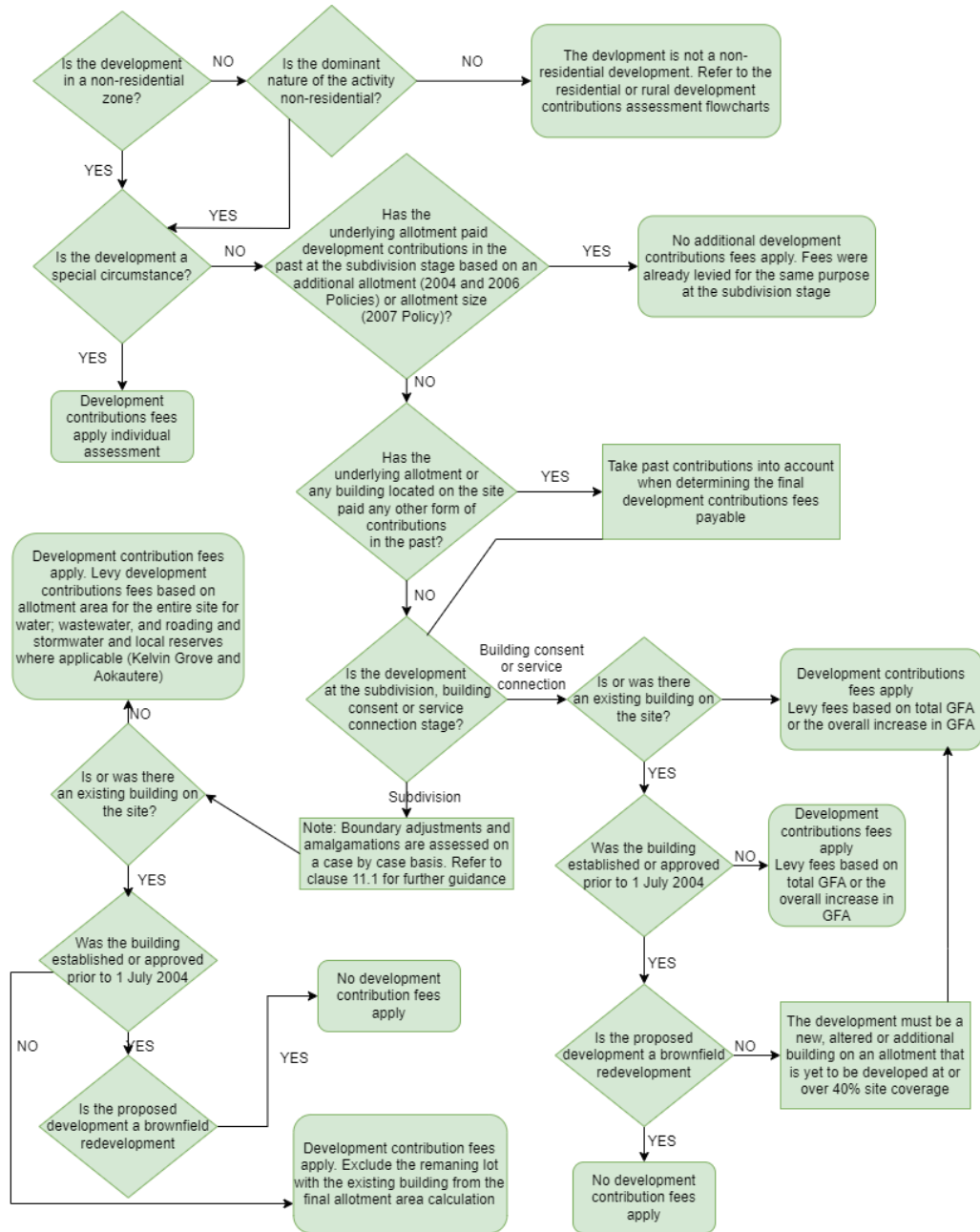
[7.1] Residential Development Contributions Assessment Flowchart



[7.2] Rural Development Contributions Assessment Flowchart



[7.3] Non-Residential Development Contributions Assessment



[8] Schedule of Contributions Per Unit of Demand

The residential, rural and non-residential schedule of development contributions refer to Development Contributions Areas A to ~~S~~V. Area A is the rural area and is therefore excluded from the residential and non-residential schedule and is the only area listed in the Rural Area schedule. These areas relate to geographically defined development contribution areas in Appendix A, Map 1. Each column of development contribution for the community facilities is per unit of demand as measured by Table 4. Section 10 shows examples of how to work out your development contribution for particular developments. All fees in the schedule are GST exclusive, however final assessment of development contribution payable will incur GST.

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RESIDENTIAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities. The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs) for the base year.

Table 5: Residential Fees

COMMUNITY FACILITIES												
DEVELOPMENT CONTRIBUTION AREA	ROADING		WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES	
	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION
MEASURE	Per Additional Allotment	Per EHU	Per Additional Allotment	Per Connected EHU	Per Additional Allotment	Per Connected EHU	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area	Per Additional Allotment	Per EHU	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area
B	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
C	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
D	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$1,139</u>	<u>\$1,139</u>
E	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$19,734</u>	<u>\$19,734</u>	<u>\$633</u>	<u>\$633</u>	<u>\$3,279</u>	<u>\$3,279</u>
F	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$128</u>	<u>\$128</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
G	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$1,453</u>	<u>\$1,453</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
H	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$5,984</u>	<u>\$5,984</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
I	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$855</u>	<u>\$855</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
J	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$6,162</u>	<u>\$6,162</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
K	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$1,755</u>	<u>\$1,755</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
L	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$3,653</u>	<u>\$3,653</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>

M	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$26,364</u>	<u>\$26,364</u>	<u>\$633</u>	<u>\$633</u>	<u>\$7,085</u>	<u>\$7,085</u>
N	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$10,466</u>	<u>\$10,466</u>
O	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$3,263</u>	<u>\$3,263</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
P	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
Q	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$1,444</u>	<u>\$1,444</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
R	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$368</u>	<u>\$368</u>	<u>\$101</u>	<u>\$101</u>	<u>\$143</u>	<u>\$143</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
S	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>
T	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$9,943</u>	<u>\$9,943</u>	<u>\$633</u>	<u>\$633</u>	<u>\$11,386</u>	<u>\$11,386</u>
U	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>	<u>\$8,159</u>	<u>\$8,159</u>
<u>V</u>	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$3,579</u>	<u>\$3,579</u>	<u>\$2,401</u>	<u>\$2,401</u>	<u>\$27,592</u>	<u>\$27,592</u>	<u>\$633</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: RURAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities.

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs) for the base year.

Table 6: Rural Fees

COMMUNITY FACILITIES													
DEVELOPMENT CONTRIBUTION AREA	ROADING			WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES	
	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION, BUILDING CONSENT OR SERVICE CONNECTION	BUILDING CONSENT OR SERVICE CONNECTION (OTHER)	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION
		(DWELLINGS ONLY)	(OTHER)							(DWELLINGS ONLY)			
MEASURE	Per Additional Allotment	Per EHU	Per 100m ² GFA	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Per Additional Allotment or Per EHU	Not Applicable	Not Applicable	Not Applicable
A	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$5,187</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$633</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS: NON-RESIDENTIAL

This schedule should be read in conjunction with Table 4 - Units of Demand for Community Facilities.

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

$$DC = BC \times (PPIC / PPIB).$$

DC = the development contribution charge for the relevant service or infrastructure payable under the Policy.

BC = the base development contribution charge payable under the Policy as set out in the schedule of fees below.

PPIC = the Producers Price Index – Construction (Outputs) for the current year.

PPIB = the Producers Price Index – Construction (Outputs) for the base year.

Table 7: Non-Residential Fees

COMMUNITY FACILITIES												
DEVELOPMENT CONTRIBUTION AREA	ROADING		WATER		WASTEWATER		STORMWATER		CITYWIDE RESERVES		LOCAL RESERVES	
	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION	SUBDIVISION	BUILDING CONSENT OR SERVICE CONNECTION
MEASURE	Per 100m ² of Allotment Area	Per 100m ² GFA	Per 100m ² of Allotment Area	Per 100m ² GFA <u>with a service connection</u>	Per 100m ² of Allotment Area	Per 100m ² GFA <u>with a service connection</u>	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area	Not Applicable	Not Applicable	Per 700m ² of Allotment Area	Per 700m ² of Allotment Area
B	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
C	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$0</u>	<u>\$0</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
D	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
E	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$19,734</u>	<u>\$19,734</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
F	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$128</u>	<u>\$128</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
G	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$1,453</u>	<u>\$1,453</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
H	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$5,984</u>	<u>\$5,984</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
I	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$855</u>	<u>\$855</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
J	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$6,162</u>	<u>\$6,162</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
K	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$1,755</u>	<u>\$1,755</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
L	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$3,653</u>	<u>\$3,653</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
M	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$26,364</u>	<u>\$26,364</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

N	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
O	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$3,263</u>	<u>\$3,263</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
P	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Q	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$12</u>	<u>\$36</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
R	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$233</u>	<u>\$728</u>	<u>\$64</u>	<u>\$199</u>	<u>\$143</u>	<u>\$143</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
S	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
T	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$9,943</u>	<u>\$9,943</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
U	<u>\$1,660</u>	<u>\$5,187</u>	<u>\$209</u>	<u>\$654</u>	<u>\$204</u>	<u>\$638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

[9] How to Work Out Development Contribution Payable

[STEP 1] Go to Appendix A, Map 1 and check what development contribution area your development lies within.

[STEP 2] Establish what type of development it is i.e. residential, rural or non- residential.

Determine the stage of development i.e. subdivision, building consent or service connection.

[STEP 3] Check clause 6.6.4 Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart Contained in section 7 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 4) in Section 6.6.3 establish how many units of demand your development will create for each of the community facilities.

[STEP 4] Go to the relevant Development Contributions Schedule of Fees in Section 8 and identify the fees payable per unit of demand for your development contribution area.

[STEP 5] Apply the Units of Demand to your development i.e. multiply the charges by the number of units of demand applicable.

Calculate your total development contribution by summing the individual community facilities charges established in steps 1-4 and add GST.

[EXAMPLES]

In Section 10.1-10.8⁶ working examples of steps 1 through to 5 are provided to help you work out your development contribution payable.

[10] EXAMPLES

The examples below are intended as a simple illustration of the calculation process associated with the development contributions policy.

The figures used exclude GST.

[10.1] Development Contributions Calculation – Example 1 (Residential):

Consider the example of a proposed residential subdivision as shown in diagram 1 and 2. The proposed subdivision is for an original lot size of 4000m². The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 1000m². The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 3000m². An example to work out the appropriate contribution is set out below.

Step1 What Development Contribution Area is the development in?

Area H (Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	4	4	4	4
How many existing units of demand are there?	Row 2	1	1	1	1
TOTAL demand created for each community facility	Row 3	3	3	3	3

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3: Calculate the Area Based Charges

Stormwater: $3000\text{m}^2/700\text{m}^2 = 4.2$

Local Reserves: $3000\text{m}^2/700\text{m}^2 = 4.2$

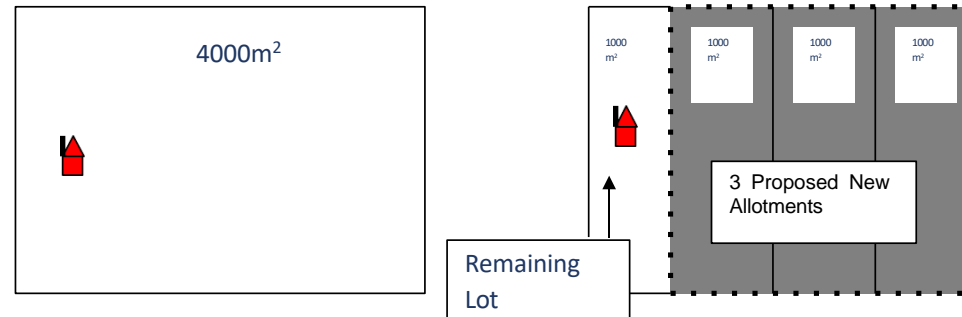
These contributions are based on the total land area being developed (less area in road/s) i.e. the measure of a unit of demand is per 700m^2 .

Step 4: Calculate Final Development Contributions Payable

Water:	3 (additional allotments)	x	<u>\$3,579</u>	=	<u>\$10,737</u>
Wastewater:	3 (additional allotments)	x	<u>\$2,401</u>	=	<u>\$7,203</u>
Stormwater:	4.2 ($3000\text{ m}^2/700\text{ m}^2$)	x	<u>\$5,984</u>	=	<u>\$25,133</u>
Roading:	3 (additional allotments)	x	<u>\$5,187</u>	=	<u>\$15,561</u>
City Reserves:	3 (additional allotments)	x	<u>\$633</u>	=	<u>\$1,899</u>
Local Reserves:	4.2 ($3000\text{ m}^2/700\text{ m}^2$)	x	\$0	=	\$0
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					<u>\$60,533</u>

Notes: The remaining lot of 1000m^2 as shown in diagram 2 may also create a unit of demand and could be subject to a development contribution. If the remaining lot has a dwelling on it connected to all City services, then it will not be subject to a further development contribution levy as it is assumed it has an existing unit of demand. If the remaining lot does not have a dwelling on it and has not paid a past contribution, or it has a dwelling that is not fully connected to infrastructure services then Council officers will assess this at the time of processing the consent for development and will advise applicants if additional contributions are required as a result of additional units of demand being assessed.

Diagram 1 – Original Lot Size Diagram 2 – Proposed new allotments for original lot



[10.2] Development Contributions Calculation – Example 2 (Rural)

Consider the example of a proposed rural subdivision as shown in diagram 3 and 4. The proposed subdivision is for an original lot size of 16ha. The proposed subdivision will result in the creation of 3 new additional allotments each consisting of an area of 4ha. The Development Contributions applied will be worked out in relation to the new units of demand being created (3 additional allotments) that will contain a total area of 12ha. An example to work out the appropriate contribution is set out below.

Step 1: What Development Contribution Area is the development in?

Area A (Rural Activity)

Step 2: What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	N/A	N/A	4	4
How many existing units of demand are there?	Row 2	N/A	N/A	1	1
TOTAL demand created for each community facility	Row 3	N/A	N/A	3	3

(Note: An existing unit of demand is determined by either an existing equivalent residential unit on the site such as a dwelling or a past contribution has been paid in respect to that development. Refer to Section 11.2 for guidance)

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Roading: 3 (additional allotments)	x	<u>\$5,187</u>	=	<u>\$15,561</u>
City Reserves: 3 (additional allotments)	x	<u>\$633</u>	=	<u>\$1,899</u>
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE:				<u>\$17,460</u>

Diagram 3 – Original Lot Size

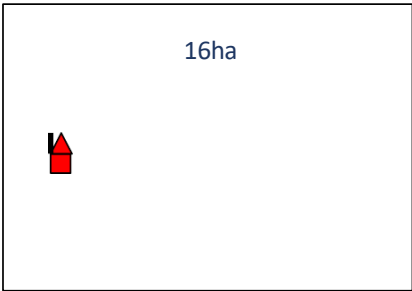
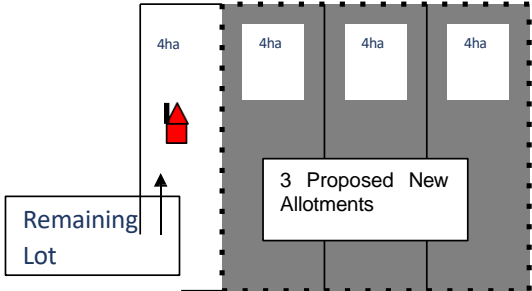


Diagram 4 – Proposed new allotments for original lot



[10.3] Development Contributions Calculation – Example 3 (Non- Residential):

Consider the example of a proposed non-residential subdivision.

The proposed subdivision is for an original lot size of 10,000m² that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established prior to 1 July 2004. The proposed development does not meet the definition of a non- residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 2000m², leaving a 4000m² remaining lot that will provide for the existing building. The development contributions applied will be worked out in relation to the 3 new allotments that will contain a total area of 6000m². The remaining lot of 4000m² with the existing building established prior to 1 July 2004 is excluded from the allotment area calculation.

Step 1: What Development Contribution Area is the development in?

Area B (Non-Residential Activity)

Step 2: What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	10,000m ²	10,000m ²	10,000m ²	N/A
How many existing units of demand are there?	Row 2	4,000m ²	4,000m ²	4,000m ²	N/A
TOTAL demand created for each community facility	Row 3	6,000m ²	6,000m ²	6,000m ²	N/A

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Water: (6000/100)	=	60 Units of Demand (100m ² of Allotment Area)	x	<u>\$209</u>	=	<u>\$12,540</u>
Wastewater: (6000/100)	=	60 Units of Demand (100m ² of Allotment Area)		<u>\$204</u>	=	<u>\$12,240</u>
Roading: (6000/100)	=	60 Units of Demand (100m ² of Allotment Area)	x	<u>\$1,660</u>	=	<u>\$99,600</u>
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE						<u>\$124,380</u>

[10.4] Development Contributions Calculation – Example 4 (Non- Residential):

Consider the example of a proposed non-residential subdivision. The proposed subdivision is for an original lot size of 8,000m² that has not paid any development contributions in the past at the subdivision stage. The original lot has an existing non-residential building located on it that was established after 1 July 2004. The proposed development does not meet the definition of a non- residential brownfield redevelopment. The proposed subdivision will result in the creation of 3 additional allotments each consisting of an area of 1500m², leaving a 3500m² remaining lot that will provide for the existing building. The development contribution applied will be worked out in relation to the 3 additional allotments that will contain a total area of 4500m². The remaining lot of 3500m² with the existing building established after 1 July 2004 is not included in the allotment area calculation.

Step1 What Development Contribution Area is the development in? Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	8,000m ²	8,000m ²	8,000m ²	N/A
How many existing units of demand are there?	Row 2	3500m ²	3500m ²	3500m ²	N/A
TOTAL demand created for each community facility	Row 3	4,500m ²	4,500m ²	4,500m ²	N/A

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Water:	(4500/100)	=	45 Units of Demand (100m ² of Allotment Area)	x	<u>\$209</u>	=	<u>\$9,405</u>
Wastewater:	(4500/100)	=	45 Units of Demand (100m ² of Allotment Area)	x	<u>\$204</u>	=	<u>\$9,180</u>
Roading:	(4500/100)	=	45 Units of Demand (100m ² of Allotment Area)	x	<u>\$1,660</u>	=	<u>\$74,700</u>
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE:							<u>\$93,285</u>

[10.5] Development Contributions Calculation – Example 5 (Non- Residential):

Consider the example of a proposed extension to an existing non- residential building. The existing 5000m² building is located on an allotment which has not paid any development contributions in the past at the subdivision stage. The existing building was established after 1 July 2004. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The proposed extension will add 2000m² to the building. The development contributions applied will be worked out in relation to the 2000m² extension only.

Step1 What Development Contribution Area is the development in? Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	7,000m ²	7,000m ²	7,000m ²	N/A
How many existing units of demand are there?	Row 2	5,000m ²	5,000m ²	5,000m ²	N/A
TOTAL demand created for each community facility	Row 3	2,000m ²	2,000m ²	2,000m ²	N/A

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Water:	(2000/100)	=	20 Units of Demand (100m ² GFA)	x	<u>\$654</u>	=	<u>\$13,080</u>
Wastewater:	(2000/100)	=	20 Units of Demand (100m ² GFA)	x	<u>\$638</u>	=	<u>\$12,760</u>
Roading:	(2000/100)	=	20 Units of Demand (100m ² GFA)	x	<u>\$5,187</u>	=	<u>\$103,740</u>
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE:							<u>\$129,580</u>

Notes:

It is assumed for this example the activity is not a special circumstance.

If the underlying allotment in the above example had paid development contributions in the past, then the GFA fees would not be applied.

[10.6] Development Contributions Calculation – Example 6 (Non-Residential):

Consider the example of a proposed new non-residential building. The new building is to be located on a vacant allotment which has not paid any development contributions in the past. The proposed development does not meet the definition of a non-residential brownfield redevelopment. The new building will have a GFA of 9,000m². The Development Contributions applied will be worked out in relation to the GFA of 9,000m².

Step1 What Development Contribution Area is the development in?

Area B (Non-Residential Activity)

Step 2 What is the demand for each Community Facility being created for the proposed development?

Formula: Row 1 – Row 2 = Row 3					
		Water	Wastewater	Roading	City Reserves
How many final units of demand will there be?	Row 1	9,000m ²	9,000m ²	9,000m ²	N/A
How many existing units of demand are there?	Row 2	0m ²	0m ²	0m ²	N/A
TOTAL demand created for each community facility	Row 3	9,000m ²	9,000m ²	9,000m ²	N/A

Step 3: Calculate the Area Based Charges

Not applicable

Step 4: Calculate Final Development Contributions Payable

Water:	(9000/100)	=	90 Units of Demand (100m ² GFA)	x	<u>\$654</u>	=	<u>\$58,860</u>
Wastewater:	(9000/100)	=	90 Units of Demand (100m ² GFA)	x	<u>\$638</u>	=	<u>\$57,420</u>
Roading:	(9000/100)	=	90 Units of Demand (100m ² GFA)	x	<u>\$5,187</u>	=	<u>\$466,860</u>
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE:							<u>\$583,110</u>

Notes:

It is assumed for this example the activity is not a special circumstance. If the underlying allotment in the above example had paid development contributions in the past, then the GFA fees would not be applied.

[10.7] Development Contributions Calculation – Example 7 (Non- Residential):

Consider the example of a proposed redevelopment involving the demolition of four existing non-residential buildings established prior to 1 July 2004 and the construction of one new non-residential building. The proposed redevelopment is located in an established area and meets the definition of non-residential brownfield redevelopment. Non-residential brownfield redevelopment generally places negligible increased demand on the capacity of the network infrastructure and therefore does not create additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0.

[10.8] Development Contributions Calculation – Example 8 (Non- Residential):

Consider the example of a proposed new 500m² non-residential contribution will be payable. The new building is to be located a recently subdivided 1500m² allotment that paid development contributions based on allotment area at the time of subdivision under the 2007 Development Contributions Policy. The proposed new 500m² building does not create any additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE: \$0.

[11] Guidance Notes

[11.1] Boundary Adjustments/Amalgamations

- .1 The Policy does not exempt boundary adjustments or amalgamations from being assessed for development contributions. Boundary adjustments and amalgamations create new lots, but not necessarily additional lots or additional allotment area, through subdivision. Where the new lot and the characteristics of that new lot are determined to create additional units of demand then a development contribution will be payable. Each circumstance will be assessed on a case by case basis.
- .2 One example is where a boundary adjustment or an amalgamation includes land where all or part of that land has not had contributions previously paid on it. Council will, in this instance, assess the contributions payable related to the specific development application.
- .3 The measure of a non-residential unit of demand for water, wastewater and roading is per 100m² of allotment area at subdivision or per 100m² GFA at building consent. In determining whether a non-residential boundary adjustment or amalgamation creates additional units of demand, the following matters will be taken into account:
 - a) Previous contributions paid;
 - b) Whether or not the existing allotment(s) meet the definition of non-residential brownfield redevelopment;
 - c) Whether or not the proposed allotment(s) meet the definition of non-residential brownfield redevelopment;
 - d) The current or previous level of demand placed on the network infrastructure, reserves and community facilities;
 - e) The level of demand the proposed boundary adjustment or amalgamation may place on the network infrastructure, reserves and community facilities;
 - f) Whether or not it is more appropriate to levy development contributions at the building consent stage; and
 - g) Any other matters Council considers relevant.

