

I am submitting feedback as:

An organisation

Name of Organisation:

Coneburn Residential holdings Limited

Please enter your submission below.

Your submission should include which policies you support or oppose and the reasons for your views.

Introduction

1. This submission is lodged by Coneburn Residential Holdings Limited ("CRHL") which is the successor of the developer of a significant part of the residential lots located within the Jacks Point Resort Zone ("JPRZ").
2. This submission relates to Council policy on Development Contributions in relation to Land for Reserves ("DC's-LFR") in respect of the JPRZ only.
3. This submission only needs to be considered if, for the purpose of DC's-LFR, any part of the JPRZ is considered to be a 'Brownfield Site' rather than a 'Greenfield Site'. If all of the JPRZ is considered to be a Greenfield Site then this submission need be considered no further.

Action Requested

4. If any part of the JPRZ is considered to be a Brownfield Site, for the purpose of DC's-LFR, under the current draft Policy for Development Contributions being considered by the Council, CRHL requests an amendment to ensure that, for the purpose of DC's-LFR, all of the JPRZ is considered to be a Greenfield Site.

Reasons for Request

5. The Policy under consideration proposes to levy DC's-LFR on Greenfield Sites, but to remove DC's-LFR from Brownfield Sites. In respect of the JPRZ only, that will have a significant detrimental financial impact on CRHL and potentially on the Council.
6. The reason for this relates to the unusual development history of the JPRZ. The JPRZ was created upon the basis that all infrastructure normally built and/or managed by the Council would instead be built and managed by the private developers/landowners within the JPRZ. This approach extends to almost all significant infrastructure, including wastewater, water supply and roading. However the issue of DC's-LFR is an exception, because the Council remains involved in all matters to do with DC's-LFR including the administration of reserve credits.
7. At the outset of development of the JPRZ, CRHL constructed reserve facilities well in excess of the amounts required for the initial stages of development. Effectively CRHL constructed reserve facilities at the outset for the benefit of a significant part of the JPRZ yet to be subdivided and developed. As a consequence CRHL holds 'Reserve Credits' under the current DC's-LFR regime which hold considerable

economic value.

8. CRHL has sold much of the land which has not yet been developed, but in respect of which Reserve Credits have been earned, to other developers. As development progresses, those developers are required to pay DC's-LFR in respect of reserve facilities which have already been constructed for their benefit. CRHL transfers the required DC's-LFR to the particular developer, for an appropriate consideration (to refund the cost previously incurred by CRHL) and the developer then obtains the required credit from the Council. The net effect is that the subdivider meets a fair share of the costs already incurred by CRHL, and CRHL is reimbursed for the costs incurred for the benefit of the land sold to that subdivider.

9. If this existing process is not continued, CRHL will endure a considerable loss from Council's actions because it will not be able to recover from future subdividers and which it will therefore have to seek to recover from the Council. CRHL has no desire to go down that path.

10. Accordingly the existing DC's-LFR regime should continue, in respect of the JPRZ, until CRHL's existing Reserve Credit account is used up. That can be monitored on an ongoing basis by the Council, as the Council remains fully aware of the unused amount of that reserve credit account at all times.

11. The action requested in this submission can easily be achieved by simply ensuring that, for the purposes of the DC's-LFR Policy, the whole of the JPRZ is considered to be a Greenfield Site.

What would you like the Council to do?

Do the policies need to be changed or have we got it right? Please be as precise as possible in explaining what you are seeking from the Council relating to the Proposed Amendments to Funding and Financial Policies.

Action Requested

4. If any part of the JPRZ is considered to be a Brownfield Site, for the purpose of DC's-LFR, under the current draft Policy for Development Contributions being considered by the Council, CRHL requests an amendment to ensure that, for the purpose of DC's-LFR, all of the JPRZ is considered to be a Greenfield Site.

I am submitting feedback as:

An organisation

Name of Organisation:

WillowridgeDevelopments Ltd

Please enter your submission below.

Your submission should include which policies you support or oppose and the reasons for your views.

This submission is made in regard to the Proposed amendments and policy on Development Contributions .

