



DECISION OF THE MACKENZIE DISTRICT COUNCIL

DISTRICT PLAN CHANGE 7 – FINANCIAL CONTRIBUTIONS

INTRODUCTION

1. Proposed Plan Change 7 of the Mackenzie District Plan clarifies the provisions relating to financial contributions for sewage disposal, stormwater disposal and water supply in the District Plan by:
 - Including the method of calculating financial contributions for recouping costs associated with existing Council infrastructure.
 - Requiring residential developments as well as subdivisions to make financial contributions to existing infrastructure.
 - Consolidating all financial contribution standards for services in a single rule.
 - Amending an issue, objective and policy and associated explanations to make explicit that the costs of servicing to be borne by subdividers and developers are both for the recouping of costs for existing services and for new or upgraded infrastructure specifically servicing a subdivision or development.
2. To achieve orderly and efficient development of land the Council has often installed utility services such as water supply, stormwater and sewage disposal for whole catchments rather than for the immediate development taking place. The current provisions in the District Plan require new subdivisions to contribute to that established infrastructure which they will utilise. The actual method of calculation for that contribution has not been contained in the District Plan. The Plan Change will include the method of calculation. The Change also requires residential developments to pay these contributions.
3. The Plan Change also clarifies in Issue 3 and in Objective 2 and its associated policies and explanation, that financial contributions towards the costs of services are of two types. Firstly, those that involve recouping costs of existing services which are to be utilised by new lots and residential developments, and secondly, those that are required for the servicing of specific subdivisions or developments. These latter contributions most frequently involve either new infrastructure e.g. a pumping station, or upgrading of existing infrastructure, e.g. upsizing of pipes.

THE HEARING

- A hearing on the proposed plan change was held on Tuesday 21 March 2006 in the Mackenzie District Council Chambers, Fairlie. The hearing panel was made up of Mayor John O'Neill and Councillors Dave Pullen, Graeme Page, Barry Stringer, Simon McDermott, Evan Williams and John Gallagher. The other persons attending the hearing were Glen Innes (Chief Executive Officer), Martin King (Manager – Planning & Regulations), Hayley Shearer (Senior Planner), Bernie Haar (Asset Manger) and Rosemary Moran (Committee Clerk).
- No submitters appeared at the hearing.

SUBMISSIONS AND FURTHER SUBMISSIONS RECEIVED

- The Council received submissions from 19 submitters to the proposed Plan Change, 8 in support and 11 in opposition. No further submissions were received. Attached is the full list of submitters with a summary of their submissions.

DECISION

- In response to each of the submissions received and decisions sought, the hearing panel has made the following decisions:

| Submitter | Decision Sought | Decision |
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| Neville Arps (1.1) | Supports the plan change. | ACCEPTED |
| Peter Bell (2.1) | Simplify the Plan by using rates to subsidise developer contributions. | REJECTED |
| Geoffrey Clement (3.1) | Clarity as to the proposed changes – (i) fees should be transparent and accessible to developers prior to commencement of project; and (ii) there should be an ability to negotiate in a fair and reasonable manner charges which may be duplicated or incorrect in respect of the proposed project. | ACCEPTED (i) REJECTED (ii) |
| (3.2) | Developers should not be charged for projects which may never eventuate e.g. parks and reserves. | REJECTED |
| (3.3) | Administration fees should be absorbed as part of the current rates paid by owners. | REJECTED |
| Ian Fraser (4.1) | Supports the plan change. | ACCEPTED |
| Sidney Fraser (5.1) | Supports the plan change. | ACCEPTED |
| Alan Gilmore (6.1) | Support the requirement of new developments contributing full infrastructure costs. | ACCEPTED |
| Gerald Gordon (7.1) | Supports the plan change. | ACCEPTED |
| Andrew Hocken on behalf of | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |

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| The Mackenzie Experience Ltd (8.1) | | |
| (8.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (8.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Frank Hocken on behalf of Ruataniwha Farm Ltd (9.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (9.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (9.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Frank Hocken on behalf of Mt Cook Vineyards Ltd (10.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (10.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (10.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Grant Hocken (11.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (11.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (11.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Lee Hocken on behalf of Grants Motels Ltd (12.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (12.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (12.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Patricia Main (13.1) | Confirm Plan Change 7 – Subdivider must pay all costs of all subdivisions of any kind, urban or rural. | ACCEPTED |
| Karan & Malcolm MacDiarmid on behalf of Dry Creek Properties (14.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (14.2) | There should be no stormwater contribution for Twizel | ACCEPTED IN |