[11.2] Past Contributions and Determining an Existing Unit of Demand

- .1 Past contributions will be taken into account in assessing new units of demand. It is incumbent on the applicant to provide the necessary information, where possible, to show contributions have been paid on a particular development. Where past contributions can be validated, what these cover in terms of units of demand under the new Policy, and how they apply to new developments, will depend on the original intent of the contribution or agreement at that time. As the new Policy is different in methodology and application to the previous policy there will need to be an assessment made by Council officers on a case-by-case basis.
- .2 Where it is proven a past contribution has not been paid on a proposed development, and that development creates a unit of demand as defined in the Policy, then a development contribution will be assessed accordingly.
- .3 One example is where no past contribution has been paid on a vacant lot and where an applicant now proposes to build a house or further subdivide the lot. An existing vacant lot does not necessarily mean that there is an existing unit of demand. A determination, by staff on the application, will assess if past contributions were paid and what they covered, and if they were not paid what units of demand the particular proposed development now creates, if any.
- .4 Where a site is deemed to have existing units of demand:
 - a) Only present or past site coverage or equivalent household units legally established under the RMA or and or the Building Act will be counted as an existing unit(s) of demand; and
 - b) Only site coverage or equivalent household units currently connected, or connected in the past, to Council's integrated network will be counted towards units of demand for water or wastewater.

[11.3] Granting consents does not assume that final contributions payment has been made

A development contribution can be levied either at the subdivision, building or service connection consent stage. Having a development contribution levied upon the granting of consent does not assume final payment. Under the Policy, payment of contributions is required prior to the issue of either: the 224 certificate (for subdivision), the code compliance certificate or certificate of acceptance (for building consent), or service connection. As such, full and final payment of development contribution charges on a specific development will not be assumed until one of these criteria has been met

[11.4] Development contributions on overlapping consents and future subdivision applications

In the case where two or more overlapping consent applications are being processed simultaneously in the same development area, full contributions (under whatever contribution regime existed at that time) will be levied on both applications until full

payment has been received for one or the other as explained above. Once payment has been received for one of the two consents concerned, all contributions applicable to future subdivision applications will be revised to include those contributions already paid.

[12] Glossary of Terms

Accommodation Motel has the same meaning as Accommodation Motel in the Palmerston North City District Plan “means land and/or buildings used for transient residential accommodation and includes the provision of playgrounds, spa pools and swimming pools. It does not include restaurants, bars or conference facilities”.

Accessory Building has the same meaning as accessory building in the Palmerston North City District Plan: “means a building not being part of the principal building, the use of which is incidental to that of any other building or buildings on the site. In the case of a site on which no building has been erected, it is a building incidental to the use of the principal building permitted on the site. This includes a garage, carport, tool shed, playroom, recreation room, glasshouse, shipping container, swimming pool, spa pool and sleepout.”

Activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes—

- (a) the provision of facilities and amenities; and
- (b) the making of grants; and
- (c) the performance of regulatory and other governmental functions.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991, and for the purposes of the development contributions policy only, excludes allotments to be vested with Council as roads.

Allotment Area is the total land area of an allotment, and for the purposes of the development contributions policy only, excludes ‘limited development land’ as defined in the Palmerston North City District Plan when applying units of demand to stormwater and local reserves only. It does include ‘limited development land’ where resource consent or building consent is obtained to develop ‘limited development land’.

Applicant is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan means Council documents that outline how the Council will manage and provide infrastructure assets.

Balance Lot means a remaining allotment not yet intended for development that will be developed at a later date.

Brownfield Redevelopment means further development of sites that are developed at or over 40% site coverage, or were at some time in the past, provided the buildings located on the site were established prior to 1 July 2004, and specifically includes:

- further subdivision of the site;
- alterations and additions to existing buildings; and
- the demolition of existing buildings and construction of new buildings.

Catchment means the area served by particular infrastructure.

Capital Expenditure means the cost council expect to incur to provide infrastructure assets for the running of network infrastructure, reserves and community infrastructure.

Community Facilities means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the Local Government Act 2002.

Community Infrastructure means the following assets when owned, operated, or controlled by a territorial authority:

- (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
- (b) play equipment that is located on a neighbourhood reserve; and
- (c) toilets for use by the public.

Community Outcomes, in relation to a district or region, — means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

Connected Equivalent Household Unit means an equivalent household unit with an existing unit of demand with direct access to a service connection.

Consent Holder is the person/persons that are the applicants to which resource consent, building consent or service connection was granted.

Development means

- (a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

Development agreement means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers

and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or a part of a district.

Development Contribution means a contribution -

- (a) provided for in a development contribution policy of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) comprising-
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - (iii) both.

Development Contribution Areas relate to defined indicative geographical areas to which a development contribution is applicable in relation to the service catchments within those areas for network infrastructure, community infrastructure and reserves.

Development contribution objection means an objection lodged under clause 1 of Schedule 13A of the LGA02 against a requirement to make a development contribution.

Development Contribution Policy means the policy on development contributions adopted under section 102(1) of the LGA02.

District means the district of a territorial authority.

Equivalent Household Unit has the same meaning as Dwelling and Dwelling Unit in the Palmerston North City Council District Plan. “means any self-contained building or structure, or part thereof, that is used (or intended to be used) for a single household, and which is generally not available for public use”.

Financial Contribution has the same meaning as financial contributions in s108(9)(a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST.) means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.

Greenfield Areas are defined as those areas where building capacity exists on the perimeter of the city. Where land is zoned residential or industrial and has capacity to provide for future development it is considered a Greenfield site. Three defined Greenfield areas for the purposes of Development Contributions Policy are Kelvin Grove (including the Whakarongo and Napier Road Residential Areas)

Aokautere and North East Industrial Zone areas.

Gross Floor Area (GFA) has the same meaning as Gross Floor Area in the Palmerston North City District Plan: “Is the sum of the gross area of all floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings.

In particular, gross floor area includes:

- (a) Elevator shafts, stairwells, and lobbies at each floor;
- (b) Floor space in interior balconies and mezzanines;
- (c) All other floor space not specifically excluded.

The gross floor area of a building shall not include:

- (1) Uncovered stairways;
- (2) Floor space in terraces (open or roofed), external balconies, breezeways, porches;
- (3) Roof vehicle parking, lift towers and machinery rooms on the roof, having a floor area of not more than 200 m²;
- (4) Public thoroughfare areas in malls (this does not include food- court areas);
- (5) Areas used exclusively for fire egress;
- (6) Switchboard areas / Plant rooms;
- (7) Public Toilets”.

LGA02 means the Local Government Act 2002 or any legislation substituted for the same.

Limited Development Land has the same meaning as Limited Development Land in the Palmerston North City District Plan: “means any land in Aokautere which is not identified as developable land in Map 10.1 of the District Plan.”

Local Authority means a regional council or territorial authority.

Massey University – Turitea Campus means land that is occupied by Massey University whether leasehold or freehold that is zoned Institutional within the Palmerston North City District Plan.

Methodology has the same meaning as methodology in s197 of the Local Government Act 2002.

Communal Residential Development means any form of residential development that does not meet the definition of an

equivalent household unit.

Network Infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Non-Residential Development means any activity in a non- residentially zoned area, excluding the rural zone, or where the predominant activity is not residential or rural.

Prepared Food & Beverage Outlet means a business primarily engaged in the preparation and serving of food and beverages for immediate consumption and without limiting the generality of this term includes takeaway food outlets and restaurants.

Remaining Lot means an allotment created as part of a new subdivision that remains with or provides for an existing building located on the original allotment.

Residential Development means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

Retirement Village has the same meaning as Retirement Village in the Palmerston North City District Plan: “means a comprehensive development which may include housing, recreational, welfare, and medical facilities which is intended principally or solely for retired persons or people with disabilities”.

RMA 1991 means the Resource Management Act 1991.

Rural Development means any activity in a rural zoned area or where the predominant activity is not non-residential or residential.

Schedule of Development Contributions means the schedule to the council’s development contributions policy required by section 201 of the LGA02 and setting out the information required by section 202, namely;

- the contributions payable in each district in respect of reserves, network infrastructure and community infrastructure
- the events giving rise to the requirement for development contribution
- specified by district and by activity.

Service Catchment means a catchment defined by reference to the characteristics of the service and the common characteristics of the geographical area (for example stormwater catchments).

Service Connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Service Station has the same meaning as Service Station in the Palmerston North City District Plan. “means a business primarily

engaged in the fueling of motor vehicles. This may also include mechanical repairs and servicing of motor vehicles. Retail sales for the convenience of the traveling public may also be included, provided such sales remain incidental and ancillary to the principal use of fueling motor vehicles.”

Site Coverage has the same meaning as Site Coverage in the Palmerston North City District Plan:

“means that portion of the net site area, expressed as a percentage, which may be covered by all buildings and storage space, including eaves, balconies and verandas in excess of 0.6 of a metre in width, but excluding uncovered swimming pools, decks of 0.5 of a metre in height or less, and ramps of 0.5 of a metre in height or less with handrails of an additional 0.9 of a metre in height or less. Where no garage is shown at the construction of a dwelling, an allowance for a garage of 18 m² will be added to the total building coverage.”

Subdivision has the same meaning as Section 218 of the Resource Management Act 1991.

Third Party Funds means funding or subsidy, either in full or in part, from a third party.

Unit of Demand means measure of demand for community facilities.

Wet Industry means any activity which seeks to use water or discharge wastewater at a rate exceeding 25m³ /ha/day (or per area equivalent).

Wind Farm means wind turbines (other than a Domestic Wind Turbine and Microscale wind turbine) used to generate energy from the wind, and includes:

- turbines, including support pylons or towers
- ancillary buildings and structure including substations, maintenance building and communications equipment

A Wind Farm excludes transmission lines and infrastructure associated with transmission lines.

[13] Schedule of Assets for Which Development Contributions Will Be Used (Planned programmes)

Programme	Growth Activity / Area	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/3 5	2035/ 36	2036/ 37	2037/ 38	2038/ 39	2039/ 40	2040/ 41	2041/ 42	2042/ 43	2043 /44	Grand Total	A	B
51 - Urban Growth - Development Contributions - Stormwater	Stormwater - Citywide	250	300	300	300	300	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	6,700	100%	0%
73 - Urban Growth - Development Contributions - Wastewater	Wastewater - City-wide	104	150	150	200	200	200	200	250	250	250	250	250	250	250	250	250	250	250	250	250	4,454	100%	0%
132 - City-wide - Water Supply Resilience - Trunk Mains	Water - City-wide	600	1,214	1,214	114	1,000	1,000					400	1,500	1,500	400	2,000	2,000	450	2,000	2,000	450	17,842	10%	90%
135 - Urban Growth - Bunnythorpe Extension - Water Supply	Water Q - Bunnythorpe							75	450													525	90%	10%
197 - Urban Growth - NEIZ - Stormwater	Stormwater O				152	948	948															2,048	100%	0%
201 - Urban Growth - Transport - Development Contributions Top-up	Roads - City-wide	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	4,400	100%	0%
210 - Urban Growth - NEIZ - Wastewater	Wastewater - City-wide				517	1,200	2,500	2,000														6,217	100%	0%
246 - Urban Growth - Development Contributions - Water Supply	Water - City-wide	260	300	300	350	350	350	350	400	400	400	400	400	400	400	400	400	400	400	400	400	7,460	100%	0%
708 - UG - Aokautere - Reserves Land Purchase	Local Reserves Aokautere																						100%	0%
1000 - Urban Growth - Whakarongo - Wastewater	Wastewater - City-wide				350	2,000	2,000														200	4,550	100%	0%
1001 - Urban Growth - Whakarongo - Stormwater	Stormwater M - Whakarongo	2,500																				2,500	75%	25%
1003 - Whakarongo - Intersection - Safety Improvements	Roads - City-wide	1,200	500	5,500																		7,200	25%	75%
1004 - Urban Growth - Whakarongo - Water Supply	Water - City-wide	200	700	1,290	2,450	2,960	1,600															9,200	90%	10%
1005 - Urban Growth - NEIZ - Water Supply	Water - City-wide				300	700	2,200	2,700	2,600													8,500	50%	50%
1130 - Urban Growth - Kākātangiata - New Community Centre	Local Reserves N - Matangi												2,000									2,000	32%	68%
1387 - Urban Growth - New North-East Water Supply Bore	Water - City-wide											450	1,000	2,500	3,000	2,000						8,950	60%	40%
1704 - Urban Growth - Aokautere - Stormwater	Stormwater E	1,052	2,979	3,038	742	2,001	4,213	4,333														18,356	100%	0%
1711 - Industrial Growth - Longburn Industrial Park - WW	Wastewater R - Longburn																						100%	0%
1846 - City Reserves - Walkway Extensions - Capital New	Reserves - City-wide	184	185	202	301	301	186	422	422	186	186	186	186	186	186	186	186	186	186	186	186	4,440	34%	66%
1855 - Urban Growth - Aokautere - Reserves Purchase	Local Reserves Aokautere			2,650		643																3,293	100%	0%
1856 - City Reserves - Manawatu River Park - Roxburgh Entrance Development	Reserves - City-wide		125																			125	34%	66%
1859 - Urban Growth - Whakarongo - Reserves Purchase and Development	Local Reserves M - Whakarongo			1,613	375	188	22	666	311	155												3,329	100%	0%
1861 - Urban Growth - Matangi - Whiskey Creek - Reserves Purchase and Development	Local Reserves N - Matangi						21	383	154													558	100%	0%

Programme	Growth Activity / Area	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/3 5	2035/ 36	2036/ 37	2037/ 38	2038/ 39	2039/ 40	2040/ 41	2041/ 42	2042/ 43	2043 /44	Grand Total	A	B
1861 - Urban Growth - Matangi - Whiskey Creek - Reserves Purchase and Development	Local Reserves N - Matangi				225																	225	100%	0%
2013 - PNITI – Strategic Transport Corridor Improvements	Roads - City-wide									28,000	30,000			10,000	20,000	20,000	20,000	20,000				148,000	25%	75%
2035 - Urban Growth - Napier Rd Extension - Stormwater	Stormwater T	150	400																			550	90%	10%
2043 - Urban Growth - Napier Road Extension - Reserve and walkways purchase and development	Local Reserves T				310		6	251														567	100%	0%
2058 - Urban Growth - NEIZ - New Roads	Roads - City-wide			4,500	5,600	5,600	5,600															21,300	100%	0%
2226 - Urban Growth - Terrace End Bore	Water - City-wide																						100%	0%
2297 - Urban Growth - Napier Road Bore (City East)	Water - City-wide	1,000		1,500		200	2,500	2,500	500													8,200	60%	40%
2299 - Urban Growth - New Northern Water Supply Bore (Milson Line)	Water - City-wide	1,000	1,500	2,500	2,500	200																7,700	60%	40%
2300 - Urban Growth - New South Eastern Water Supply Bore (Ngahere Park)	Water - City-wide											500	3,000	5,000	2,000							10,500	60%	40%
2301 - Urban Growth - New Longburn Water Supply Bore	Water R - Longburn	259	1,394	1,394	1,953	1,135																6,134	60%	40%
2312 - Industrial Growth - Longburn Stormwater	Stormwater R - Longburn			100	600	650																1,350	90%	10%
2324 - Urban Growth - Stormwater Roxborough Crescent Infill	Stormwater V - Roxburgh Crescent	293	137		1,678	723																2,831	100%	0%
2347 - Wastewater Trunk Main - Infill Upgrades	Wastewater - City-wide	250	500	700	275	600	750	295	650	789	310											5,119	10%	90%
2359 - PNITI - Bunnythorpe - Bridge Replacements	Roads - City-wide			1,000	7,000	7,000																15,000	25%	75%
2389 - Urban Growth - Aokautere - Transport Improvements	Roads - City-wide					4,000	4,000	4,000	4,000	4,000	4,000	4,000										28,000	49%	51%
2445 - Urban Growth - Kikiwhenua - Reserves Purchase and Development	Local Reserves U							270	264													533	100%	0%
2445 - Urban Growth - Kikiwhenua - Reserves Purchase and Development	Local Reserves U				1,250																	1,250	100%	0%
2511 - Urban Growth - Kikiwhenua - Wastewater	Wastewater - City-wide		300	3,000	2,000	2,000																7,300	100%	0%
2512 - Urban Growth - Kikiwhenua - Water Supply	Water - City-wide	550	500																			1,050	100%	0%
2527 - Urban Growth - Aokautere - Reserves Development	Local Reserves Aokautere	89	180	180	213	969	189	386	180	180	180	91										2,838	100%	0%

Notes:

- 1. Column A - The proportion of capital cost the Council seeks to recover through the DC Policy
- 2. Column B - The proportion of capital cost the Council proposed to recover from other sources, i.e. rates or third-party funding such as NZTA or community trust grants etc.
- 3. Planned programmes means capital works that are yet to take place
- 4. All figures are rounded to the nearest thousand dollars and are exclusive of GST

Schedule of Assets for Which Development Contributions Will be Used (Back works)																				
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems											15			199	97	384		330	-2	
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems														311	219	7	161	222	4,508	2,500
1003-Urban Growth - Whakarongo - Intersection Upgrades														75	93	95			53	141
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems														114	280			41		
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone														15	301			25	1,235	
1005-Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone																				
1007-Urban Growth - Whakarongo - Internal Roads															16					
107-Kelvin Grove Cemetery - Burial (Including Childrens Area) and Ash Plot Developments						15	4													
107-Kelvin Grove Cemetery - Burial (Including Children's Area) and Ash Plot Developments								11												
127-Turitea Valley Road / Pacific Drive - Water Supply Link								1	12											
134-Missoula Reserve - Site Development							333													
140-Peace Tree Reserve Development																				
144-URBAN GROWTH RESERVES - LAND PURCHASE																				
147-Kelvin Grove Cemetery - New Burial Berms (Main Lawn Area)							44													
161-Public Toilets - Citywide programme											10	3	3	30	10	70	15			
167-James Line - Reconstruction to Meet Urban Roding Standards (several sections)							70	90	2											
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 3												63	53							
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4														817	498	101	19		324	38
168-Future Urban Growth Area "A" (Anders Road, Kelvin Grove, Racecourse) - New Supporting Roads																				
168-Future Urban Growth Area "A" (yet to be identified) - New Supporting Roads							295													
168-Urban Growth - New Supporting Roads for Growth Area A																				
187-Manawatu River - Te Matal/Staces Road Bridge			286		33	7	9	-44												
201-City Wide - Roding Subdivision Contributions	8	56	-33	353	181	51	52	36	27											
201-City-wide - Roding Subdivision Contributions											13	144	98	227	35		318	187	187	217
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area														33	134	5		1	608	
223-Railway Road (from the Overbridge to El Prado Drive) - Road Reconstruction				23	92	1,354														
246-City-wide - Water Subdivision Contributions						19	71	24		5	214	236	27	36	26	21				271
307-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation					5	159	-11													
314-Ferguson / Ruahine Street Intersection - Roundabout Installation							9		4											
323-Grey / Albert Streets - Roundabout Installation							44	1												
375-Awapuni Landfill - Commercial Lease Site Development																				
392-C/Forward - Recreation Hub Development				43	107	23														
394-C/Forward - Sports Facilities Development					230	106														

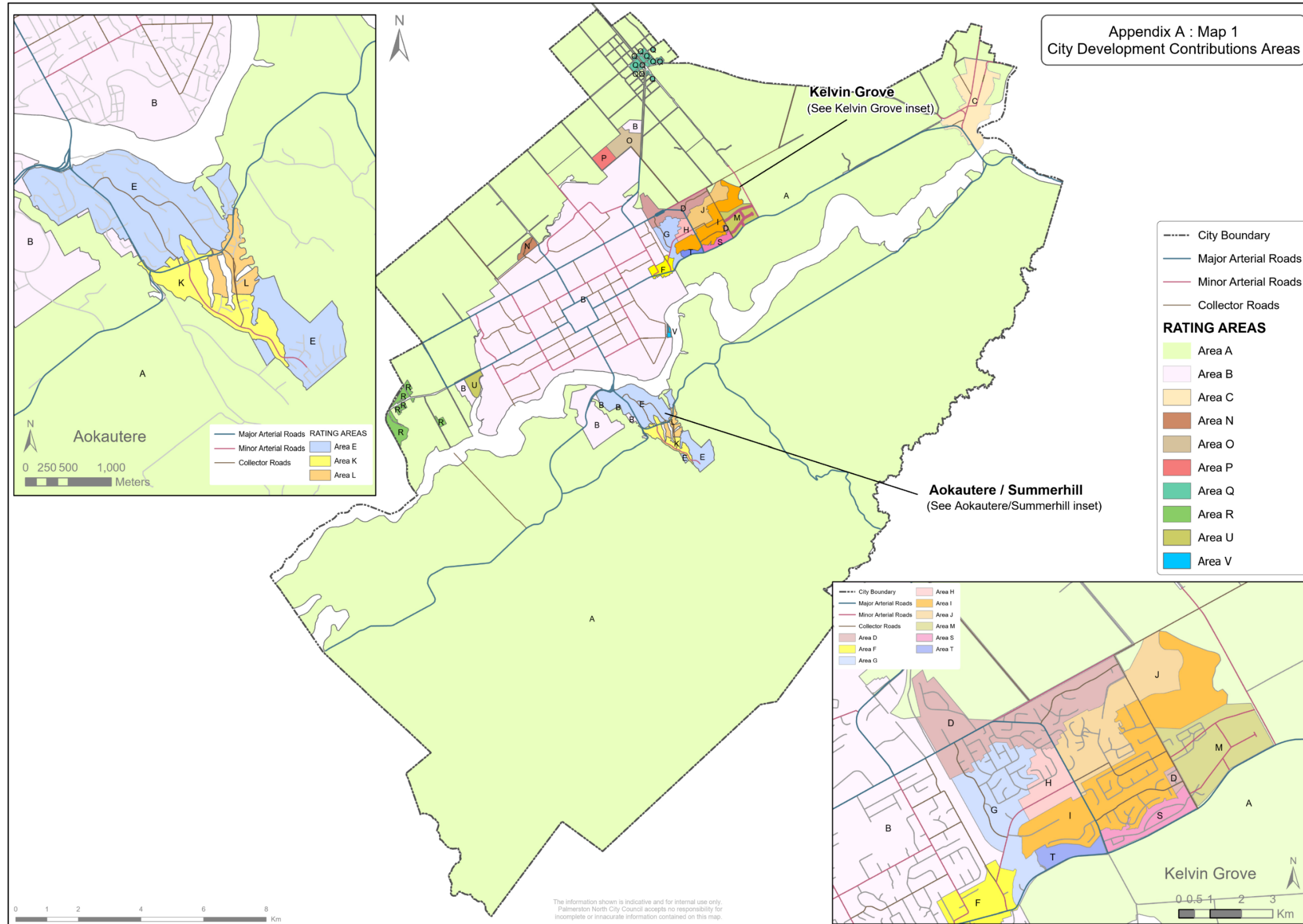
Schedule of Assets for Which Development Contributions Will be Used (Back works)																				
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
400-C/Forward - Active Transport Implementation			13																	
434-Parnell Heights Linkage						38	26													
51-City Wide - Stormwater Subdivision Contributions										3										
51-City-wide - Stormwater Subdivision Contributions													29			41	37		210	217
570-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Growth)														510						
572-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems (Growth)														3						
578-Tremaine Avenue/North Street - Traffic Signal Installation											5	2								
610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir										16	53	323	285	70						
611-Albert Street (Te Awe Awe Street to Featherston Street) - Construction of New Water Supply Pipeline												1								
624-Urban Growth - North East Industrial Zone - Downstream Wastewater Network Upgrade - McGregor Street to Rennie Avenue to Peters Avenue										389										
672-Ngahere Park Road - Strengthening of One-Lane Bridge													29							
69-Manawatu Riverbank (Fitzherbert Avenue to Brightwater Terrace) - Construction of New Water Supply Pipeline						142	154	13	97											
73-City Wide - Wastewater Subdivision Contributions						47	92	44		5	4									
73-City-wide - Wastewater Subdivision Contributions												19	13	20	22	12				108
87-Albert Street (Manawatu River to Ferguson Street) - Construction of New Water Supply Pipeline							45	9												
906-Bunnythorpe Wastewater Connection to Palmerston North											4	5								
94-City Wide - Purchase of Land to Extend Walkways Network					105		2	19	4	18										
94-City-wide - Purchase of Land to Extend Walkways Network												6	8							
94-Walkways and Shared Path - Purchase of Land to Extend Network														4	3	18	8			
95-City Wide - Construction of Walkways					28	12	12	5	18	7										
95-City-wide - Construction of Walkways											2	2	1							
95-Walkways and Shared Path - Construction														16	2	11	9			
96-City Wide - Public Access to Rivers and Streams																				
985-Kelvin Grove Water Supply Zone - New Bore											6	23	41	26	20					
arena strategic plan				139	71															
Capacity upgrade	28	11	-3																	
Contribution Foodstuffs			-42																	
Contribution Neil		-16																		
Manawatu Riverbank (Fitzherbert Ave to Brightwater Terrace)				50	116	222	200	21												
Manawatu Riverbank (Fitz - Ferguson)				179	44															
Manawatu Riverbank Capacity Upgrade				35	70															
P8661.04 Reserves Basic Capital Development-establishment - KG			169																	
P8661.07 Local Reserves land purchase -AOK	426																			
P8661.07 Local Reserves land purchase -KG		711	1,130																	

Schedule of Assets for Which Development Contributions Will be Used (Back works)																				
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
P8661.46 New Local Reserves Amenity Developments -AOK				128	62															
P8663.01 New Public Toilet Developments		8																		
P8666.02 New Community Centres			3																	
P8667.03 Sportsfields Drainage.	2	24	35	26																
P8667.13 Car parking sports fields	9	8	50	31																
P8667.14 Sport facilities development	24	15	89	73																
P8674.05 Walkway Development	22	16	24	26																
P8674.11 General City Reserves Development				13																
P8701.05 Aokautere Road Construction		199																		
P8701.22 Church/Cook Roundabout	6	9	30																	
P8701.33 Mihaere Drive Extension	6	217	27																	
P8701.49 Rangitikei Street Central Business Zoning (CBZ)		2	9																	
P8701.52 James Line Rosalie Intersection			1																	
P8701.53 James Line Brooklyn Heights Intersection			82																	
P8701.56 James Line Upgrade		7	27																	
P8701.74 CF Ferguson Street Widening	20	3	7	133	3	54														
P8704.01 CBD Median Parking	2																			
P8705.07 Cuba Street Upgrade	1																			
P8705.17 CF Bike Plan Implementation	1																			
P8706.01 Local Area Traffic Management - Roading			45																	
P8706.04 Fitzherbert Intersections	9	7																		
P8706.06 Misc Traffic Management Facilities		1																		
P8706.08 Tremaine/Vogel Intersection Upgrade	1	45	94																	
P8706.10 Traffic Signals Upgrade			20																	
Road - TBA	16	9																		
Settlers to El Prado	24	58	86	244	300															
Subdivision Extension			5,657																	
WW2006	3	6	43	634	28	29														
1170-Urban Growth - City West - Installation of Water Supply Systems																				100
1412-Urban Growth - Ashhurst - Wastewater - North St Network Upgrade																				
324-Park Road / Cook Street - Intersection Upgrade																	98			
684-Longburn Rongate Road/No. 1 Line Intersection - Safety Upgrade																7				
1183-Stoney Creek Road (School) Safety Upgrade																404				
1454-City Reserves - Victoria Esplanade Development Plan																2				

Schedule of Assets for Which Development Contributions Will be Used (Back works)																				
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024
708-Urban Growth - Aokautere - Reserves Land Purchase																269				
140-Neighbourhood Reserves- Aokautere - Peace Tree Reserve Development																	123			
144-Urban Growth - Whakarongo - Reserves Land Purchases																	10			
716-Urban Growth - Whakarongo - Walkways Land Purchases																	1			
752-City Reserves - Manawatu River - Framework Implementation																	147			
910-Ferguson Street (Linton Street to Pitt Street) - Road Widening and Traffic Signal Installation																	64			
1846-City Growth - City Reserves - Walkway Extensions - Capital New																		111	69	
1847-City Growth - City Reserves - Victoria Esplanade - Capital New																		70		105
1848-City Growth - City Reserves - Linklater Reserve - Capital New																		24	41	
1850-City Growth - City Reserves - Memorial Park - Capital New																		89	14	3
1856-Urban Growth - Hokowhitu - Reserves - Purchase and Development																		16	203	
1435-City Reserves - Manawatu River Park - Waterfront Precinct Lighting																		24		
1844-City Growth - City Reserves - Manawatu River Park - Capital New																		481		68
1894-City Growth - City Reserves - Manawatu River Park - Marae Tarata Development Plan - Implementation																		1		37
1895-City Growth - City Reserves - Manawatu River Park - Te Motu o Poutoa Development Plan - Implementation																		11		
1695-PNITI – Intersection & bridge improvements																		1		
2058-Urban Growth - NEIZ - Transport																		127	2,890	1,817
2065-Urban Growth - Whakarongo - Transport																		508		
2124-Urban Growth - Ashhurst - Transport																		13	226	3,300
1055-Urban Growth - Kākātangiata - Wastewater																		23		
1711-Industrial Growth - Longburn Industrial Park - Wastewater																		5		651
1857-Urban Growth - Kākātangiata - Kikiwhenua - Reserves - Purchase and Development																			2	
1859-Urban Growth - Whakarongo - Reserves Purchase and Development																				
1892-City Growth - City Reserves - Manawatu River Park - Hokowhitu Lagoon Development Plan																				78
1925-Urban Growth - Development Contributions - Active Transport																				
2013-PNITI – Strategic Transport Corridor Improvements																			24	
2123-Urban Growth - Kākātangiata - Transport																				135
2034-Urban Growth - Ashhurst - Stormwater																				572
628-Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade																				600
1841-Urban Growth - Ashhurst - Water Supply																				680

[13] Appendices

Appendix A: Map 1 City Development Contributions Area



Appendix B Refund of development contributions

209 Refund of money and return of land if development does not proceed

[1] A territorial authority must refund or return to the consent holder or to his or her personal representative a development contribution paid or land set aside under this subpart if—

- (a) the resource consent—
 - (i) lapses under section 125 of the Resource Management Act 1991
- ; or
- (ii) is surrendered under section 138 of that Act; or
- (b) the building consent lapses under section 52 of the Building Act 2004; or
- (c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or
- (d) the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.

[2] A territorial authority may retain any portion of a development contribution or land referred to in subsection (1) of a value equivalent to the costs incurred by the territorial authority in relation to the development or building and its discontinuance.

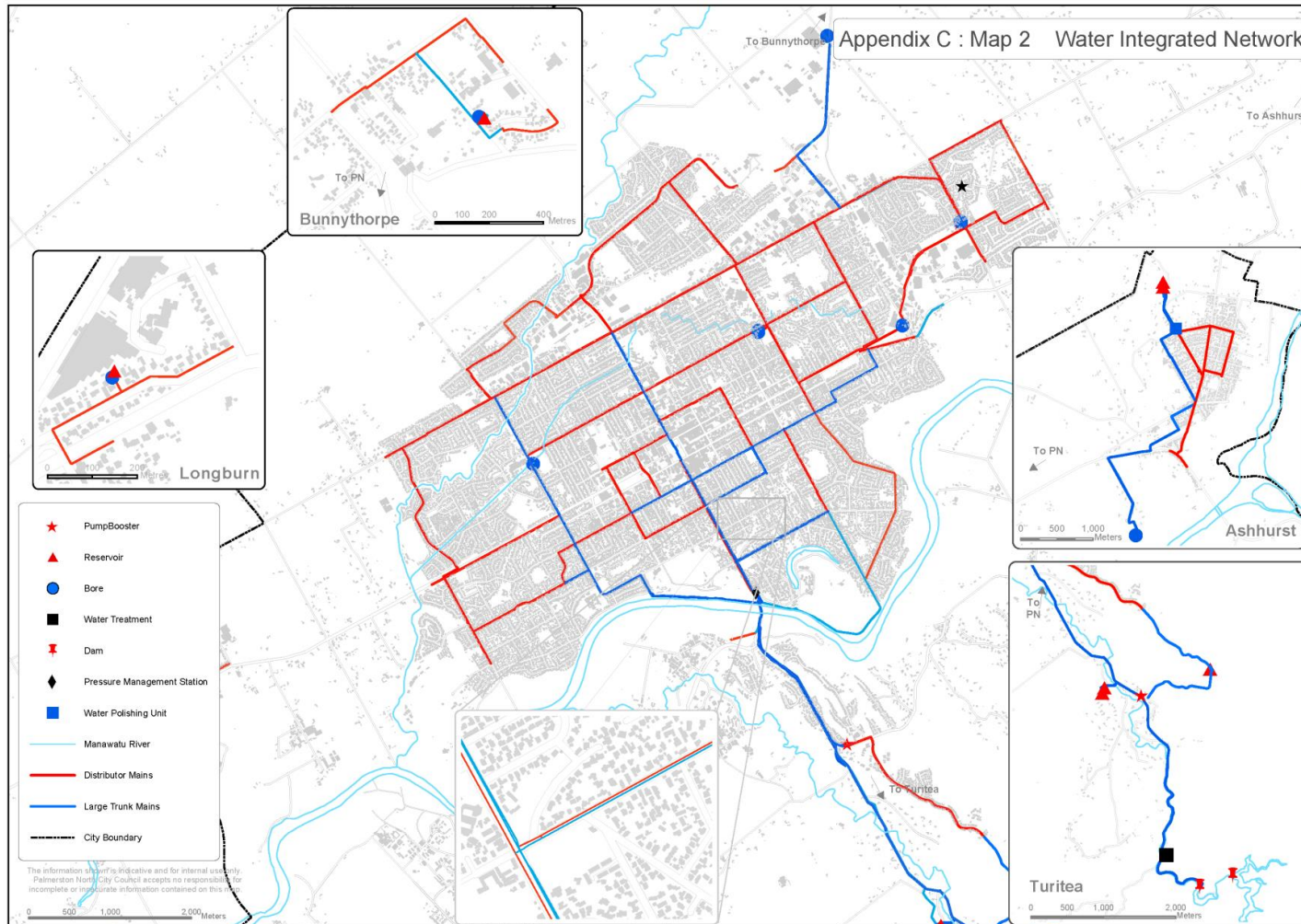
210 Refund of money or return of land if not applied to specified reserve purposes

[1] If a development contribution has been required for a specified reserve purpose, a territorial authority must—

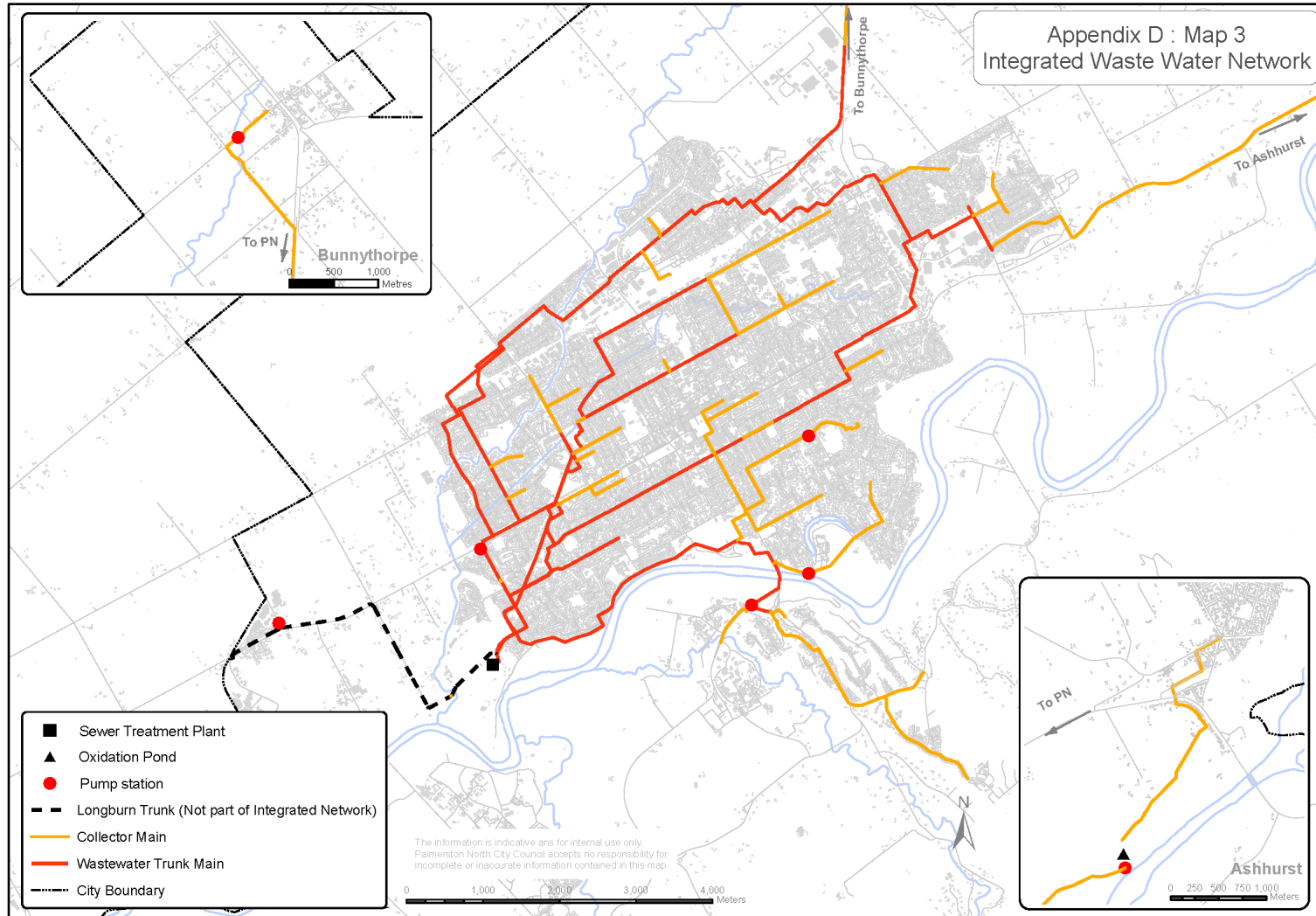
- (a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or
- (b) return land acquired for the specified reserve purpose, if the authority does not use the land for that purpose within 10 years after the authority acquires the land or other period agreed by the territorial authority and the person who paid the development contribution.

[2] A territorial authority may retain part of the money or land referred to in subsection (1) of a value equivalent to the costs of the authority in refunding the money or returning the land.

Appendix C: Map 2 Water Integrated Network



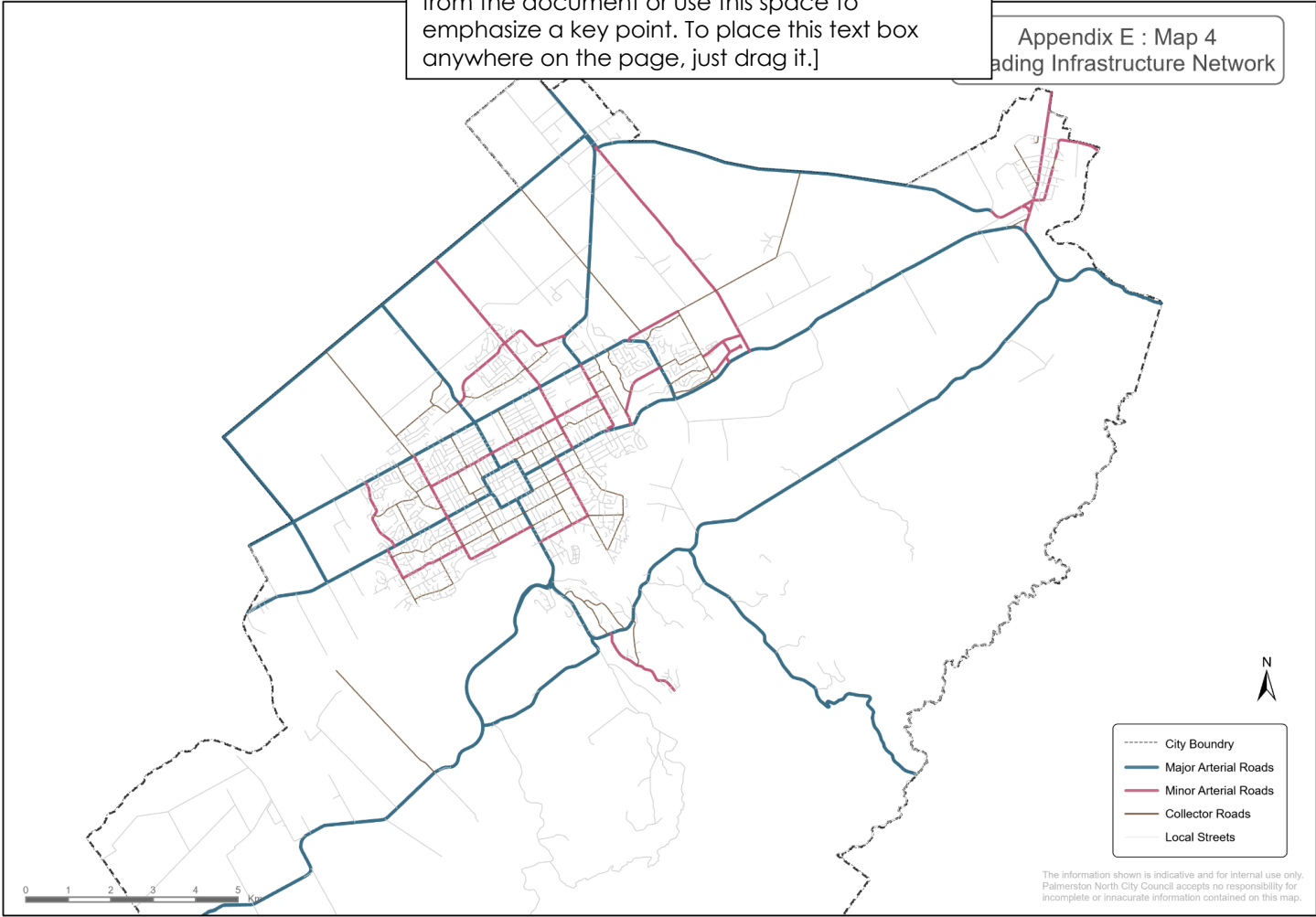
Appendix D: Map 3 Integrated Wastewater Network



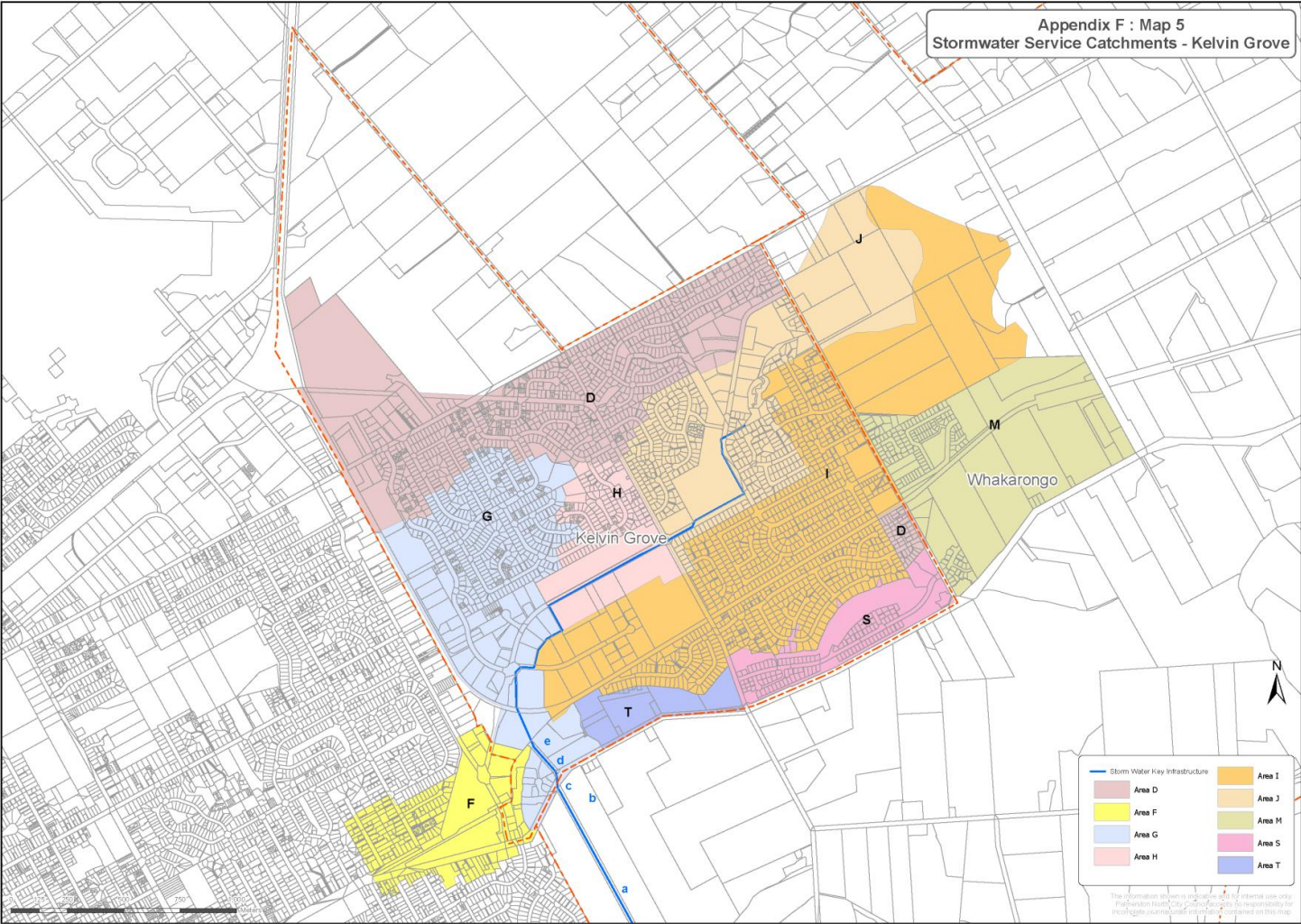
Appendix E: Map 4 Roading Infrastructure Network