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| | until Council provides a fully reticulated stormwater disposal system. | PART |
| (14.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Susan McGowan (15.1) | No implementation of financial contributions fees on developments which are not subdivisions. | REJECTED |
| (15.2) | There should be no stormwater contribution for Twizel until Council provides a fully reticulated stormwater disposal system. | ACCEPTED IN PART |
| (15.3) | More detail of the proposed formula should be provided for. | ACCEPTED IN PART |
| Terence McQuinn (16.1) | Support Section 2 of the proposal | ACCEPTED |
| Kevin O'Neill (17.1) | For Council to require a smaller % contribution for infrastructure to develop sections around Fairlie to encourage growth. | REJECTED |
| Cornelis Raats (18.1) | Council should accept the proposed plan change 7. | ACCEPTED |
| J Surridge (19.1) | Form a policy that encourages developers to invest in the long term community environment & produce good design guidelines. | REJECTED |
| (19.2) | Communicate to developers the financial incentives for good design & not to alienate developers by making all projects 100% cost payable | REJECTED |
| (19.3) | Encourage infill subdivision | REJECTED |
| (19.4) | Allow developers various means of financial contribution (even directly to community organizations) | REJECTED |

REASONS FOR DECISIONS

Application to Residential and Commercial Development

8. The panel considered that the requests of Mackenzie Experience Ltd (8.1), Ruataniwha Farm Ltd (9.1), Mt Cook Vineyards Ltd (10.1), G Hocken (11.1), Grants Motels Ltd (12.1), Dry Creek Properties Ltd (14.1) and S McGowan (15.1), that financial contributions be only incurred on subdivisions and not other developments, are inconsistent with the objectives of the plan change.
9. The formula for financial contributions is based on a fair and equitable approach, whereby all new developments which place additional demand on existing systems are required to contribute towards the system. A hotel or multi unit residential development will place just as much or more demand on existing systems as a residential subdivision. The panel does not consider that developers will be penalised by being charged financial contributions for services and then be charged again (through rates) as a result of the extra value their development has created as the services are rated independently of any extra value the development may create. The panel also notes that developments other than subdivisions or “multi unit residential developments” do not attract the requirement for financial contributions for existing services and only will pay financial contributions if new or upgraded services are

required as a result of that development under Rules 8.2.1 and 8.2.2. These rules already exist under the present wording of the District Plan.

Application to Existing Services

10. The panel did not consider it appropriate to remove the requirement for stormwater contributions from Twizel as requested by Mackenzie Experience Ltd (8.2), Ruataniwha Farm Ltd (9.2), Mt Cook Vineyards Ltd (10.2), G Hocken (11.2), Grants Motels Ltd (12.2), Dry Creek Properties Ltd (14.2) and S McGowan (15.2).
11. There is an extensive network of pipes and open drains conveying stormwater run off from roads and properties in all three townships, including Twizel. While few properties in Twizel are directly connected to the stormwater system for runoff from building roofs and the like, in most cases the system conveys and discharges run off from road networks associated with subdivisions and developments. The panel considered that the wording of the plan change clearly states that the contribution will only be required when the allotments or multi unit residential development will receive benefit from the existing stormwater system. However, the panel also considered that the current wording did not make it explicit enough that “a benefit” could include run off from associated roads as well as from roofs and hardstand on individual lots and therefore elected to clarify the rule by adding “and/or its associated roading networks” to rule 8.1.4.

Details of Formula

12. The panel considered that the submission of G Clement (3.1.i) was in support of the plan change as it requested that fees be transparent and accessible to developers to enable them to establish a cost structure. This is the intent of the plan change through the introduction of the formula.
13. The submissions of Mackenzie Experience Ltd (8.3), Ruataniwha Farm Ltd (9.3), Mt Cook Vineyards Ltd (10.3), G Hocken (11.3), Grants Motels Ltd (12.3), Dry Creek Properties Ltd (14.3) and S McGowan (15.3) requested clarification on a number of points relating to the variables in the formula, the definitions used in the formula and its application to certain types of development. The panel considered that these matters had generally been addressed within the wording of the notified plan change, with the exception of a definition of “Capital Reserves Balance”. The panel considered that a definition of this term would have a positive effect in further clarifying the formula and has accepted this part of the submissions.

Amount of Contributions

14. The panel did not consider the submissions of P Bell (2.1), K O’Neill (17.1) or G Clement (3.1.ii) to be consistent with the objective of the plan change. These submissions all requested approaches for determining financial contributions which would not result in an equitable approach between developers or between the three towns in the District.

15. The submission of J Surrige (19.4) was considered to be outside of the function of the District Plan as it would require developers to make contributions to third party organisations and was not specifically related to the intent of the plan change which is financial contributions towards infrastructure.

Other Submissions

16. The other submissions of G Clement (3.2) and (3.3) and J Surrige (19.1), (19.2) and (19.3) related to matters outside of the scope of the plan change and were therefore declined.

Submissions in Support

17. The panel noted the submissions in support of the plan change from N Arps (1.1), I Fraser (4.1), S Fraser (5.1), A Gilmore (6.1), G Gordon (7.1), P Main (13.1), T McQuinn (16.1) and C Raats (18.1) and accepted these submissions in approving the plan change.

AMENDMENTS TO DISTRICT PLAN

18. The following are amendments to the District Plan resulting from the hearing panel's decision:

Amend Section 12 – Subdivision and Development as shown on the following pages.

Note: Deletions are shown in highlighted box and additions are shown as underlined.

Further amendments made as a result of the consideration of submissions are shown in **bold underlined**.