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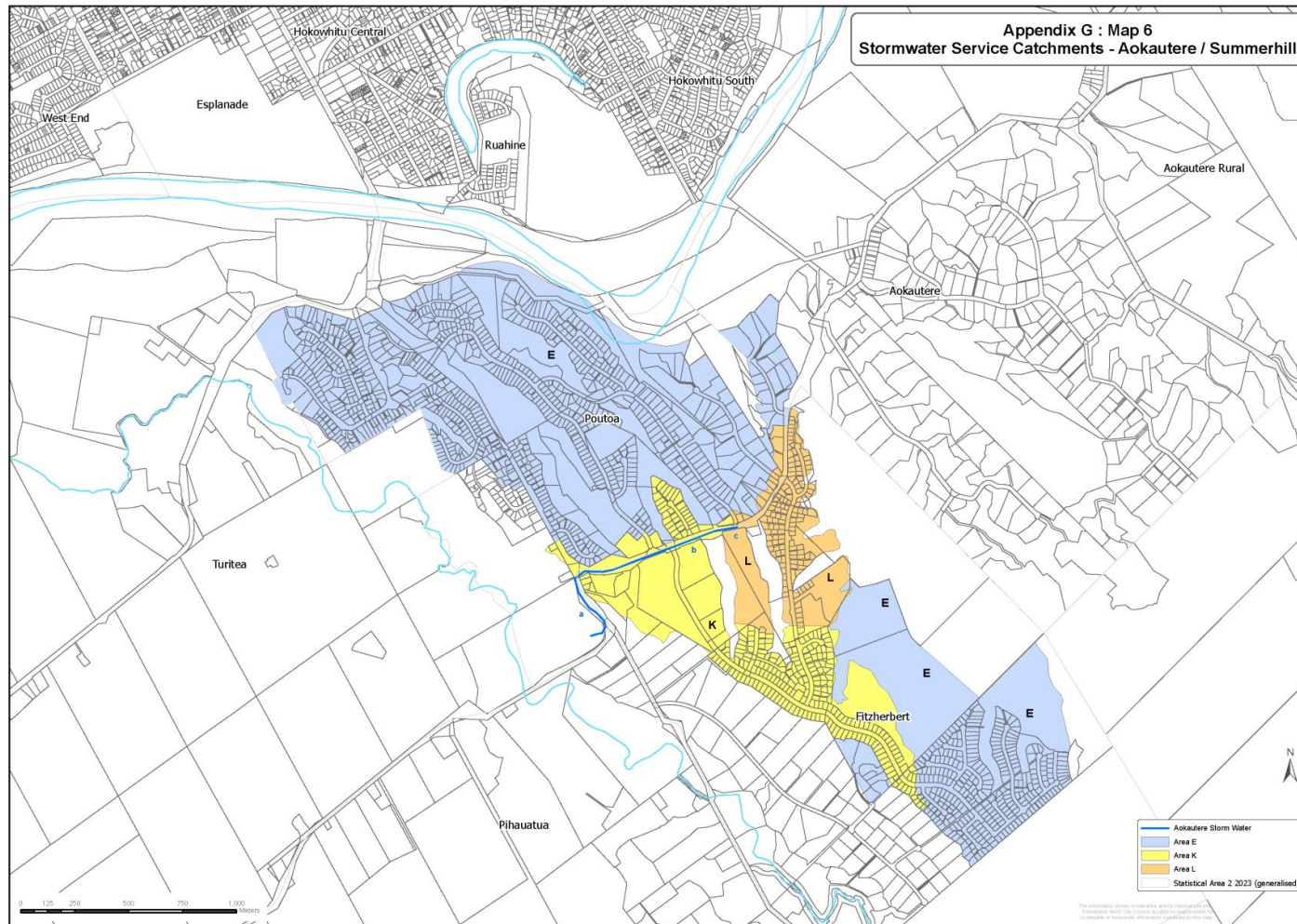
Appendix E : Map 4
Roading Infrastructure Network



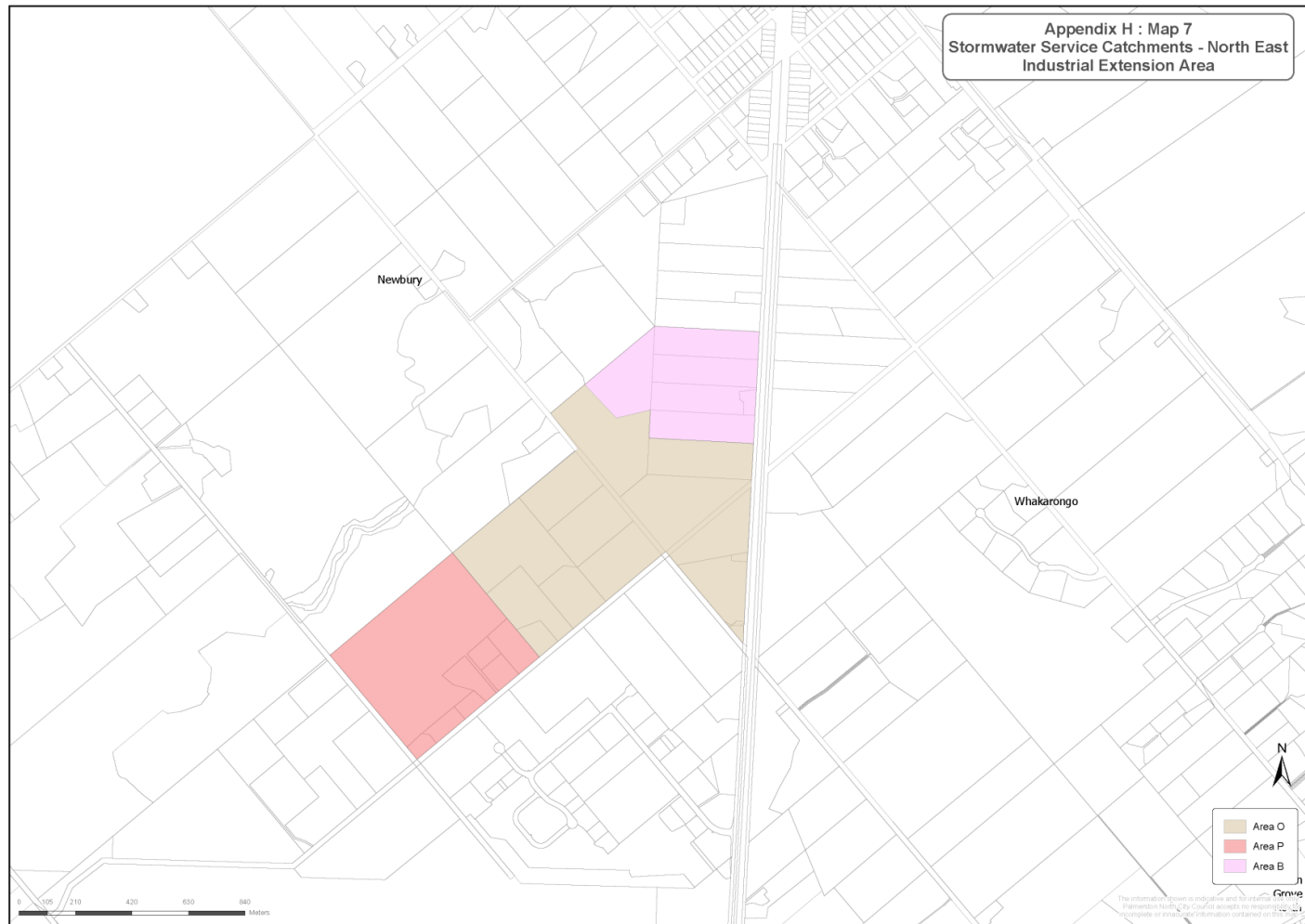
Appendix F: Map 5 Stormwater Service Catchments – Kelvin Grove



Appendix G: Map 6 Stormwater Service Catchments – Aokautere/Summerhill



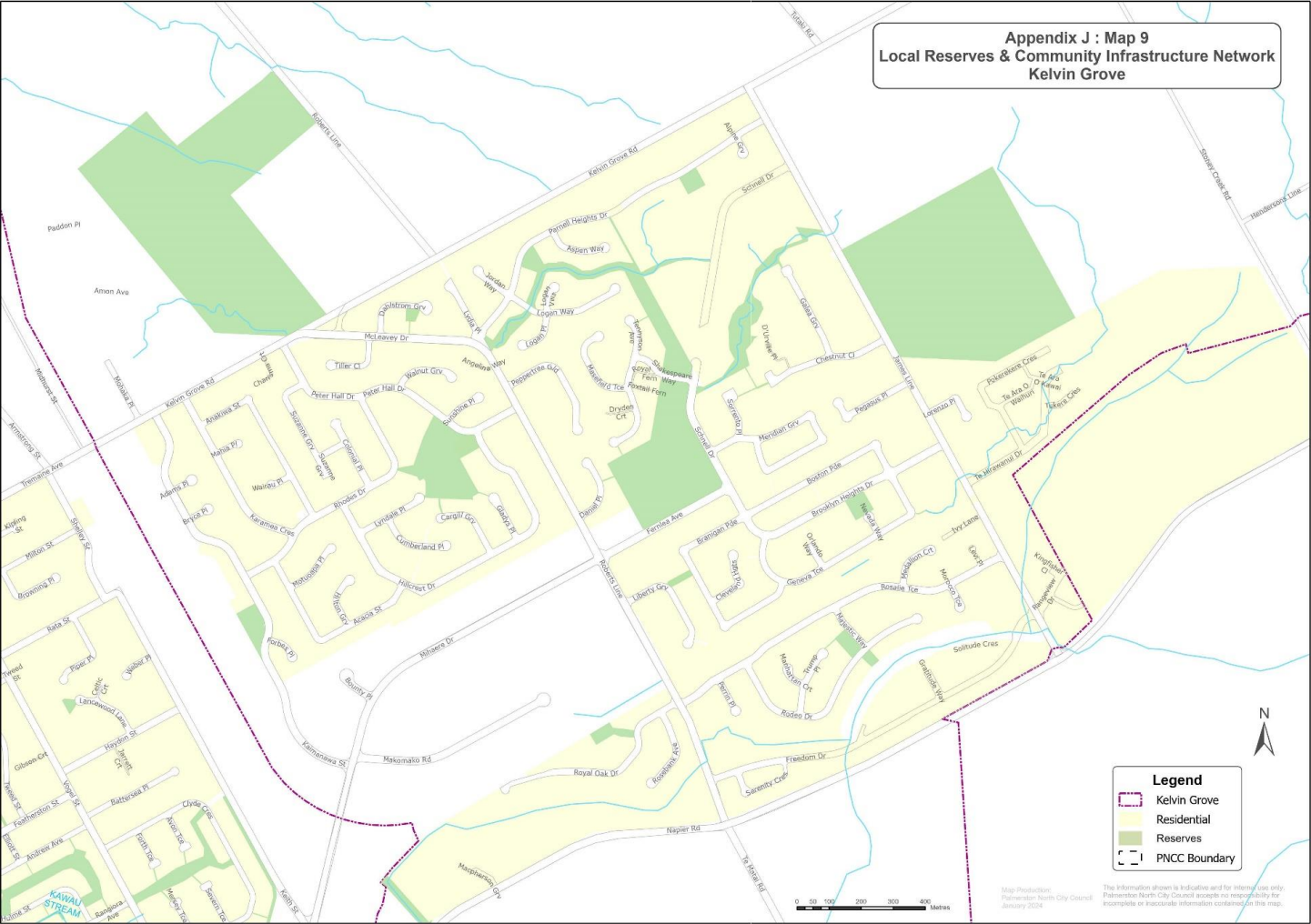
Appendix H: Map 7 Stormwater Service Catchments – North East Industrial Extension Area



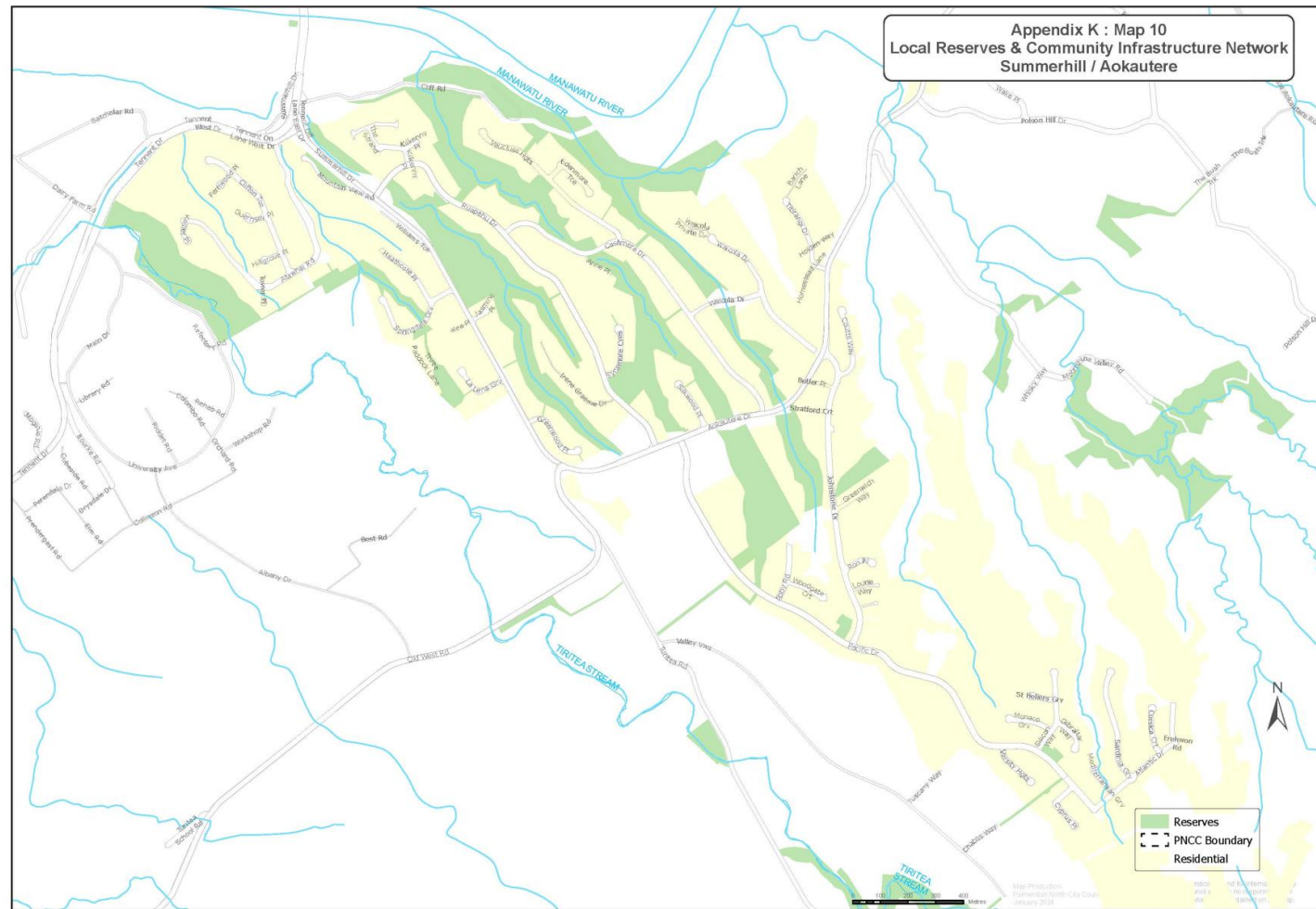
Appendix I: Map 8 Reserves and Community Infrastructure



Appendix J: Map 9 Local Reserves & Community Infrastructure Network Kelvin Grove



Appendix K: Map 10 Local Reserves & Community Infrastructure Network Summerhill/Aokautere



Changes Incorporated within the Palmerston North City Council Draft 2024 Development Contributions Policy

Introduction

We review the Development Contributions Policy (the Policy) every three years. This is to ensure that the policy aligns with funding decisions made by the Council when it reviews its Long-Term Plan. A copy of the draft 2024 Development Contributions Policy is available online at www.pncc.govt.nz/developmentcontributions. Public consultation on the draft Development Contributions Policy will be open from (tba) April to (tba) May. You can make a submission online at www.pncc.govt.nz or by post to Palmerston North City Council, Private Bag 11032, Palmerston North 4442.

This proposal seeks to amend the Palmerston North City Council Development Contributions Policy (the Policy) to:

- *LGA Alignment*: Amendments to align with Section 102(3A) Local Government Act requirements that development contribution policies must support principles set out in the Preamble to the Te Ture Whenua Maori Act 1993;
- *Rebalancing Distribution of Growth Infrastructure Cost*: between residential and non-residential development;
- *Cost of Capital*: a proposal to include the cost of capital (interest) within the Policy;
- *Non-Residential Development without a Service Connection*: a proposal to not charge a development contribution fee for water and/or wastewater where a non-residential development does not have a service connection to the integrated network;
- *New Areas*: the introduction of new development contribution areas for Matangi and the proposed Roxburgh Crescent residential areas;
- Update projected household growth data;
- Update Appendix maps A, C, D, E, H, I, J and K; and
- *Fees Schedule*: updating the Policy fee schedules.

This document outlines the amendments to the Policy that Council is proposing, the reasons for those amendments, and an analysis of the reasonably practicable options for funding growth infrastructure.

The Proposal

The key amendments to the Policy are shown as track changes in the draft amended Policy in this proposal, and are detailed below:

Note: the proposed new text as underlined red and text proposed for deletion is shown as ~~strikethrough~~.

Amendments to align with Section 102(3A) Local Government Act requirements that development contribution policies must support principles set out in the Preamble to the Te Ture Whenua Maori Act 1993

Add to clause 1.1 as follows:

[1] Introduction

[1.1] Legislative Requirements and Powers

- .4** Palmerston North City Council has a legislative obligation under the Te Ture Whenua Māori Act 1993 to promote the retention of Māori land in the hands of its owners, their whanau and their hapu and to facilitate the occupation, development and utilisation of that land for the benefit of its owners, their whanau and hapu.
- .5** Council achieves these outcomes by; (i) operating a transparent, equitable and reliable development contributions scheme; and (ii) funding, procuring and delivering infrastructure to the boundary of Māori Land to enable development.

Amendments to Align the Policy with Council's Goals

Amend clause 2.2 (.1-.4) as follows:

[2.2] City Goals:

- .1** An innovative and growing city where everyone shares in the benefits of a resilient, sustainable and prosperous economy. We want a productive economy that attracts new businesses and where existing businesses thrive. ~~that is clever about the ways it uses its natural advantages to encourage and support innovation, entrepreneurship and new industries, and positions itself to take advantage of change to fuel sustainable growth, prosperity and wellbeing.~~
- .2** A creative and exciting city that inspires creativity and celebrates our diverse cultures and unique heritage. We want our diverse communities to see their contributions to arts and culture being built into our city infrastructure. ~~draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people, and nurtures creative talent.~~
- .3** A connected and safe community where everyone feels connected and included. A safe city where people have access to the housing they need and opportunities to connect with others. ~~a city that includes, supports, connects and uses the talents and advantages of the whole community in the pursuit of prosperity and wellbeing. A city that has an international reputation as a safe city in which to live, study, work and play. A city that embraces its iwi heritage and partnership, and where people connect with the city's past, celebrating its history and heritage.~~
- .4** ~~An eco-city~~ sustainable and resilient city with a healthy natural environment and resilient urban system that sustains everyone, now and in the future.:- ~~we want a future focused~~

city that plans for and cares about the future, enhancing its natural and built environment. Our city will realise the benefits to society from creating clean energy, lowering carbon emissions, and reducing our ecological footprint.

Introduction of the Cost of Capital

New clause 3.10 as follows:

[3.10] Cost of Capital

Development contributions fully include the cost of capital (debt servicing costs) for back-works, as it is an integral component of funding growth related infrastructure. The total cost of capital expenditure (on which development contribution fees are based) includes the cost of capital. Cost of capital is the interest paid on loans that are used as an interim funding mechanism when expenditure occurs before the full amount of development contribution revenue is received.

Amendments to Update Growth and Household Projections

Amend clause 4.4 as follows:

[4.4] Projecting Growth

- .1 To estimate the number of residential and rural developments Council expects over a 20-year period, this policy has used, and has maintained consistency with, Council's urban growth planning and asset management planning data. Projected growth for residential and rural development is a medium growth scenario based on a specific Palmerston North projection, which also accommodates the additional margins required by the National Policy Statement for Urban Development. Based on this the rate of accumulating population growth is projected to be 1.0% ~~1.3%~~ over a 20-year period. ~~Over the next 20-year period, the rate of accumulating household growth is projected to increase by 1.1% 1.4% per annum for the first 10 years with growth averaging 1.0% and 1.4% per annum over the for the following 10 20-year period. This represents 7,314 9,171 new households in the City over the 20-year period.~~
- .2 Council has used past trends in non-residential land uptake to estimate the area of non-residential development Council expects each year. This represents approximately ~~6-8.08~~ha of non-residential development in the City. This estimate recognises that a number of non-residential developments within the City will be classified as non-residential brownfield redevelopment.

Amendments to Align with Policy with Future Development Strategy Description of Growth

Amend clause 4.6 as follows:

[4.6] Growth in the District

In the short term, continued greenfield residential development will take place in the following areas:

- Kelvin Grove (including The Whakarongo Residential Area)
- [Napier Road](#)
- [Mātangi](#)
- [Kikiwhenua](#)
- Aokautere/Summerhill area

~~units respectively in the short to medium term. Within the Kelvin Grove area the Whakarongo Residential Area became operative in the District Plan in 2014. It is envisaged that the Whakarongo Residential Area will provide additional greenfield land supply to the market in the short to medium term. Kikiwhenua Residential Area became operative in the District Plan in 2021. This is the first stage of the wider Kākātangiata Growth Area (formerly referred to as City West), which is intended to provide~~

~~In the medium to long term,~~ growth for greenfield housing will take place in the following areas:

- [Whakarongo](#)
- [Napier Road](#)
- [Mātangi](#)
- [Kikiwhenua](#)
- [Ashhurst](#)
- [Kākātangiata](#)
- [Aokautere](#)

~~during the course of the 20-year period covered by the Policy other greenfield residential areas will be required to meet the projected growth, as directed by the Innovative and Growing City Strategy. Further residential development within existing developed residential areas and brownfields development~~ is expected in:

- The Hokowhitu Residential Area,
- [Roxburgh Crescent](#)
- [Ongoing subdivision and increased density via District Plan pathways.](#)

~~are also assumed within the district.~~ Further rural development, rural-residential development, in the district is assumed to continue at current trends.

Amendments to Section 6: Description of Approach to Charging for Community Facilities

Amend clauses 6.1.2, 6.2, 6.2.3, 6.4.1, 6.4.2, 6.4.3, 6.5.4, 6.5.7, 6.6.2, and 6.6.3, as follows:

[6] Community Facilities: Network Infrastructure, Reserves and Community Infrastructure

[6.1] Water ...

[6.1.2] Who Gets Charged?

Under the above outlined method, all new developments in the service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:

- a) Developments in the rural area that are not connected to the City water systems (Development Contributions Area A); and/or
- b) Developments in Longburn and Bunnythorpe that have a separate water network on which no future growth works are planned (at present) (Development Contribution Areas Q and R)
- c) Any non-residential development without a service connection to the water network.

[6.2] Wastewater

- .1 The wastewater reticulation network is made up of three discrete service catchments. The first service catchment is made up of the Palmerston North, Ashhurst and Bunnythorpe urban areas. The second service catchment is Longburn. The third service catchment are pressure sewer areas, which are intended to service Kakatangiata, North East Industrial Zone Extension Area, Matangi Residential Area and the Napier Road Residential Extension Area.

[6.2.3] Who Gets Charged?

Under the above outlined method, all new developments in the Palmerston North, Ashhurst and Bunnythorpe service catchments will be subject to a development contribution within identified development contribution areas. The only exclusions (at present) are:

- a) developments in the rural area that are not connected to the City wastewater systems (Development Contributions Area A); or
- b) developments in Longburn that have a separate wastewater network on which no future growth works are planned (at present) (Development Contributions Area R);
or
- c) Any non-residential development without a service connection to the wastewater network.

[6.4] Stormwater

[6.4.1] Development Contributions Approach

- .3 Current and planned future stormwater infrastructure provided in the ~~thir~~-fourteen service catchments is anticipated to cater for the entire catchment when it is fully developed. Thus, in partially developed service catchments, infrastructure provision identified will specifically cater for growth in that service catchment.

[6.4.2] Who Gets Charged?

Under the above outlined method, all new developments in development contribution areas D, E, F, G, H, I, J, K, L, M, N, O, P, S and I will be subject to a development contribution. New developments in other catchments will not be required to pay any development contributions for stormwater.

[6.4.3] Justification for Approach

- .1 Demand investigations,
- .2 Only Aokautere, Kelvin Grove (including the Whakarongo and Napier Road Residential Areas), the Midhurst Street Industrial Area and the North East Industrial Zone Extension

Area stormwater service catchments will be subject to development contributions for stormwater, as other identified stormwater catchments have level of service deficiencies that require remedy before it is appropriate to further develop infrastructure for growth, and thus apply a development contribution in these catchments. As a result of the findings of these demand investigations Council will apply development contributions to partially developed service catchments only. Identified partially developed catchments are illustrated on Map 5, 6 and 7 in Appendices F, G and H.

[6.5] Reserves and Community Infrastructure

[6.5.4] Who Gets Charged?

- .1 All residential and rural developments ...
- .2 All residential development within the Kelvin Grove (including the Whakarongo and Napier Road Residential Areas), Matangi and Kikiwhenua Residential Areas and Aokautere/Summerhill development contributions areas will pay a development contribution for 'local' reserves and community infrastructure.

[6.5.7] Unit of Demand

- .5 For **local reserves and community infrastructure**, all residential development is assumed to create one unit of demand (Aokautere / Summerhill, Matangi, Kikiwhenua and Kelvin Grove areas only). All rural development is assumed to create zero units of demand.

[6.6.2] Measuring Units of Demand

.4 Water and Wastewater

Residential: The measure ...

Rural: Not applicable.

Non-Residential: The measure of a non-residential unit of demand for water and wastewater is per 100m² of allotment area at subdivision or per 100m² of GFA with service connection at building consent or service connection.

[6.6.3] Applying Units of Demand

Table 4 – Units of Demand for Community Facilities

COMMUNITY FACILITIES	UNIT OF DEMAND		MEASURE: SUBDIVISION	MEASURE: BUILDING CONSENT AND SERVICE CONNECTION
		NON-RESIDENTIAL		
Water		1	Non-Residential: Per 100m ² Allotment Area	Non-Residential: Per 100m ² GFA <u>with service connection</u>
Wastewater		1	Non-Residential: Per 100m ² Allotment Area	Non-Residential: Per 100m ² GFA <u>with service connection</u>

Amended Appendix Maps

Amendments to the following maps to reflect new and re-purposed development contributions areas, updated road network, removal of stormwater catchment area and new reserves in the following appendices:

- Appendix A (Map 1) City Development Contribution Areas
- Appendix C (Map 2) Water Integrated Network
- Appendix D (Map 3) Wastewater Integrated Network
- Appendix E (Map 4) Rooding Infrastructure Network
- Appendix H (Map 7) Stormwater Service Catchments – North East Industrial Zone
- Appendix I (Map 8) Reserves and Community Infrastructure
- Appendix J (Map 9) Local Reserves and Community Infrastructure Kelvin Grove
- Appendix K (Map 10) Local Reserves and Community Infrastructure Summerhill/Aokautere

Reasons for Amended Provisions and Fees within the Draft 2024 Policy

Reasons for amending the Development Contributions Policy are as follows:

1. **Key Changes to the Policy Fees Schedule** – include an increase in fees for water and stormwater for residential subdivision and a smaller increase for transport for residential, non-residential and rural subdivision. The key reasons why the water has increased include:

Water

- 4 new water bores are planned to be developed over the next 20-years to meet growth needs.
- New water standards and increasing costs of construction have increased the cost of existing and new growth programmes.
- The cost of a number of existing growth programmes were not budgeted in a way that reflected the likely cost of infrastructure delivery.
- While the development contribution fee for water is increasing, the proportion of the total cost of growth infrastructure for water being paid by non-residential development is decreasing. This outcome is related to the review of the methodology used to apportion the cost of growth infrastructure across residential and non-residential development.

Wastewater

- The total cost of growth infrastructure for wastewater is reducing significantly for residential and non-residential subdivision because the WWTP (Programme 628) is proposed to be removed from the 2024 Policy.
- The proportion of the total cost of growth infrastructure for wastewater being paid by non-residential development is decreasing. Again, this outcome is related to the review of

the methodology used to apportion the cost of growth infrastructure across residential and non-residential development.

Transport

A 20% increase in transport fees is proposed across residential, non-residential and rural subdivision and development. This increase is primarily driven by growth programmes targeted at supporting growth at Te Utanganui (North East Industrial Zone), stage 1 of Kakatangiata (Kikiwhenua) and the extension of the Aokautere residential area. These supporting programmes include:

- Programme 2058 North East Industrial Zone New Roads (increase from 11.4m to \$21.3m): this programme includes the upgrade of Roberts Line to industrial design standard, safety work associated with the Richardsons Line and Milson Line intersection and improvements to Roberts Line and Railway Road intersection.
- Programme 2013 PNITI Strategic Transport Corridor Improvements (increase from \$88m to \$148m): involves land purchase, initiation of design, consent application and construction for major transport investment arising from the Palmerston North Integrated Transport Initiative (PNITI) associated with the strategic ring road for Palmerston North. This includes upgrading various intersections and bridges along with new bridges as required to enable PNITI to be achieved.
- New Programme 2059 PNITI / Bunnythorpe Bridge Replacements (\$15m): Council has already undertaken a full concept design for this project. Detailed design /and resource consenting are the next steps for this programme. Pending detailed design there may be a requirement for land purchase so that the need to raise the road height to satisfy Horizons Regional Council's consenting requirements for 200yr flood protection.
- New Programme 1681 Kikiwhenua (\$21.7m): this programme includes:
 - Land purchase of Te Wanaka Road to facilitate additional road reserve to meet a connector road standard
 - Intersection development of Te Wanaka and Pioneer Highway
 - Land purchase for new collector route from Te Wanaka to Grand Oaks
 - New bridge to facilitate access across the Mangaone stream for the connection of Te Wanaka and Grand Oaks.
- New Programme 2089 Aokautere Transport Improvements (\$24m): to support the development of land proposed to be rezoned to residential use by Plan Change G: Aokautere.

Stormwater

The total growth component of stormwater programmes over 20-years under the 2024 Policy is estimated to be \$34m compared to \$15m in the 2021 Policy. These increases predominately relate to greenfield areas at Whakarongo, Napier Road Residential Extension, Longburn and the North East Industrial Zone Extension Area. The main drivers sitting behind the increase in stormwater fees relate to:

- The need to provide supporting infrastructure to greenfield growth areas
- The increasing cost and extent of land needed for stormwater attenuation
- Increasing obligations relating to water quality outcomes required by the central government and Horizons Regional Council One Plan
- Increasing cost of construction

Summary of Change in Proposed Fees for Subdivision:

(All fees exclusive of GST, 2021 Policy fees include 2023 Producer's Price Index annual adjustment, per allotment at subdivision)

Subdivision	2021 Policy	2024 Policy	Dollar Difference	Percentage Difference
Residential Infill (Per lot, Area B)				
Transport	\$4,328	\$5,187	\$ 856	20%
Water	\$1,761	\$3,579	\$1,818	103%
Wastewater	\$4,657	\$2,401	-\$2,256	-48%
Citywide Reserves	\$ 737	\$ 633	-\$ 104	-14%
Total	\$11,483	\$11,800	\$314	3%
Residential Greenfield (Per 700m ² lot, Area M: Whakarongo)				
Transport	\$ 4,328	\$ 5,187	\$ 856	20%
Water	\$ 1,761	\$ 3,579	\$ 1,818	103%
Wastewater	\$ 4,657	\$ 2,401	-\$ 2,256	-48%
Citywide Reserves	\$ 737	\$ 633	-\$ 104	-14%
Stormwater	\$15,217	\$26,364	\$11,147	73%
Local Reserves	\$ 6,712	\$ 7,085	\$ 373	6%
	\$33,412	\$45,249	\$11,834	35%
Non-Residential (Per hectare, Area B)				
Transport	\$138,500	\$166,000	\$ 27,500	20%
Water	\$ 31,300	\$ 20,900	- \$ 10,400	-33%
Wastewater	\$196,500	\$ 20,400	-\$176,000	-90%
Total	\$366,300	\$207,300	-\$158,900	-43%
Rural (Per lot, Area A)				
Transport	\$4,328	\$5,187	\$856	20%
Citywide Reserves	\$ 737	\$ 633	-\$104	-14%
Total	\$5,065	\$5,820	\$752	15%

2. **Support for Māori land development** – Changes to the Local Government Act (LGA) now require development contributions policies to support the principles set out in the Preamble to the Te Ture Whenua Māori Act 1993. This outcome is achieved by:

- (i) operating a transparent, equitable and reliable development contributions scheme;
 - (ii) funding, procuring and delivering infrastructure to the boundary of Māori Land to enable development; and
 - (iii) a development contribution can include money or land but excludes Māori Land within the meaning of the Te Ture Māori Act 1993.
3. **City Goals** – Amendment to the description of outcomes being sought by City Goals to align with changes expressed in the 2024-34 LTP.
4. **Cost of Capital:** a proposal to introduce the cost of capital (debt servicing costs) within the Policy. The cost of capital is the interest paid on loans that are used as an interim funding mechanism when expenditure occurs before the full amount of development contribution revenue is received.

The Council have taken a conservative approach and applied the cost of capital to back-works only. Back-works are growth infrastructure works already financed and delivered by Council. The total cost of capital over the 20-year Policy period for back-works is projected to be \$21.5m.

The purpose of introducing the cost of capital into the Policy methodology is to enable Council to recover from those persons undertaking development a fair, equitable and proportionate portion if the total cost of capital expenditure necessary to service growth over the long-term.

Section 197AA of the LGA02 notes the purpose of the development contribution provisions in the Act 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.

The legislation requires the total cost of the capital expenditure, including the cost of capital (debt servicing costs) the Council expects to incur to meet increased demand resulting from growth to be included in development contribution calculations

5. **Rebalancing the distribution of growth infrastructure cost for water and wastewater across residential and non-residential activity:** Council have undertaken a review of the methodology used to apportion the cost of growth infrastructure across residential and non-residential activity.

The key purpose of the Development Contribution Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for that infrastructure.

For water supply and wastewater activities, the demand impact on infrastructure is generally different between residential and non-residential development. To equitably allocate the infrastructure cost required to cater for growth, a demand growth cost ratio

is applied to assess the impact of typical residential versus non-residential development on a similar per hectare area basis.

The Key Changes to the Inputs for the Demand Cost Ratio Calculations – that apportion the cost of growth infrastructure across residential and non-residential and non-residential activity include:

Residential development was previously based on greenfield subdivision which typically produced 10 lots or household units per 1 hectare of land. However, future projections of residential development support an ongoing trend towards on average smaller size lots and increased density with the development of brownfield sites, infill subdivision and District Plan enabled medium density development. The outcome being an increase in the demand on water and wastewater services per hectare of development compared to previous Policy inputs.

Non-Residential: in previous Policies, demand on water and wastewater services from non-residential developments was based on a mixture of industries and businesses having an overall average daily water demand of 25m³ per hectare. A 50% increase was also allowed to cater for seasonal peak loading in the daily volume required or to be discharged.

For the 2024 Policy, the projection (based on Council's Housing and Business Needs Assessment) is for non-residential developments that will be largely of types with low water use and wastewater discharge. This is supported by trend and water consumption data of the recent development in the North East Industrial Zone. For these reasons, the average daily water demand for non-residential development has been reduced to 10m³ per hectare with a 25% lower increase to cater for seasonal peak loading in the daily volume required. Wastewater discharge, which is closely linked to water use, is therefore similarly reduced. The Policy provides Council with discretion to enter specific arrangements outside the Policy with a developer for the provision of infrastructure to meet the special needs of a development. For example:¹

- Where the potential effect the development may have on the capacity of network infrastructure is likely to be greater than that taken into account when developing a methodology for the Policy.
- Where the development is likely to require the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.

6. **Support for Māori land development:** – changes to the Local Government Act (LGA) now require development contributions policies to support the principles set out in the Preamble to the Te Ture Whenua Māori Act 1993 (the Act). Under the Act Council has an obligation to promote the retention of Māori land in the hands of its owners, their

¹ Palmerston North City Council 2021 Development Contributions Policy, cl 5.5(.2).

whanau and their hapu and to facilitate the occupation, development and utilisation of that land for the benefits of its owners, their whanau and hapu.

It is proposed the Policy acknowledges this as a legislative requirement and notes the Council seeks to achieve these outcomes by:

- (i) Operating a transparent, equitable and reliable development contributions scheme;
 - (ii) Funding, procuring and delivering infrastructure to the boundary of Māori land; and
 - (iii) Taking money or land for a development contribution, excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless the Act provides otherwise.
7. **Non-Residential Development without a Service Connection:** it is proposed not to charge a development contribution fee for water and or wastewater where a non-residential development does not have a service connection to the integrated network at building consent or service connection stage.
- In situations where a development, such as storage units, do not have a service connection to the integrated network (water and or wastewater) there is no additional demand being placed on network infrastructure. In this regard, there is no casual nexus or connection between the development and the need for growth infrastructure funded by the Policy.
8. **Matangi Residential Area:** a new development contribution area (N) has been created for the Matangi Residential Area for the purposes of collecting local reserves development contributions.
9. **Roxburgh Crescent Residential Area:** a new development contribution area (V) has been created for the proposed Roxburgh Crescent Residential Area for the purposes of collecting development contribution fees for stormwater.
10. **Projecting Household Growth:** the purpose of updating the projected household growth data is to align the Policy with assumptions informing the LTP.
11. **Growth Description:** the purpose of updating the description of growth clause 4.6 of the Policy is to ensure alignment with the proposed Future Development Strategy.

Analysis of Options

The broad purpose of the proposed amendments to the Policy is to:

- Align with amendments to the LGA02;

- Better enable a fair and equitable distribution and recovery of the total capital cost of growth expenditure;
- Improve administrative efficiency and clarity;
- Create new development contribution areas for locations serviced or planned to be serviced by Council infrastructure; and
- Align the Policy's growth projections and description of growth with the Long-Term Plan and the proposed Future Development Strategy.

The three options that Council has considered in its analysis is as follow:

Option 1: Preferred Option

To adopt the proposed amendments to the Policy and continue to use development contributions as a mechanism to pay for the growth-related costs of infrastructure provision.

This option allows the current mechanism for funding the growth costs of infrastructure provision to further imbed. The Policy has been in place since 2004. Planning, funding and provision of infrastructure to support growth has a long-term focus. In this regard, the Policy remains in its infancy and requires further time to realise the outcomes being sought by the funding instrument.

The Council has a Development Contributions Policy as one of its Funding and Financial Policies in its LTP under the LGA02. This gives councils the power to require a contribution from subdivision and development. Development Contributions provide the means to fund infrastructure capacity improvements required due to growth. Without Development Contributions there would be a significant burden on ratepayers.

Every new development that connects into Council's infrastructure services places a demand on those services. Infrastructure services include roading, water, wastewater, stormwater, parks and reserves. Development Contributions make sure that the cost of providing the infrastructure to support growth is paid by those who create the need for the additional infrastructure. Council meets the cost of maintaining existing levels of service to ratepayers, while the cost of additional services is funded by those creating the demand.

From an asset management perspective, rarely is an infrastructure network created for a single development in isolation from other development. The approach of the Policy is to ensure that the cumulative consumption of infrastructure capacity by each development is considered from a system wide perspective. The effect of a development in terms of impact on network infrastructure includes the cumulative effect that a development may have in combination with other development. The Policy enables the Council to require a development contribution that is used to pay, in full or in part, for capital infrastructure:

- Expected to be incurred because of growth; or
- Already incurred by the Council in anticipation of growth.

The Policy provides a clear link between individual development and the cumulative costs associated with funding infrastructure to meet growth. This ensures that ratepayers are not left carrying the additional financial burden associated with providing infrastructural capacity to meet the demand of growth.

Development contributions are essentially the repayment of money advanced by ratepayers to fund new infrastructure to support growth. This approach is considered an equitable and efficient way to fund and provide for growth infrastructure.

However, achieving the outcomes being sought by the Policy relies on:

- Good quality information feeding into the development of the Council's Asset Management Plans;
- Accurate forecasting of population and household formation rates;
- Consistent and robust implementation of the Policy;
- Not investing heavily in growth infrastructure too far in advance of development occurring. If development does not occur, the sunk costs of infrastructure provision are borne by the ratepayer until development occurs; and
- The Council giving effect to its strategic land use direction by rezoning land for residential and industrial growth.

The development contributions funding mechanism works well when it sits within a settled and consistent approach to strategic land use planning for urban growth. The funding mechanism enables councils to plan for growth and ensure infrastructure is planned and funded in a coherent manner to support development when it occurs.

The Council has been proactive in strategically planning for growth and has aligned its proposed Future Development Strategy with its Asset Management Plans (AMPs) and financial planning obligations under the LGA02 and the LTP. The Council has sent a clear message to the market regarding the future direction of growth in the district. This approach ensures infrastructure will be funded and rolled-out to support growth when it is needed.

Intergenerational Equity – Under section 101(3) of the LGA, the funding needs of the Council must be met from those sources that the local authority determines to be appropriate, following the consideration of (amongst others):

- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (section 101(3)[ii]).
- The period in or over which those benefits are expected to occur (section 101(3)[iv]).
- The extent to which the action or inaction of particular individuals or a group contribute to the need to undertake the activity (section 101(3)[iii]).

The provision of infrastructure, in particular infrastructure that is provided to cater for growth, will generally be put in place in anticipation of growth. Works already carried out by the Council benefit new developments and developments in the future. The methodology underpinning development contributions ensures the cost of infrastructure provision and its benefits are equitably distributed over time. This is considered consistent with the principle of intergenerational equity.

Option 2:

To use financial contributions under the Resource Management Act 1991 (RMA) as the mechanism to pay for the growth-related costs of infrastructure provision.

Financial contributions can be required as a condition on a resource consent under section 108(2)(a) of the RMA. In general, financial contributions tend to focus on the direct marginal impact of the effects of particular developments without considering the wider cumulative impact of multiple developments on infrastructure and community facilities of a district. The limiting characteristic of financial contributions is the consideration of effects on a micro environmental nexus basis for a particular development rather than the wider cumulative effect of the development in conjunction with all other development on the need for growth infrastructure across time and space. This is the main reason for allowing local authorities to take development contributions under the LGA02. Development contributions also allow for better integration with the financial management provisions that the Council must comply with.

Financial contributions attached to resource consents are required to avoid, remedy or mitigate any potential adverse environmental effect(s) generated by the activity. At the site and activity specific level financial contributions levied through resource consents are not a responsive instrument for collecting the cost of growth in an integrated manner for the whole of the city over time and space.

Development contributions provide local authorities the scope to more effectively address the funding and provision of infrastructure across the whole city than financial contributions. Development contributions also allow district plans to focus their core function of managing the effects of subdivision and development on the environment.

Option 3:

To fund the growth-related costs of infrastructure provision through rates.

Prior to the Development Contributions Policy, the cost of financing infrastructure to meet the demands of growth was met by ratepayers. Council would need to make an explicit change to its approach to funding growth infrastructure if it were to require ratepayers to subsidise the cost of growth. The overriding issue associated with this approach is one of equity. It is not considered an equitable approach for ratepayers to subsidise growth when they are not creating the need for additional infrastructure to support growth. In this regard, the development contribution methodology is considered more equitable in that growth pays for growth.

Consultation Process

Enquires about the draft 2024 Development Contributions Policy can be made to Jonathan Ferguson-Pye, City Planning Manager on phone (06) 356 8199 or email jonathan.ferguson-pye@pncc.govt.nz

Submissions on the Policy open on 5 April and close on 5 May 2024 and can be made by one of the following means:

email	freepost	deliver
submission@pncc.govt.nz	Development Contributions Policy Submissions Palmerston North City Council Free Post ##### Palmerston North DX Sort	Customer Services Centre Civic Administration Building The Square Palmerston North

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Adopting the 2024-34 Long-Term Plan Consultation Material

PRESENTED BY: David Murphy - Chief Planning Officer, Cameron Mackay - Chief Financial Officer and Chris Dyhrberg - Chief Infrastructure Officer

APPROVED BY: Waid Crockett, Chief Executive

RECOMMENDATIONS TO COUNCIL

1. That Council include Programme 1681 – Urban Growth – Kikiwhenua – Transport in the 2024-34 Long-term Plan Supporting Material (as in paragraph 6.6 of this report).
 2. That Council note that minor changes have been made to wording, supporting information, budgets and disclosures as a result of the Audit review processes and decision of Council following the 7 February 2024 Council meeting.
 3. That Council adopt for consultation the Statement of Proposal (Attachment 8) for the review of the [Revenue and Financing Policy](#) (as agreed by Council 7 February 2024).
 4. That Council adopt for consultation the Statement of Proposal (Attachment 9) for the review of the [Rates Remission and Postponement Policies](#) (as agreed by Council 14 February 2024).
 5. That Council adopt for consultation the 2024-34 Long-Term Plan Supporting Material (as listed in Table 1).
 6. That Council adopt for consultation the 2024-34 Long-Term Plan Consultation Document (Attachment 7).
-

1. ISSUE

- 1.1 The purpose of this report is for Council to approve the 2024-34 Long-term Plan Consultation Document (CD) and Supporting Material for consultation. Consultation will give Council formal feedback on its proposed strategic direction, levels of service, programmes and budgets. This will then enable Council to finalise and adopt the Long-term Plan (LTP) by 30 June 2024.
- 1.2 The report also notes there is a risk that Council could receive a qualified audit opinion on its final Long-term Plan. This is due to a number of key forecasting assumptions and in particular the cost of the Nature Calls project and the level of funding it is assumed will be obtained from alternate funding

sources (including the use of a special purpose vehicle for funding Nature Calls). Officers have worked with Audit NZ to make sure the issues and risks, including any implications are more clearly outlined in the CD and the Supporting Material.

- 1.3 Developing an LTP is an iterative process involving Council aspirations, affordability, the Audit review and public submissions. The proposed LTP is based on Council's best information at the time. However it is draft material and Council will adjust the the proposed Plan in response to Audit and any submissions.

2. BACKGROUND

- 2.1 Council has to adopt its next Long-term Plan by 30 June 2024.
- 2.2 The LTP is a 10 year plan for the Council that sets out:
 - Council's strategic direction (Vision and Goals)
 - Council's Plans – these show more details of how Council intends to achieve the strategic direction
 - Council's levels of service (day to day services) and programmes (projects), plus their budgets, to implement the the Plans. These show what the Council plans to do and what this is expected to cost over the next 10 years.
- 2.3 Council has to adopt a new LTP every three years (ie, once each term of Council). In between years Council adopts an Annual Budget.
- 2.4 Developing the LTP involves many steps. The next section of this report outlines the steps we have already carried out.

3. DEVELOPING THE LONG-TERM PLAN

- 3.1 Council has held various workshops to discuss the 2024 LTP. These workshops have been held in public and the material is on Council's website (search for "Long-term Plan workshops and briefings").
- 3.2 The workshops started shortly after the 2022 Council elections:
 - 2 November 2022: an introduction to developing an LTP, including its purpose and key steps.
 - 2 December 2022: LTP scene setting. This involved a discussion of the major issues and opportunities facing the City and the Council.
 - 9-10 February: LTP Vision and Goals:

- discussion of the issues and opportunities facing Palmerston North as seen by key social, economic, environmental and cultural groups and young people in Palmerston North.
 - discussion of the potential Vision and Goals for the 2024 LTP.
- 3.3 After the Vision and Goals workshop officers prepared draft Plans, programmes (actions) and budgets showing how Council could best deliver the Vision and Goals. This involved further workshops:
 - 16 May: key issues for the LTP, Financial and Infrastructure Strategy principles, population projections, sustainability and the LTP.
 - 6 October: Financial and Infrastructure Strategies; Revenue and Financing, Development Contributions, and Significance and Engagement Policies; Māori Contribution to Decision-Making; developing the Plans; Goal indicators and targets.
 - 3 November: overview of initial capital and operating budgets, methods to prioritise and reduce Council's overall LTP budget.
- 3.4 Council then held a series of formal Council meetings to prioritise the programmes and budgets into a strategic, affordable and achievable proposed LTP. This proposed LTP is what is described in the attached CD and Supporting Material. The meetings were:
 - 29 Nov (and 1 Dec): [LTP Prioritisation of Capital Projects and Expenditure](#).
 - 13 Dec: [LTP Prioritisation of Capital Projects and Expenditure](#); Indicator Framework for the LTP.
 - 18 Dec: [LTP Prioritisation of Operating Projects and Expenditure](#); Topics and issues for the LTP CD.
- 3.5 Under normal circumstances Audit NZ would audit the CD and Supporting (background) Material prior to public consultation. However, ongoing uncertainty around three water reforms has made it difficult for councils to prepare their LTPs so Central Government gave councils the option of consulting on the CD and Supporting Material without audit reports.
- 3.6 All councils are still required to get their final LTPs audited. This includes a review of the assumptions, risks and implications that underlie the whole LTP - and that are part of the CD.
- 3.7 Council adopted the review approach on 7 February 2024. At that meeting Council also approved the draft consultation material so that Audit could begin its audit of the final LTP.

4. DEVELOPING THE LTP CONSULTATION MATERIAL

- 4.1 Following the Council's LTP prioritisation meetings officers have prepared the consultation material for the LTP. This includes the CD and Supporting Material.
- 4.2 Officers have worked with Audit so that any likely concerns in relation to the review of the final LTP can be covered off in the CD. A key Audit focus in this is to ensure that Council understands and can clearly and transparently describe the assumptions, risks and implications associated with:
 - The cost of the Nature Calls project and Council's decision to fund it through a separate special purpose funding arrangement using the provisions of the Infrastructure Funding and Financing Act. As part of the discussions with Audit, officers have provided Audit with information showing the appropriateness of Council's assumptions at this point of the process, including an example of how Wellington City Council used the IFF tool for Moa Point. Officers also provided information on the overall affordability of Council's wastewater compared to other councils. More information on Council's response to the issues raised by Audit is included in the CD (see paragraph 4.4 of this report).
 - the achievability of its capital programme.
- 4.3 These concerns could result in a Qualified Audit Opinion for our adopted LTP. A qualified audit means that Audit has some specific and material concerns with the LTP, but these are not pervasive. The opinion will identify the specific concerns. The worst case would be an adverse opinion. This means that Audit has concerns that affect the whole LTP.
- 4.4 Officers are continuing to work with Audit and you may have updated information at the meeting.
- 4.5 At this stage we have three options in response:

Option 1: Make additions to the CD in response to Audit (recommended option)

This option means that Council would add some information to the material that was endorsed by Council on 7 February in response to initial feedback from Audit as part of its review of the final LTP. This includes new text clarifying the assumptions, risks and implications for the points raised by Audit. The risks and uncertainties raised by Audit are valid. Council was aware of them and had included information about them in the CD. However, with hindsight, they deserve to be highlighted more. How Council describes these in the CD will inform Audit's opinion on our final LTP.

The proposed new material shows that Council has prepared the proposed LTP with the best information it currently has. This includes some reliance on

external funding (especially for Nature Calls and some growth and earthquake prone building programmes). Prior to the next LTP Council will be working through the funding details with potential funders. However, there are risks that not all of this funding will be available as expected. In that case Council may need to delay, scale back or even halt some projects. That would be part of the 2027 LTP community discussions or by way of an amended LTP if new information comes to light earlier.

There is also a risk that Council may not be able to complete all of the capital programmes in the LTP. Council is mitigating this risk by improving its project management capability and capacity and working closely with the construction sector. Also, the capital programme includes some large (\$) projects. These can be delivered more efficiently than many small projects as they require less project administration compared to a large number of smaller projects.

The full text of the proposed addition addressing Audit's concerns is on pages 54 and 55 of the attached CD (Attachment 7).

Option 2: Make no changes to the CD in response to Audit

Under this option Council would consult on the consultation material approved by Council on 7 February (with the minor changes raised by Elected Members at the time). This option is not recommended since, as outlined in the previous paragraph, the risks and uncertainties raised by Audit are important and should be highlighted.

Option 3: Postpone adopting the LTP

This would involve postponing adoption of the LTP until June 2025. Council would need to prepare a 2024/25 Annual Budget instead. This option is available to all councils as part of Central Government's new approach to water reform. It would give Council more time to respond to the risks and uncertainties raised by Audit. This is not recommended as an extra year would not make a material difference in our ability to fully resolve them.

Given the level of change that has occurred since the current 2021-31 LTP was adopted, officers are not recommending this as an option. It would also prevent the community from being informed about some of the major challenges the city and Council are facing in the 10 years ahead.

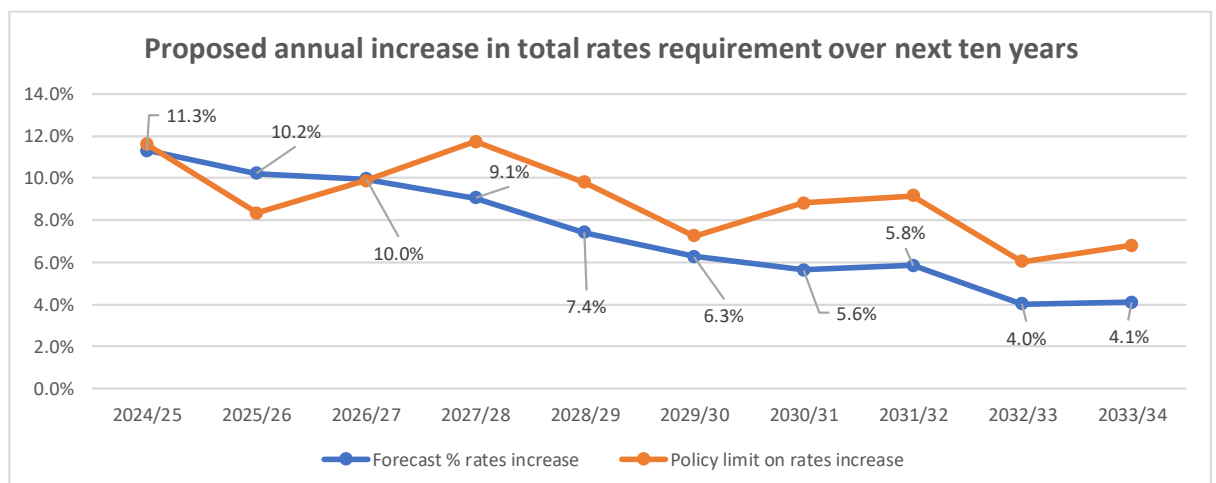
5. OVERVIEW OF LONG-TERM PLAN AND FINANCIAL IMPLICATIONS

- 5.1 The proposed LTP sets out what Council plans to do over the next ten years to work towards Council's Vision of *He iti rā, he iti pounamu* *Small city benefits, big city ambition*. This includes the day-to-day services Council provides. This has financial implications.

- 5.2 The full suite of financial statements is included in the various attachments. The table below summarises some of the key high level figures for such things as operating costs, operating revenue, rates and capital expenditure (showing the planned funding sources).

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Rates requirement (proposed 2024-34 LTP projections) \$M											
Operating Expenses	201.9	212.3	226.6	234.5	243.6	257.0	264.7	270.4	281.1	292.4	2,484.5
Less operating revenue	44.6	45.7	46.5	47.5	49.3	50.3	51.7	51.5	49.7	50.7	487.5
Net operating expenses	157.4	166.6	180.1	187.0	194.3	206.8	213.0	218.8	231.4	241.7	1,997.0
less:											
depreciation	49.6	50.9	55.4	58.8	61.2	67.2	71.8	75.6	83.0	86.7	660.2
operating expenses funded from debt	5.8	4.0	1.8	0.1	0.1	0.1	0.1	0.1	0.1	0.1	12.0
plus:											
Capital renewals (3 year average)	28.7	31.0	32.3	34.5	36.3	38.6	39.9	40.3	40.9	38.2	360.8
Debt repayment	7.7	9.6	12.4	20.2	26.9	30.5	39.2	49.7	53.5	59.5	309.3
Rates requirement	138.3	152.4	167.6	182.8	196.3	208.6	220.3	233.1	242.7	252.6	1,994.8
Forecast rate increase	11.3%	10.2%	10.0%	9.1%	7.4%	6.3%	5.6%	5.8%	4.1%	4.1%	
Capital expenditure (proposed 2024-34 LTP projections) \$M											
Renewals	32.6	35.5	36.1	40.5	40.1	45.2	49.8	53.7	54.0	54.2	441.5
New capital additions	59.6	119.3	124.4	204.8	185.7	189.1	233.9	183.3	141.2	111.9	1,553.1
Growth programmes	12.3	13.2	29.7	25.5	35.5	49.2	46.0	38.8	18.4	27.9	296.4
Total	104.5	168.0	190.1	270.8	261.3	283.5	329.6	275.8	213.6	194.0	2,291.1
Funded by:											
External Revenue (renewals)	5.5	6.3	6.3	6.5	7.1	8.7	10.3	13.7	13.6	13.7	91.7
External Revenue (new)	19.9	25.3	30.7	139.4	134.3	144.6	202.2	135.9	81.4	56.8	970.4
Ext Revenue (growth)	1.7	3.3	8.8	1.6	8.3	25.0	30.2	28.6	13.4	22.6	143.5
Development contributions	2.0	2.2	3.0	3.7	4.7	5.6	6.2	6.4	6.6	6.6	46.9
Rates	28.7	31.0	32.3	34.5	36.3	38.6	39.9	40.3	40.9	38.2	360.8
New Borrowing	46.8	99.8	109.1	85.1	70.6	60.9	40.8	50.9	57.7	56.1	677.8
Total Debt as at 30 June	310.4	401.4	496.6	558.2	598.5	625.5	623.6	622.6	626.9	623.5	
Maximum debt capacity if debt/revenue ratio is 250%	457.2	495.2	535.3	575.7	614.1	647.3	680.0	711.7	730.9	758.3	

- 5.3 The graph below shows proposed annual increases in total rates compared with the proposed policy limit for rates increases.



- 5.4 The following table shows a summarised view of the main contributors to the proposed increase in total rates for 2024/25.

Operating Expenses	Impact on Total Rates for 2024/25 (Year 1)
Interest expenses on debt	4.2%
Debt repayment	2.1%
Rolling average renewal increase	0.8%
Labour costs – market movement	3.6%
Utilities and insurance	0.4%
Software licenses	0.6%
All Other (Contractors, Professional Services & Materials, offset by additional revenue [excluding rates] etc.)	(0.4%)
Proposed Increase in total rates for Year 1	11.3%

6. CONTENT OF KEY CONSULTATION MATERIAL

- 6.1 This section of the report briefly outlines the changes made to the consultation material since the Council meetings on 7 or 14 February 2024. If material has had only minor changes they are outlined below and it is not being re-attached to this agenda.

Table 1: List of Supporting Material

Draft Consultation Material	Agreed at 7 Feb Council (minor amendments)	Agreed at 14 Feb Council (minor amendments)	Attached to this report 3 April Council
Oranga Papaioea City Strategy and Plans	√		Amendments listed in Attachment 1
Activity Levels of Service	√		
Activity Budgets (Draft Forecast Financial Statements)			Attachment 3
Financial Strategy	√		
Infrastructure Strategy	√		
Asset Management Plan Summaries	√		
Significant Forecasting Assumptions	√		
Revenue and Financing Policy	√		Statement of Proposal in Attachment 8
Significance and Engagement Policy			Attachment 4
Consultation Document			Attachment 7

Rating System, Rates and Funding Impact Statements			Attachment 6
Rates Remission and Postponement Policies		√	Statement of Proposal in Attachment 9
Items Considered but not included			Attachment 5
Māori Contribution to Decision Making	Rangitāne o Manawatū Committee 18 Oct 2023		

Draft Oranga Papaioea City Strategy and Plans (agreed for consultation 7 February)

- 6.2 The draft Oranga Papaioea City Strategy and the 14 Plans that sit beneath the Strategy were endorsed for consultation at the Council meeting on 7 February 2024. A list of corrections and changes made to the Strategy and Plans through the meeting is in Attachment 1.

Draft Financial Strategy

- 6.3 Tables, graphs and references have been updated to reflect the changes made to the financial forecasts through both decisions of the Council (since 7 February) and corrections through the peer review/audit process. From an overall perspective these changes are not significant.

Draft Infrastructure Strategy and Asset Management Plan Summaries

- 6.4 Contextual information on demographic trends has been added, along with information on risks around the achievability of Council's capital programme. (This is consistent with the approach outlined in CD (as referenced in paragraph 4.4 of this Report) of this report. Other minor changes have been made in response to Audit feedback.

No changes have been made to the AMP summaries.

Draft Activity levels of service and budgets

- 6.5 Activity level budgets have been updated since 7 February to include the following:
- Incorporating the increased provisions for the Te Manawa operating grant as determined by the Council on 14 February
 - Adjusting programme budgets (and opening debt assumptions) to reflect Council decisions regarding land purchases in the current year
 - Incorporating the provisions for additional revenue in the parking and resource recovery activities as determined by the Council on 6 March

- Incorporating adjustments to recognise the Council rates payable on Council owned properties – our on-going internal review recognised these internal allocations had been overlooked – this change had no impact on the overall external rates requirement
 - Adjusted the overhead allocation for Digital Solutions. This issue was caused by the overhead model double allocating the operating programme (Digital Transformation) in this area by allocating the loan servicing costs out as well as the costs of the programme (which are loan funded).
 - Adjusting the way the programme for Tamakuku Terrace subdivision is accounted for so the sale of sections and the second stage of development are properly treated
- 6.6 Due to an officer omission in the process to date, officers have needed to add to the draft LTP Programme 1681 – Urban Growth – Kikiwhenua – Transport to the capital programme. This error was picked up on review of the growth areas and the Development Contributions Policy. This programme has a budget of \$3m in 2024/25 and \$3m in 2025/26, which is funded initially from debt and over time fully funded from Development Contributions. Planning for the work is well underway and the programme is a critical component of the development of this area.
- 6.7 Three minor changes have been made to the Activity descriptions and KPIs since the Council meeting on 7 February:
- Audit has said that Council should look at using the Residents' Survey results as KPIs to increase the number of quantitative indicators. (Currently 42% of KPIs are quantitative and 58% are qualitative (narrative)). We have added a note to the Activity text saying we will consider doing this alongside consultation.
 - The Activity text presented to the 7 February meeting said Council is proposing to change the target for Resource Consents processed on time from at least 95% to at least 80%. Last year it achieved 73% on time. This is to reflect the size and complexity of some resource consents. We have added a note saying that the number of resource consents not processed within time will be identified, along with the actual time taken, and the reasons for this.
 - Added carbon emissions text and graph to the Climate Change and Sustainability Activity in accordance with Sustainability Committee instructions from 13 March 2024 (see Attachment 2).

Draft Significant Forecasting Assumptions

- 6.8 Minor corrections have been made resulting from the peer review/audit process. These updates include making sure the levels of risk assumed are

consistent throughout and incorporating the latest information where gaps had been left.

Draft Forecast Financial Statements

- 6.9 A summary page is provided that introduces the financial statements and addresses the 'balanced budget' disclosures as required by the legislation. These high level financial statements have been updated to incorporate all inconsistencies and shortcomings discovered during the peer review and audit processes. Although the overall financial performance and position statements are not significantly different from those presented at the meetings on 7 and 14 February there have been a number of more material changes at the activity level. These are outlined in Attachment 3.

Draft Revenue and Financing Policy

- 6.10 The policy has been updated to incorporate the change to the funding split for the animal management activity as approved by the Council on 6 March 2024. By law, this [Policy](#) requires a Statement of Proposal to be agreed before it can be publicly consulted on. This was omitted when the policy was agreed on 7 February. Officers have included a Statement of Proposal for this Policy (Attachment 8) to be agreed.

Draft Rates Remission and Postponement Policies

- 6.11 Council agreed the [Rates Remission and Postponement Policies](#) for consultation on 14 February 2024, the required Statement of Proposal was omitted. Officers have included a Statement of Proposal for these Policies (Attachment 9) to be agreed.

Draft Development Contributions Policy

- 6.12 The Development Contributions (DC) Policy is an important component of the overall funding and financing framework of the Council. A separate report to this meeting proposes an updated version of the Policy.
- 6.13 The most significant proposed changes include:
- Exclusion of programmes where the Council is assuming they will be funded by another mechanism such as a special purposes funding vehicle for the growth component of the Nature Calls programme and developer agreements or other mechanisms for new growth areas.
 - Including the cost of capital (interest) of completed works in the calculation of DC fees.
 - Changing the way the costs of growth infrastructure for water and wastewater are apportioned between residential and non-residential development.

- 6.14 The forecast financial statements incorporate assumed revenue from DC fees. DC revenue each year is very difficult to estimate as it is entirely reliant on individual developers decisions about how and when they will process each development. Our preliminary view is that the present budgetary assumptions regarding DC revenue are conservative (if the updated policy is approved). It is intended that a further review of these budget assumptions will be undertaken before the adoption of the final LTP. If the revenue assumption is increased this will reduce the requirement for additional borrowing.

Draft Rating Information & Funding Impact Statement

- 6.15 The rates and funding impact statement section of the supporting information has been updated to reflect the changes to the rates requirement brought about by the changes to budgets outlined earlier. There are minor reductions to the fixed charges proposed for water, wastewater and rubbish and public recycling. Refer to Attachment 6.

Draft Significance and Engagement Policy

- 6.16 The Policy is reviewed every three years through the LTP. The draft Policy (Attachment 4) has been updated to reflect changes suggested by Elected Members at the 6 Oct 2023 LTP Workshop – rename “Walkways” to “Shared pathways”. Add Creative Sounds, Turitea Reserve (the portion used for used for electricity generation and transmission and flora and fauna) and Te Motu o Poutoa to the list of strategic assets. A note has been added that Council may need to reconsider the strategic status of its 3 water networks as more clarity about central government’s water reforms is developed.
- 6.17 At the workshop Elected Members also suggested that Council consider adding the Te Āpiti/Manawatu Gorge area and the Arapuke Mountain Bike Tracks to the list of strategic assets. These are not Council-owned so they cannot become strategic assets.

Draft Māori Contribution to Decision Making

- 6.18 The Rangitāne o Manawatū Committee (18 October 2023) considered and endorsed the proposed text outlining how Council will foster the involvement of Māori in its decision making. This text will be included in the Supporting Material.

Matters Considered but Not Included in the LTP

- 6.19 Items formally considered but not included in the LTP through the Committee meetings on 29 November and 13 and 18 December have been listed in Attachment 5.

LTP Consultation Document (CD)

- 6.20 The draft CD presented to the meeting on 7 February has been updated (as in Attachment 7). Changes have been made throughout the document in response to points raised by Audit (in particular as outlined in paragraph 4.4 of this report) and Elected Members.

7. OUTLINE OF UPCOMING CONSULTATION PROCESS

- 7.1 Consultation will run from 8 April to 9 May 2024. Council will concurrently consult on the Future Development Strategy, the Waste Management and Minimisation Plan, the Development Contributions, Revenue and Financing Policy, the Rates Remission and Postponement Policy and the Significance and Engagement Policy.
- 7.2 We will use a range of methods to ensure that everybody is aware that Council is seeking feedback and has a simple way to have their say. Methods include:
- A brochure to all households
 - A letter to all ratepayers
 - Sector sessions for specific stakeholder groups
 - Working with high schools
 - Drop-in sessions (staff run)
 - Pop ups
 - Planning Palmy Expo
 - Information at libraires, customer service centres, relevant community facilities
 - Facebook / YouTube Live with Elected Members
 - Media, stakeholder communications, social media advertising.










8. NEXT STEPS

- 8.1 Council will hold a hui with Rangitāne on 1 May to get its feedback on the proposed LTP.
- 8.2 The LTP Hearings will be on 15-17 May.
- 8.3 Council will deliberate on the 2024 LTP on 29-30 May.
- 8.4 For previous LTPs officers have produced a "summary of submissions" document that lists all the points raised in the submissions. This results in a very detailed and lengthy document – last LTP was 150 pages long. This time we intend to produce a focused summary (around 20-30 pages) that identifies the major / common themes raised in support or opposition to each LTP issue and project, along with officer comments on these themes.
- 8.5 Council will adopt the LTP on 26 June 2024.

9. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
<p>Contribution to Council's strategic direction and to social, economic, environmental and cultural well-being:</p> <p>The recommendations contribute to the development of the Council's 2024-34 Long-term Plan. Hence, they are about how Council could deliver its 2024 strategic direction and how it could contribute to social, economic, environmental and cultural wellbeing.</p>	

ATTACHMENTS

1. Updates to Oranga Papiaoea Strategy and Plans (attached separately) 
2. Carbon Emission Graphs (attached separately) 
3. Draft Forecast Financial Statements (attached separately) 
4. Significance and Engagement Policy (attached separately) 
5. Items Considered but Not Included. (attached separately) 
6. Rating System, Rates & Funding Impact Statements (attached separately) 
7. Long Term Plan 2024-34 Consultation Document (attached separately) 
8. Statement of Proposal - draft Revenue and Financing Policy 2024 (attached separately) 
9. Statement of Proposal - draft Rates Remission and Postponement Policies 2024 (attached separately) 

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Featherston Street Safety Improvements - Additional NZ Transport Agency Waka Kotahi Streets for People External Funding

PRESENTED BY: Bryce Hosking, Acting Group Manager - Transport and Development

APPROVED BY: Chris Dyhrberg, Chief Infrastructure Officer

RECOMMENDATION TO COUNCIL

1. That Council agree an additional \$500,000 of capital expenditure in FY2023/24 in Programme 2233 City-wide Urban Cycle Infrastructure Improvements – Streets for People to deliver further enhancements to the Streets for People project on Featherston Street. This additional capital expenditure to be funded as follows:
 - a. 90% (\$450,000) from NZ Transport Agency Waka Kotahi (capital revenue).
 - b. 10% (\$50,000) from Council, through a capital transfer from existing funds in Programme 1559 (City-wide – Urban Cycle Infrastructure Network Improvements).
-

1. ISSUE

- 1.1 Council is receiving an additional \$450,000 funding from NZ Transport Agency Waka Kotahi ("Waka Kotahi") to increase the scope of the Streets for People project on Featherston Street.
- 1.2 The additional works to be completed using the additional funding includes:
 - Raising the pedestrian crossing on Aroha Street.
 - Raising platforms and reducing the crossing distance for pedestrians at side street intersections – Campbell and Taonui Streets.
 - Increasing the number of cycleway separators along the stretch of road.
 - Additional place-making elements, including bench seating and planting.
- 1.3 These additional works will be delivered as a variation to the existing construction contract, with implementation to commence following

completion of the current works along Featherston Street as part of the same project. All work will be completed no later than 30 June 2024.

- 1.4 As these works are enhancing the existing elements of the approved design, no design change is required, and Officers have confirmed that the contractor delivering the current project has capacity to deliver this additional work as a variation to the current project.
- 1.5 The Streets for People project is 90% funded from Waka Kotahi and 10% funded from Council. Therefore, Council will also need to contribute \$50,000 towards these additional works. Council's portion will be reprioritised from Programme 1559 (City-wide – Urban Cycle Infrastructure Network Improvements) using existing budgets so no additional funding is required.
- 1.6 This report seeks approval from Council for the additional capital expenditure being 90% funded from additional external revenue.

2. BACKGROUND

- 2.1 Please refer to the report presented to Council on 6 December 2023 titled ['Tender Award – Streets for People – Featherston Street Cycleway'](#) for a background on the project.
- 2.2 In September 2022 Council entered a funding agreement for the Waka Kotahi Streets for People programme.
- 2.3 In December 2023 Council approved the construction tender, with works commencing February 2024. The project is 90% funded through Waka Kotahi, with the 10% balance funded from Council. A requirement of funding is that projects must be completed by 30 June 2024.
- 2.4 On 19 January 2024 Waka Kotahi approved a variation to the partnership agreement with Council, offering an additional \$500,000 capital budget to be 90% funded by Waka Kotahi.
- 2.5 The additional works complement the current works underway along Featherston Street, providing additional safety and amenity benefits for pedestrians and bike riders.

3. NEXT STEPS

- 3.1 Council agrees the additional \$500,000 of capital expenditure, Council accepts the additional \$450,000 of Streets for People funding, and approves the transfer of the \$50,000 from Programme 1559 (City-wide – Urban Cycle Infrastructure Network Improvements) to Programme 2233 (City-wide – Urban Cycle Infrastructure Improvements – Streets for People) as Council's 10% contribution.
- 3.2 To reallocate the funding for Council's contribution, we have reduced the contingency on the Pioneer Highway shared pathway and signalised crossing project. Officers were able to reduce risk on the Pioneer project once the

final location of the crossing was confirmed in February 2024. We are comfortable both projects can be delivered on-time and within budget.

- 3.3 Council issues a contract variation to the existing Streets for People contractor (Higgins Contractors Limited) for construction of the additional works.
- 3.4 Council continues stakeholder engagement with affected residents, businesses, and schools, in coordination with Higgins Contractors Limited, to minimise the impact of construction as much as possible.

4. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: Prioritise transport programmes that deliver on Council's goals, the purpose of this plan and the Government Policy Statement on Transport.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	NZ Transport Agency Waka Kotahi's Streets for People programme aims to create liveable cities through mode shift and creation of low carbon transport choices. Our project aims to improve environmental and social wellbeing for our community.

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Alternative Use of Speed Management Funds

PRESENTED BY: Bryce Hosking, Acting Group Manager - Transport and Development

APPROVED BY: Chris Dyhrberg, Chief Infrastructure Officer

RECOMMENDATION TO COUNCIL

1. That Council receive the memorandum titled 'Alternative Use of Speed Management Funds' presented on 3 April 2024.

1. ISSUE

- 1.1 At its meeting on 21 February 2024, the Strategy and Finance Committee resolved:
 1. *That the Committee request the Chief Executive provide a report outlining the options for using the \$833K budget originally provided for implementing the interim Speed Management Plan (school speed limits).*
- 1.2 Officers acknowledge that the resolution requested options, however, given the lateness in the financial year there are few options that can be considered. The only practical opportunity is to reprioritise the funds to deliver other projects identified within this report or consider the whole amount savings.
- 1.3 Therefore, this memorandum details what projects officers have reprioritised that could be delivered in 2023/24.

2. BACKGROUND

- 2.1 Please refer to the report titled '[Speed Management Plan – Process Update](#)' which was presented to the Strategy and Finance Committee on 21 February 2024 for a background on the Speed Management Plan project. Noting that alongside the recommendation detailed in 1.1 above, Council also resolved:
 2. *That the Committee determine that work on the draft full Speed Management Plan remains on hold, pending a staff report to the*

Committee on the details of changes to the Setting of Speed Limits Rule (Option 2).

- 2.2 The Speed Management Plan project was being delivered from Programme 2119 (Road to Zero – Transport Safety Improvements).

3. PROJECT REPRIORITISATION

Raised Crossings

- 3.1 Officers will now look to progress the design and construction of upgrading existing crossings to raised platform crossings directly outside schools in the following locations:
- Baring Street (Bunnythorpe) outside Bunnythorpe School
 - Linton Street outside Palmerston North Intermediate Normal
 - Shamrock Street outside Our Lady of Lourdes School
 - Rochester Street outside Awapuni Primary School
 - Langley Avenue outside Langley Reserve/ Milson School
 - Beresford Street outside Central Normal School
- 3.2 The schools selected above were determined through Officers considering several factors including current asset condition, crash and near miss data, and practical implementation. The latter being particularly important considering we are so late in the financial year. In many cases the schools had been requesting these raised crossings so delivering in the current financial year will be welcomed rather than waiting for the next 2-3 years as was planned.
- 3.3 Officers would look to engage Fulton Hogan directly through our Road Maintenance and Renewal Contract to provide pricing and deliver these projects. The total cost will be circa \$433K, although the final costing is still to be finalised.
- 3.4 Officers have already had preliminary conversations with Fulton Hogan about this work and they have confirmed they have capacity to deliver the work this financial year. This will be formally committed to them following the presentation of this memorandum.

Design Work for 2024/25 Delivery

- 3.5 The \$400K balance of budget will then be used to engage the Design Panel to commence design work of road safety projects to be constructed in 2024/25 to reduce the risk of delivery for next year. These will include design for raised crossings, intersection safety improvements etc.
- 3.6 As with the crossings above, Officers have already had preliminary conversations with the design panel about this work and they have confirmed their availability to complete this prior to 30 June 2024.

- 3.7 All this work is essentially bringing forward planned work through Council's Low Cost/ Low Risk programme that was planned for delivery in the next 3 years. The low cost/ low risk programme is an ongoing programme each year to address road safety works to which this work aligns with. Officers consider it a low risk that this programme will not be co-funded for the next 3 years.

4. NEXT STEPS

- 4.1 Proceed with the reprioritised raised crossing projects to ensure they are delivered by 30 June 2024, with the balance of the funding to be committed to the design panel for minor road safety works planned for delivery in 2024/25.

5. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	No
Are the decisions significant?	No
If they are significant do, they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
The action is: Develop, maintain, operate, and renew the active and public transport network to deliver on Council goals, the purpose of this plan, and the Government Policy Statement on Transport.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	Ensuring our roads are safe for all users directly contributes to the Transport Plan.

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Fast-Track Approval Bill - Palmerston North City Council Submission

PRESENTED BY: James Miguel, Senior Transport Planner

APPROVED BY: David Murphy, Chief Planning Officer

RECOMMENDATION TO COUNCIL

1. That Council approve the Fast-Track Approval Bill submission (Attachment 1).

1. ISSUE

- 1.1 On the 7 March 2024 the Fast-Track Approvals Bill (the 'Bill') was introduced to Parliament. The Bill's introduction was a part of the Government's coalition agreement and 100-day plan.
- 1.2 The aim of the Bill is to make it easier for regional and nationally significant infrastructure and development projects to get approvals to progress.
- 1.3 The Bill is currently open for submissions until 19 April 2024.

2. BACKGROUND

- 2.1 The delegation for submissions to a select committee sit with the Council where there is time to report the submission to Council for approval (delegation 2.9.1).
- 2.2 The Bill sets out a single pathway for approval of a range of processes from a number of pieces of legislation. The processes and applicable legislation are outlined in the table below.

LEGISLATION	PROCESS
Resource Management Act 1991	resource consents, notices of requirement and certificates of compliance.
Conservation Act 1987	concessions
Wildlife Act 1953	authority to do anything prohibited by the act

Heritage New Zealand Pouhere Taonga Act 2014	archaeological authority
Exclusive Economic Zone And Continental Shelf (Environmental Effects) Act 2012	marine consents
Crown Minerals Act 1991	land access
Fisheries Act 1996	aquaculture activity approvals

- 2.3 There are two pathways for projects to seek fast-track approvals, either by applying to Joint Ministers for referral or by being included in schedules 2A or 2B of the bill. Both pathways will see projects assessed by an expert panel who will make a recommendation to Joint Ministers whether to approval or decline the request. The expert panel is expected to be able to report back to the ministers within 6 months.
- 2.4 The difference between schedule 2A and 2B is that project under 2A will go directly to the expert panel, while 2B projects will need to be referred by Joint Ministers.
- 2.5 One of the Joint Ministers must be the minister responsible for the Crown Minerals Act 1991 for relevant decisions.
- 2.6 One of the Joint Ministers must be the Minister of Conservation for Wildlife Act approvals and remains the decision-maker for conservation concessions.
- 2.7 The following ministers can also be one of the Joint Ministers;
- The Minister for Transport,
 - The Minister for Infrastructure, and
 - The Minister for Regional Development.
- 2.8 Submission cannot be made to apply for projects to be included under schedules 2A and 2B, instead there will be a separate process for submitting projects to schedule 2A and 2B.

3. SUBMISSION

- 3.1 There are obvious pros and cons to any fast-track approval process. While it can be quicker, it can also increase the risk that relevant issues and effects are missed, or iwi partners and communities feel disengaged in decision-making.
- 3.2 This submission is less about the pros and cons of the Bill. The purpose of the submission is to advocate and raise awareness of the proposed Regional

Freight Ring Road, which is a major deliverable within the Palmerston North Integrated Transport Initiative (PNITI).

- 3.3 The submission will signal to Parliament Council's intention to have the Regional Freight Ring Road listed under schedule 2B. Projects listed on schedule 2A or 2B are likely to be front of mind for the new Government.
- 3.4 The proposed Regional Freight Ring Road still requires significant investigations and business case work to be completed prior to designation and consenting, e.g. the preferred downstream bridge location and bypass of Bunnythorpe and Ashhurst. The submission therefore does not signal that the project should be considered for inclusion on schedule 2A.
- 3.5 The submission indicates that Council will not be nominating the Natural Calls Wastewater Treatment Plant project for consideration within schedule 2A or 2B.

4. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Transport	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The submission signals to the central government the Council's commitment to delivering the PNITI and helps raise awareness among the members of parliament the significance that PNITI has for the city and the wider region.

ATTACHMENTS

1. Fast-Track Approval Bill - Palmerston North City Council Submission



21 March 2024

Committee Secretariat
Environment Committee
Parliament Buildings
Wellington

Dear Sir/Madam,

**Re: Palmerston North City Council Submission on the Fast-Track Approvals Bill –
Regional Freight Ring Road**

Palmerston North City Council (PNCC) thanks the Environment Committee for the opportunity to submit on the Fast-Track Approvals Bill.

PNCC understands the Parliament's drivers for the Fast-track Approval Bill. There are pros and cons to such legislation and not all major projects will be suitable. While it can be quicker, it can also increase the risk that relevant issues and effects are missed, or iwi partners and communities feel disengaged in decision-making.

PNCC is working towards delivering a program of over 70 transport projects known as the Palmerston North Integrated Transport Initiative (PNITI). The flagship project of PNITI is the **Regional Freight Ring Road**. This project and other transport interventions will help create a preferred pathway for heavy inter-regional vehicles to access key locations in the city, including Te Utanganui, Central New Zealand Distribution Hub – an expanding multi-modal freight and distribution hub with increasing significance at the national level.

Due to the significance of the **Regional Freight Ring Road** to the City and lower North Island, the purpose of this submission is to alert Parliament and the Environment Committee that PNCC will be seeking to get the project added to Schedule 2B of the Bill.

The **Regional Freight Ring Road** will require a range of investigations and business case processes in advance of consenting and designation which will provide an opportunity for our partners Rangitāne, regional iwi, the community and stakeholders to play a significant part in the process.

The **Regional Freight Ring Road** is shown on the attached Palmerston North Spatial Plan. The Spatial Plan also shows how the Regional Freight Ring Road will connect key destinations and serve the planned growth of Palmerston North. Further detailed information on the project can be provided at the time it is nominated to be added to Schedule 2B of the Bill.

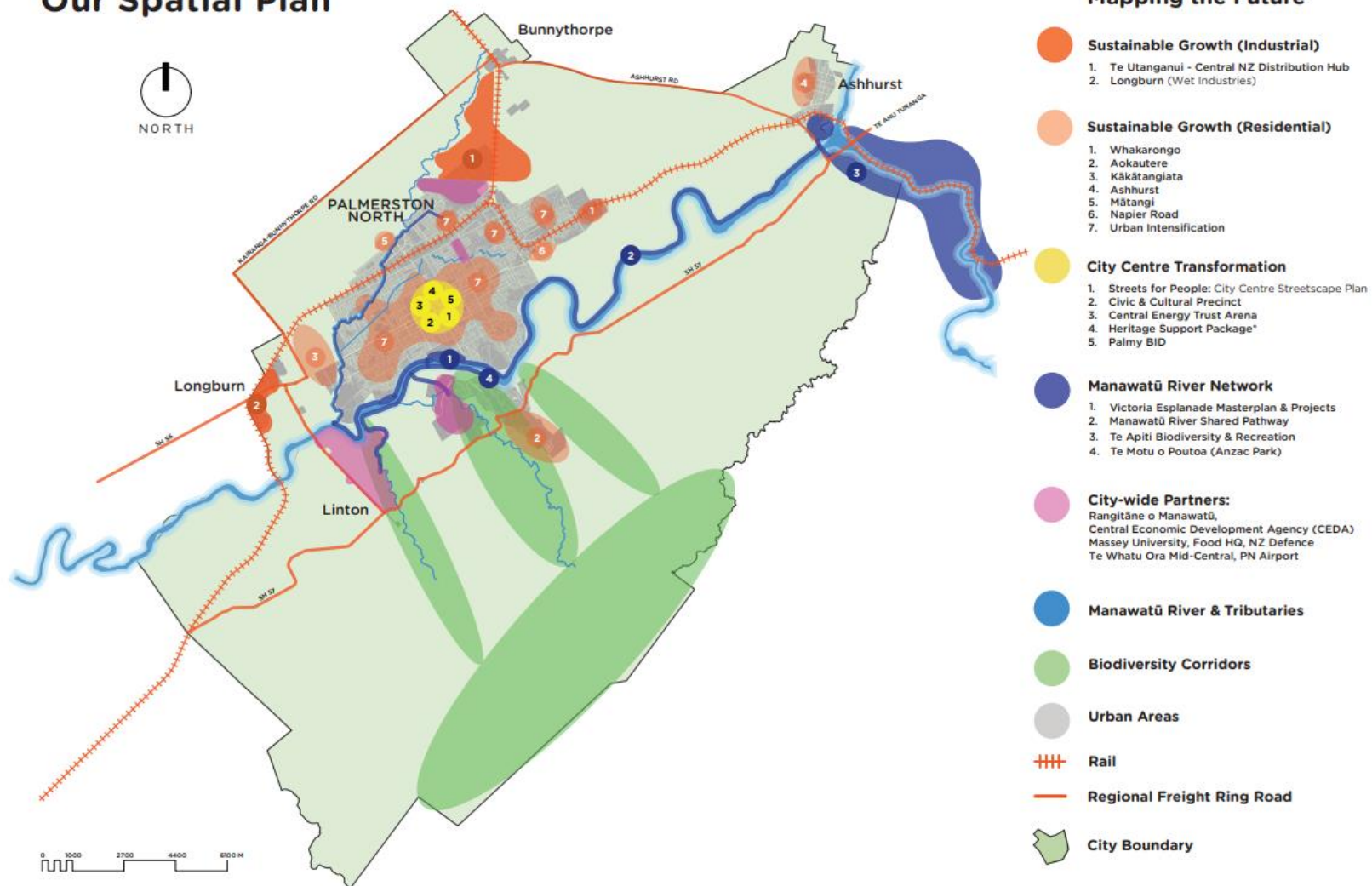
PNCC will not nominate the discharge consent for its new wastewater treatment plant for fast-track consideration as the traditional consenting pathway will enable

our partners Rangitāne, regional iwi, the community and stakeholders to play a significant part in the process.

Yours sincerely,

Grant Smith
MAYOR

Our Spatial Plan



MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: External Funding & Commercial Revenue - Business Assurance Review

PRESENTED BY: Masooma Akhter, Business Assurance Manager and Fiona Dredge, Commercial Advisory Manager

APPROVED BY: Donna Baker, Acting Chief Executive Unit Manager

RECOMMENDATION TO COUNCIL

1. That Council receive the memorandum titled 'External Funding & Commercial Revenue – Business Assurance Review' and its attachments, presented on 03 April 2024.
-

1. ISSUE

The Business Assurance plan for 2023/2024 endorsed by Council on 26 April 2023 required this review.

2. BACKGROUND

The opportunity to support current and future funding needs through the development and implementation of commercial behaviours and practices has become a popular topic in the current climate. In general, councils are facing many significant and often conflicting pressures (including financial) which require difficult decisions to be made as a result and Palmerston North City Council is no different.

The overall objective of this review is to provide assurance over the effectiveness of the internal controls and processes put in place over the Commercial Advisory Framework. The purpose and scope of this review will ensure:

- that the processes in place to maximise external funding and sponsorship opportunities are robust, and
- that the process to identify and analyse prospective business and economic opportunities (to ensure they are financially and commercially sound) are robust.

3. FINDINGS & RECOMMENDATIONS

A Commercial Advisory Framework was recently drafted. This framework sets out the intended role of Commercial Advisory and the outcomes they seek to achieve. This review was used as an opportunity to provide feedback and guidance on next steps to further enhance the framework.

While reviewing the framework we noted that the funding processes were in a more mature state in comparison to the commercial aspects of the framework. We have made recommendations to reconsider the operating model and improve processes to help maximise the return from funding and commercial opportunities.

It was acknowledged that the development of the framework is a starting point for Commercial Advisory to gain maturity within the organisation and once the framework is finalised, the organisation will be better placed to enhance funding and commercial practices.

Detailed findings, recommendations and agreed actions can be found in the attached review report.

4. MANAGEMENT COMMENT

With the creation of the draft Commercial Advisory Framework in 2023 this review is timely to identify further opportunities to improve the framework and clarify the opportunities for the Commercial Advisory Function to add further value. The currently in progress Draft LTP has enabled Elected Members to provide direction through the Finance Strategy, as well as the Significant Forecasting Assumptions for Officers to investigate and provide advice on opportunities for private partnerships and exploring opportunities to generate increased revenue from the assets that Council owns and controls. It is acknowledged through the LTP process that Council is heavily reliant on rates income, and funding new infrastructure through debt, and that for a number of key programmes external funding will be required to enable them to proceed.

In terms of the services Council provides on a commercial basis, moving from providing advice on an ad-hoc basis to creating a schedule for regularly reviewing these arrangements to ensure they are still valuable to Palmerston North City Council will provide assurances that what we charge to others reflect any changing circumstances in relation to costs and risks of providing the services.

I would like to thank the Business Assurance Team for undertaking this review.

5. NEXT STEPS

The actions from this review will be followed up by Business Assurance and reported back to the Risk & Assurance Committee through the six-monthly accountability reporting.

6. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven & Enabling Council	
The recommendations contribute to the achievement of action/actions in Governance and Active Citizenship	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	This report is presented as a business assurance activity in response to the business assurance plan approved by Risk & Assurance Committee and as required by the Committee Terms of Reference.

ATTACHMENTS

1. External Funding & Commercial Revenue Review Report [↓](#) 

External Funding & Commercial Revenue Review

Commercial Advisory
Framework

Business Assurance Division
February 2024

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Executive Summary

Objective and Scope

The overall objective of this review is to provide assurance over the effectiveness of the internal controls and processes put in place over the Commercial Advisory Framework. The purpose and scope of this review will ensure:

- That the processes in place to maximise external funding and sponsorship opportunities are robust, and
- That the process to identify and analyse prospective business and economic opportunities (to ensure they are financially and commercially sound) are robust.

Background & Context

The opportunity to support current and future funding needs through the development and implementation of commercial behaviours and practices has become a popular topic in the current climate. In general councils are facing many significant and often conflicting pressures (including financial) which require difficult decisions to be made as a result. They also need to reinvest in their existing infrastructure, sometimes at higher levels than in the past to address historical underinvestment, meet changing legislative requirements and improve services to meet community expectations.

This often comes at a cost which includes significant forecast capital expenditure compared with previous LTPs. Councils have a difficult job balancing the services they provide to communities with the long-term cost of those services, so providing affordable and sustainable services to communities remains a challenge.

These challenges coupled with the increased reliance on generating its own income indicate the need for the organisation to assess the adequacy and effectiveness of its income/benefit streams i.e. put a commercial lens over PNCC activities and potential future opportunities. Accordingly, the value that Commercial Advisory can add within this process is significant.

Summary of Findings & Recommendations

The Commercial Advisory function at PNCC was established in 2019 and have mainly worked in the external funding space, to name a few they have been involved in Covid Recovery, Better Off Funding or Shovel Ready projects. A Commercial Advisory Framework (framework) was drafted and presented to ELT for endorsement in October 2023. Whilst ELT gave some feedback it remained in a draft state and this review has been used as an opportunity to provide further guidance and recommendations on next steps.

The draft framework has set out the intended role of Commercial Advisory within the organisation and the outcomes that Commercial Advisory seek to achieve. During the review we found that these outcomes could be better aligned to Council strategy providing the potential for the framework to be more strategy led.

While we noted that funding processes were in a more mature state within the organisation, some improvements were recommended around its operating model and processes in place to help maximise the return from funding opportunities. On the other hand, we found the commercial aspects of the draft framework to be light which reflected the limited maturity of commercial practices within the organisation as well. Recommendations have been made to reconsider the operating model and to further invest in the partnership, commercial contracts and advocacy aspects of the draft framework.

Governance discussions through the recent development of the LTP and the strategies and policies within it have acknowledged a need for the organisation to explore further funding opportunities (particularly commercial partnerships). Acknowledging that this will be a relatively new space for the organisation, Management have indicated that moving forward they will be focusing their efforts in line with the governance direction.

We appreciate that the development of this framework is the starting point for Commercial Advisory to gain maturity within the organisation and once the framework is updated and finalised, the Commercial Advisory team will be better placed to enhance the funding and commercial practices and performance of the organisation.

Management Comment by Chief Finance Officer

With the creation of the draft Commercial Advisory Framework in 2023 this review is timely to identify further opportunities to improve the framework and clarify the opportunities for the Commercial Advisory Function to add further value. The currently in progress Draft LTP has enabled Elected Members to provide direction through the Finance Strategy, as well as the Significant Forecasting Assumptions for Officers to investigate and provide advice on opportunities for private partnerships and exploring opportunities to generate increased revenue from the assets that Council owns and controls. It is acknowledged through the LTP process that Council is heavily reliant on rates income, and funding new infrastructure through debt, and that for a number of key programmes external funding will be required to enable them to proceed.

In terms of the services Council provides on a commercial basis, moving from providing advice on an ad-hoc basis to creating a schedule for regularly reviewing these arrangements to ensure they are still valuable to PNCC will provide assurances that what we charge to others reflect any changing circumstances in relation to costs and risks of providing the services.

I would like to thank the Business Assurance Team for undertaking this review.

General

We would like to extend our appreciation to staff for their assistance in completing this review.

Prepared By:

Reviewed By:



Chanelle Nathoo
Internal Auditor
07 February 2023



Masooma Akhter
Business Assurance Manager
16 February 2024

Key Findings & Recommendations

Category	Findings & Recommendations
General	<p><u>1. Strategy and Governance</u></p> <p>To enable the commercial advisory framework to deliver its intended benefits it requires adequate direction from Governance. Currently, the Finance and Revenue Policy and the Finance Strategy (LTP) provides some guidance however it was unclear if this was sufficient to support the framework outcomes.</p> <p>We recommend that a gap analysis is completed between the existing strategies/policies and the direction that would be required by Governance to enable an effective framework. This will highlight any direction that is currently missing. Through interviews we noted that there is an appetite amongst some Elected Members to feed into this process and acknowledged that there is the potential for further direction to be provided in this space. Other practices such as material from other Councils should also be taken into consideration when preparing options for Elected Members. This exercise may confirm that adequate direction is already in place or highlight some considerations for when these policies and strategies are next reviewed.</p>
General	<p><u>2. Reporting and Monitoring</u></p> <p>During the review we noted that due to the draft framework being in early maturity there has been little reporting on commercial and funding activities. Interviews with some senior stakeholders (Governance and Management) expressed that it would be valuable to have additional oversight over commercial & funding activities. We acknowledge that in October 2023 Commercial Advisory reported an update in the Finance dashboard to ELT. We encourage that this be continued and regularly improved. Further to this we recommend that once the framework is finalised, Commercial Advisory increase visibility and feedback of activities to Elected Members for better oversight and decision making. Management advised that they intend to transfer the reporting that is completed for ELT will transfer into the quarterly report for Elected Members from 2024/2025.</p>
External Funding	<p><u>3. Operating Model</u></p> <p>While reviewing the draft framework and during interviews, we were unable to determine which operating model (decentralised, centralised or centre-led) the external funding processes were currently operating under. Whilst the desire of Commercial Advisory is to operate as centre-led this was also not clear from the draft framework and therefore is yet to be formally confirmed. Current observations indicate that the team operates under a mix of centralised, sometimes centre led and sometimes decentralised model. Funding opportunities are sometimes sought out and applied for completely independent of the Commercial Advisory team and sometimes it is fully administered by the function. Funding from Waka Kotahi is handled independently and centrally by the Infrastructure team. Due to there being no consistent model, funding documentation is not centrally stored and funding obligations are sometimes managed without any acknowledgement or input from the Commercial Advisory team. This way of working does not encourage collaboration and cohesion for better decision making across the organisation.</p> <p>If a centre led model was adopted then the role of Commercial Advisory would be to provide guidance and the expectation would be on the subject matter experts to administer and process the funding applications.</p>

	<p>It came to light during interviews that some stakeholders within the organisation believed that capacity to seek out and apply for funding was a constraint as it is being done over and above their role responsibilities. For this reason, they expressed the desire to have someone within the organisation who is responsible for sourcing opportunities. Although this role does exist within commercial advisory it was evident that in some cases work is done in siloes and this could potentially be due to the levels of services of commercial advisory not being defined and socialised across the organisation. On the flip side of this we have also heard concern that when opportunities for funding were sourced by Commercial Advisory and the respective officers were advised of the opportunity, capacity was again a constraint and acted as a deterrent to the successful application for funding.</p> <p>We recommend operating under a centralised model for external funding. Other than resourcing in terms of capacity being an issue around the organisation, the role requires a specific skillset to administer the application process and manage obligations. Furthermore, funding rounds vary, for example, monthly or annually depending on the funder. Generally, only one application from Council will be considered by a funder at any one time and funders may limit the number of successful grant applications that Council can make over a specified period such as once every 12 months. Therefore, it is important that funding applications are coordinated and not set up to compete against each other. For these reasons a centralised model would provide better oversight and encourage strategic decision making.</p> <p>We recommend that the models are reconsidered and the framework be updated to include the model endorsed by ELT. To support and embed the model into the organisation, the framework will need to include supporting processes and be socialised effectively. To ensure effective delivery, the process for Waka Kotahi funding should be included in the framework but still be managed and monitored centrally by the Infrastructure unit.</p>
External Funding	<p><u>4. Advisory into LTP Development</u></p> <p>The LTP has the potential to include several projects that have an external funding expectation attached to it. In the preparation of the current LTP it was noted that the commercial advisory team provided some input into where possible external funding opportunities existed which the Chief Finance Officer discussed further with the respective units. While this exercise added some value to the process, we noted that early collaboration with the organisation to subsequently support the team in providing this advice was limited. There is an opportunity for the team to be more proactively involved in providing their advice and collaborating with the respective units regarding funding opportunities for projects that might be proposed to be included in the LTP. This would add value to the process and enhance the reliability of the expectation for the respective projects in the LTP which are predicted to be co-funded. The draft finance strategy is expected to support and enable the team to deliver on this.</p>
External Funding	<p><u>5. Process for unbudgeted funding</u></p> <p>While the LTP can highlight some expectations on where the organisation can expect external funding, sometimes opportunities that were not predicted/budgeted arise and require analysis. We noted that the draft framework includes a process to deal with unbudgeted funding opportunities that may arise including any necessary rescheduling of work to ensure deliverability of obligations to funders. We acknowledge this process was not supported in its current form by ELT.</p> <p>To take advantage of unbudgeted funding opportunities the organisation is often given a short timeframe to consider if it can meet the funders requirements. Another related element is having unbudgeted projects available to take up opportunities when they arise. There is a need</p>

	<p>for these decisions to be made at the Executive Leadership Team and the Elected Member level. Taking on additional unplanned projects as a result of securing external funding requires reprioritisation and trade-offs of programmes that are planned and budgeted in the LTP. It is recommended that this be considered when the process is finalised.</p> <p>Although these opportunities may not come by often it would be good practice to be in a position to capitalise on them when they do arise and therefore we recommend that the process to deal with these unbudgeted funding opportunities be determined and formalised.</p>
External Funding	<p>6. Missed Opportunities Typically, if a project is in the LTP to be fully funded by Council it is unlikely to attract external funding, however if circumstances change whereby the project needs to be expanded or brought forward then that may improve its chances of receiving external funding. Currently the draft framework is silent on how we could maximise on these opportunities, should they arise.</p> <p>We acknowledge that these opportunities do not arise often but for when they do we recommend that a set of criteria be determined and included in the framework which lists out some of the circumstances in which funding opportunities could be sought for projects which have been fully budgeted in the LTP.</p>
Commercial	<p>7. Framework Content We noted that the draft framework provided a fair amount of detail relating to the funding category in comparison to commercial activities which is likely a result of external funding activities being at a higher level of maturity within the organisation. We recommend that the Framework provide more coverage of the commercial aspects such as the intended processes to review, manage and monitor partnerships and commercial contracts. The recent Governance discussions during LTP sessions and the updated Finance Strategy will help inform this.</p>
Commercial	<p>8. Operating Model Support for commercial activities within the organisation is currently being completed on an ad-hoc basis and appears to be following a decentralised model. Similarly to external funding, an operating model needs to be determined for the commercial functions of Commercial Advisory. We recommend a centralised model within which the advisory element is undertaken by Commercial Advisory. This will ensure it is not treated as a nice to have and that the advisory is led out and owned by Commercial Advisory. The framework should detail out the supporting processes required to enable good decisions to be made through this model and also include a set of guiding principles to lead out the implementation and support the success of the model. Authorities such as who can accept the risk of not taking the given advice and points of escalation should be covered in the framework. This will support the team's ability to provide sound advice on behalf of the organisation's best interests.</p>
Commercial	<p>9. Commercial Contracts & Partnerships The draft framework included limited information on partnerships and commercial contracts.</p> <p>There are commercial income/benefit generating streams that already exist within the organisation that would require regular reviews to confirm that they remain fit for purpose and are yielding the intended benefits to the organisation and community. We recommend that a stocktake is undertaken of all existing commercial contracts within the organisation in order to support the development of a centralised register which can then inform future work programmes. This will support with the monitoring, oversight and proactive scheduling of commercial reviews.</p>

	<p>Commercial reviews will assist the organisation to determine what is working well versus what needs improvement and from there onward to determine the strategic direction and needs of the organisation from a commercial lens. Determining the strategic direction for the commercial activities of the council would provide clarity within the organisation of what to focus efforts on. Through investment in projects that provide good financial returns, enhancing traded services and taking a commercial approach to management of costs and assets the council can optimise financial sustainability by generating more income, reducing costs and maximising use of its assets.</p> <p>Further to this there is an appetite and scope around the organisation to have support in putting together a sponsorship package and seek out funders/partners to help fund activities or costs. The supporting processes and guiding principles relating to sponsorships should be defined in the framework.</p> <p>We recommend that a review is completed of the existing partnerships and where strategic opportunities exist that can also assist to enable the upcoming LTP outcomes. A policy for partnerships may add value in this regard with the aim of the policy being to highlight whether their purpose and values align with the organisation, how the council can work together with the community and sector organisations, government agencies, business and/or philanthropic investors to deliver more of the quality facilities that the city needs, faster and more cost-effectively than the organisation can achieve alone. A need for such a policy would become apparent through the gap analysis recommended in the first finding.</p>
Commercial	<p><u>10. Advocacy</u></p> <p>The draft framework included strategic regional funding for projects of regional significance however was silent on advocacy. We note that an Advocacy role exists in the Strategic Planning Unit which is closely linked with Strategic Regional Funding but noted that both functions were working in silos. This may be due to the advocacy role being outsourced to an external to complete. During interviews we noted that one of the challenges of Strategic Regional funding is enabling consistency of messaging around which projects to prioritise. Regional funding generally depends on what funding central government decide they will lean towards however it will still be important to work together with regional neighbours to set priorities and having an external funding strategy may add value in this regard. A need for such a strategy would become apparent through the gap analysis recommended in the first finding.</p> <p>We recommend that the linkages with Advocacy be included in the framework. Particularly under the roles & responsibilities section. To embed this into practice there is a need for effective collaboration between the two functions which will promote better alignment and success for the organisation.</p>

Management Agreed Action Plan

Ref	Agreed Action	Target Date	Responsibility
#1	Governing Strategies & Policies Undertake gap analysis. If gaps identified then governance policy framework applied to determine the best pathway forward.	December 2024	Commercial Advisory Manager
#2-10	Update Commercial Advisory Framework & Establish Associated Processes Taking into consideration the findings and recommendations of this report and obtain ELT approval.	December 2024	Commercial Advisory Manager

Appendix 1 | Documents Reviewed

PNCC – Finance and Revenue Policy

PNCC - Naming Rights for Council Owned Recreational Facilities Council Policy (2001)

New Zealand Productivity Commission – Local Government Funding and Financing Report (2019)

LGNZ – Local Government Funding Review (2015)

Giblin Group – Review of Local Government Investment in Business and Industry Support Across the Hawkes Bay Region (2020)

Auckland City Council – Facility Partnerships Policy

Hawkes Bay District Council – Partnerships with the Private Sector Policy

Thames – Coromandel District Council - Partnerships with the Private Sector Policy

Rotorua Lakes Council – Policy on Partnerships with the Private Sector

Tauranga City Council – Commercial Activities on Council Facilities

Tauranga City Council – City Partnership Programme

Tauranga City Council – Sponsorship from Corporates and Others

Appendix 2 | Interviews

Name	Role
Grant Smith	Mayor
Brent Barrett	Elected Member
Kaydee Zabelin	Elected Member
William Wood	Elected Member
Cameron McKay	Chief Financial Officer
David Murphy	Chief Planning Officer
Chris Dyhrberg	Chief Infrastructure Officer
Kerry Lee Probert	Chief Customer Officer
Fiona Dredge	Commercial Advisory Manager
Bevan Trotman	External Funding and Relationship Manager (ex-employee)
Hayley Sandilands	Business Development Advisor (ex-employee)
Bryce Hosking	Group Manager – Property and Resource Recovery
Luke McIndoe	Head of Events
Dave Evans	Parks Operations Manager
Steve Paterson	Strategy Manager Finance
Julie Macdonald	Strategy and Policy Manager
Aaron Phillips	Activities Manager - Parks
Matthew Duxfield	Financial Accountant Team Leader
Jenni Giblin	Funding HQ
Gus Charteris	Hastings District Council
Anne Blakeway	Tauranga City Council

MEMORANDUM

TO: Council

MEETING DATE: 3 April 2024

TITLE: Mihara, Japan visit 2023

PRESENTED BY: Councillor Vaughan Dennison

RECOMMENDATION TO COUNCIL

1. That Council receive the memorandum titled 'Mihara, Japan visit 2023' presented on 3 April 2024.

1. ISSUE

On 4 October 2023, Council agreed to cover up to \$1000 of travel costs associated with Councillor Dennison's visit to Mihara and Okayama in October-November 2023. The memorandum reports back on outcomes of that visit.

2. BACKGROUND

Throughout history, many cities have participated in various cultural exchanges that might resemble a sister-city or twin-city relationship. The modern concept of sister cities really grew during the Second World War. More specifically, it was inspired by the bombing of Coventry, on 14 Nov 1940 in the West Midlands county in England.

The world changed forever, 6 August 1945. The Hiroshima Peace Memorial Park is a place of remembrance and contemplation from the atrocities caused by the first atomic bomb and advocates for world peace.

The idea of sister cities emerged as a way of establishing solidarity links between cities in allied countries that went through similar devastating events. These days sister cities relationships are formed agreements between two geographically and politically distinct localities for the purpose of promoting cultural, educational and commercial ties.

On 21 March 2019, Palmerston North signed an official declaration of partnership with Mihara. The agreement was signed by Mayor Grant Smith and Mihara Mayor Tenma. Mihara is located in south-central Hiroshima Prefecture and has an estimated population of 90,000, similar to Palmerston North.

Mihara has signified our relationship by naming their civic square, Kia Ora Square, sited across from their train station.



3. VISIT REPORT

Late last year, while in Japan, I was honoured to make a civic visit to Mihara. I met Deputy Mayor Mr Ikemoto, and presented gifts on behalf of our city before a tour of their City Hall. The itinerary included:

- Mihara City Fire Station, full exercise demonstration before meeting Fire Chief Mr Seiji Goto.



- Lunch at Kura, renowned for their octopus dishes.
- Suishin Yamane Honten Sake. Meeting with Mr Yuichi Yamane, fifth generation CEO & President. Mihara is renowned for sake, Suishin has the geographical advantage of utilizing the ultra-soft subterranean river water. Sake brewed with soft water has a fine, refreshing taste, with a rich, elegant sweetness and flavour.
- Daruma painting experience, a traditional doll symbolises perseverance and good luck.
- Mihara Castle Ruins; there is no castle tower anymore but some of the walls can be seen underneath the shinkansen train station. A part of the moat and what is left of the base is now a small park. When built in 1567, Mihara Castle sided the sea. Modern land reclamation means the ruins are now far inland.

I am most grateful to Mr Locop, Ms Hattori and Mr Takayuki, Mihara City's Management Planning Division for their support for this visit.



I also visited the Hiroshima Global Academy (HiGA), operated under the Hiroshima Prefectural Board of Education (BoE). Before visiting HiGA, Mr Kane Oda who hosted us shared the preserved ancient architecture of Takehara, a historic port town in eastern Hiroshima. Aside from the traditional aspects, the city is also known as the birthplace of Masataka Taketsuru, the founder of Nikka Whisky.



I was honoured to visit the Hiroshima Global Academy (HiGA), operated under the Hiroshima Prefectural Board of Education. Mr Kane Oda hosted us, with HiGA Principal Mr Kazuhiko Fukushima. HiGA opened in 2019 on Osaki-Kamizima Island, students attend from all over Japan, and from all over the world contributing to the creation of an unparalleled learning and living environment. PNCC, Mihara, and the Hiroshima Prefectural Board of Education are entering a tripartite MOU for an annual scholarship for a Palmerston North student to study for 3-years with free tuition. This is a great opportunity for local students to consider.



Another visit, to IPU in Okayama, IPU's home campus where I met New Zealand students, several from Palmerston North studying abroad. This visit was hosted by former IPU Palmerston North student Koki Tashiro who is now employed by IPU in Japan. International Pacific University aims to nurture internationally-minded specialists with practical skills, and takes pride in taking responsibility for ensuring students secure a job in their chosen field upon graduating.



4. NEXT STEPS

The on-going partnership between Palmerston North and Mihara should continue to support initiatives that further develop our relationship.

No further actions are required from this visit.

5. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
The action is:	
<ul style="list-style-type: none"> Facilitate international economic and education investment partnerships with city institutions Position ongoing international relations activities to support recovery from the impacts of the pandemic 	

Contribution to strategic direction and to social, economic, environmental and cultural well-being	It is powerful to see exchanges of learning and culture with your own eyes. There are many examples of how International relationship, and Sister Cities can enrich our lives and our city.
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ATTACHMENTS

Nil

COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 3 April 2024

TITLE: Council Work Schedule

RECOMMENDATION TO COUNCIL

1. That Council receive its Work Schedule dated 3 April 2024.

COUNCIL WORK SCHEDULE 3 APRIL 2024

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
1	3 April 1 May 2024	2023 Residents Survey - Action Plan	Chief Planning Officer		6 Sept 2023 Clause 144-23
	3 April 2024	Long Term Plan 2024-34—Adopt Consultation Document including Rates Review Proposal.	Chief Executive		Terms of Reference
	3 April 2024	Draft Interim Speed Management Plan—Prioritisation list	Chief Planning Officer		Strategy and Finance—21 February 2024
2	3 April 1 May 2024	Appointment of Trustees - Te Manawa	CE Unit Manager		Terms of Reference
3	1 May 2024	Development of a Youth Wellbeing Plan - sector wide scan to identify strategic or service gaps	Chief Customer Officer		22 November 2023 Clause 41.2-23
	1 May 2024	Nature Calls Steering Group—Adoption of Terms of Reference	Chief Infrastructure Officer	Moved to Risk and Assurance 22/5	1 November 2023 Clause 180-23

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
4	15 May 2024	Hearings of the Long Term Plan 2024-34	Chief Executive		Terms of Reference
5	29 May 2024	Deliberations of the Long Term Plan 2024-35	Chief Executive		Terms of Reference
6	5 June 2024	Appointment of Trustees on Council Controlled Organisations	CE Unit Manager		Terms of Reference
7	5 June 2024	Remits received from other Territorial Authorities	CE Unit Manager		Terms of Reference
8	26 June 2024	Adopt Long Term Plan 2024-34	Chief Executive		Terms of Reference
9	26 June 2024	Adoption of Future Development (FDS) Strategy – Recs from Steering group.	Chief Executive		Council 28 June 2023 Clause 109-23
10	26 June 2024	Adoption of Fees and Charges	Chief Financial Officer		Terms of Reference
11	7 Aug 2 Oct 2024	Food HQ Innovation Limited - Director's company progress report	Chief Infrastructure Officer		6 September 2023 Clause 143-23
12	7 August 2024	Civic and Cultural Precinct Master Plan Steering Group - 6-monthly update	Chief Planning Officer		Terms of Reference of the CCMP Steering Group
13	4 Sept 2024	Annual Review of Delegations Manual	CE Unit Manager		6 September 2023 Clause 147-23
14	2 Oct 2024	Appointment of members to the District Licensing Committee List.	CE Unit Manager		1 November 2023 Clause 190-23

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause
15	30 Oct 2024	Adopt Annual Report 2023-24	Chief Financial Officer		Terms of Reference
16	27 Nov 2024	Appointment of CEDA Directors	CE Unit Manger		6 March 2024 Clause 23 - 24
17	27 Nov 2024	Annual Report 2023-2024 - Performing Arts Trust	CE Unit Manger		Terms of Reference
18	11 Dec 2024	Annual Budget 2025/26	Chief Financial Officer		Terms of Reference
19	11 Dec 2024	City Revaluation – impact on rates	Chief Financial Officer		Terms of Reference
20	TBC	Report back on Investment Options for PN Airport	Chief Financial Officer		6 December 2023 Clause 197-23
21	1 March 2025	Exemption of Manawatū Whanganui Disaster Relief Fund from being a CCO	CE Unit Manger		Terms of Reference
22	30 May 2025	Exemption of Palmerston North Performing Arts Trust	CE Unit Manager		Terms of Reference

Proactive Release of Confidential Decisions

Date of meeting	Report Title	Released	Withheld
18 December 2023	Whakarongo Attenuation Pond Tender Award	Redacted Report, Decision and Division	N/A
18 December 2023	Amberley Ave Culvert Replacement	Report, Attachment Decision and Division	N/A
14 February 2024	Purchase of 117-121 College Street (St Marks Presbyterian Church)	Report, Decision and Division	N/A

All [released confidential decisions](#) can be found on Council's website

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 3 April 2024

TITLE: Presentation of the Part I Public Risk & Assurance Committee Recommendations from its 6 March 2024 Meeting

Set out below are the recommendations only from the Risk & Assurance Committee meeting Part I Public held on 6 March 2024. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 2.18.1)

4-24 Setting Council's Risk Management Appetite and Tolerance Levels

Memorandum, presented by Stephen Minton, Risk Management Advisor and Jason McDowell, Head of Risk and Resilience.

The COMMITTEE RECOMMENDS

1. That Council agree the recommended risk appetite and risk tolerance levels as noted in section 3.1 and 3.2 of the memorandum titled 'Setting Council's Risk Management Appetite and Tolerance Levels,' presented to the Risk and Assurance Committee on 6 March 2024.

5-24 Setting Council's Strategic Risks

Memorandum, presented by Stephen Minton, Risk Management Advisor and Jason McDowell, Head of Risk & Resilience.

The COMMITTEE RECOMMENDS

1. That Council adds 'Loss of Public Trust in Council' to the Strategic Risk Statement.
2. That Council agree the strategic risk statements (Attachment 1), including recommendation 1, in the memorandum titled 'Setting Council's Strategic Risks' presented to the Risk & Assurance Committee on 6 March 2024.

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 3 April 2024

TITLE: Presentation of the Part I Public Sustainability Committee Recommendations from its 13 March 2024 Meeting

Set out below are the recommendations only from the Sustainability Committee meeting Part I Public held on 13 March 2024. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 2.18.1)

7-24 Palmerston North City Council Carbon Neutral Feasibility Study Update

Memorandum, presented by Adam Jarvis, Principal Climate Change Advisor and David Watson, Senior Climate Change Advisor.

The **COMMITTEE RECOMMENDS**

1. That as part of the process of finalising the 2024-34 Long-Term Plan, Council either reaffirm the existing corporate emissions reduction target or replace the existing corporate emissions reduction target with a different one.
2. That Council note that further Officer advice on the corporate emissions reduction target will be provided alongside deliberations on the 2024-34 Long-Term Plan.

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 3 April 2024

TITLE: Presentation of the Part I Public Community Committee Recommendations from its 20 March 2024 Meeting

Set out below are the recommendations only from the Community Committee meeting Part I Public held on 20 March 2024. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 2.18.1)

4-24 Annual Sector Lead Report: Housing Advice Centre

Memorandum, presented by Ahmed Obaid, Community Development Advisor.

The **COMMITTEE RECOMMENDS**

2. That Council refer the increase Housing Advice Centre's Sector Lead grant funding by \$21,131 to the Long-Term Plan 2024-2034 deliberations for the 2024/25 financial year and adjusted for inflation in future years.