Wanaka

Willowridge is generally happy with the overall level of development contributions for Wanaka .

We note the continued increase in the waste water contribution which is very surprising and request this re further reviewed and rechecked.

We note the lack of historic spending on Water upgrades which have now resulted in general dissatisfaction from a large number of residents and also non performance and compliance of the system in several areas of the town .

We would like further information regarding the proposed changes to reserve land .

Because of the above we oppose this contribution as tabled .

Hawea

The level of contribution in Hawea continues to be too high and this continues to negate development occurring within the township .

We request both the Waste water and water contributions are recalculated because both are necessary regardless of additional development and therefore mistakes have been made in the capital spending allocations between existing and new .

The district wide contribution policy also continues to fail the smaller communities and fail the provision of affordable housing . This is a serious issue for council to urgently address . We oppose this contribution as tabled

Luggate

Willowridge is concerned with both the Water and Waste water proposal and seeks a clear outline of what council wishes to do .

We note Luggate Park has its own waste water scheme and we note an unused capital sum from this development for Water .

Again the district wide policy affects the ability for this township to grow and affects the provision of

affordable housing .We oppose this contribution as tabled

Residential Equity

One of the major issues council needs to address is residential equity . Under current policy a \$1 to \$2million house development in Wanaka pays potentially the same development contribution (or less) than a \$395,000 affordable first home in Hawea or Luggate .

We think it can be argued that the high end development will place more demand on council infrastructure than the affordable development .

Roading

We would like council to have a look at the roading policy as its impossible for the development company to build new roads and vest them in councils ownership at no cost and at the same time pay for maintenance and deferred maintenance and capital expenditure in other areas outside the development .

The Commercial development transport contribution and the conversion of House hold equivalents into building m2 is problematic , inaccurate and not equitable and urgently needs addressed as its stopping commercial development occurring in the district .

We oppose the propose roading contribution .

What would you like the Council to do?

Do the polices need to be changed or have we got it right? Please be as precise as possible in explaining what you are seeking from the Council relating to the Proposed Amendments to Funding and Financial Policies.

we would like council to address all the above issues and recalculate the contributions on the issues raised .

Submission on the Queenstown Lakes District Council Proposed Amendments to Policy on Development Contributions

Name of Submitter	Remarkables Park Limited (RPL) and Shotover Park Limited (SPL)
Address	PO Box 1075 Queenstown
	Attn: Alastair Porter ap@porter.co.nz

We appreciate the opportunity to make a submission on the proposed amendments to the council's policy on development contributions. We note that the proposed policy was included in the council's draft Ten Year Plan and, as a consequence, RPL and SPL both made a submission on the development contributions policy as part of its wider submission on the TYP. Part of that submission is repeated below.

RPL and SPL oppose the collection of all development contribution levies. They are an inefficient and inequitable means of funding infrastructure. They are inefficient because they are added onto the cost of land together with a developer's margin. They are inequitable because they have not been paid by a lot of existing residential and commercial developments. This is particularly so for roading contributions (which are quite a recent addition) but is also true of other development contributions charges, which were previously termed "Headworks Charges" and were charged at a much lower level. Why lump on another cost driving up the cost of land. Council should be doing everything it can to lower the cost of land development. This would also help stem the rise of existing house prices, which are pulled up by the price of new land.

RPL and SPL recommend that Council, like some other councils in New Zealand, dispenses with development levies in order to make land supply more affordable. RPL and SPL nonetheless support two of the changes to the Development Contributions Policy contained in the Ten Year Plan.

RPL and SPL support the proposal to only require reserve contributions in situations where there is limited provision of reserves. RPL and SPL suggest that, when assessing the existing provision of reserves, council should also take into account the full range of recreational facilities available to residents, including commercial recreation facilities. Council should also direct that in some situations a reduced provision of reserve (ie less than 27.5 m² per lot) will be adequate to meet the local community's need.

RPL and SPL also support the proposal to use standard valuations, dispensing with the current practice of requiring individual site specific valuations to be obtained by council at the developer's cost each time a reserve contribution is to be calculated. RPL and SPL consider that there should be an open and fair process for calculating the valuations and that they should generally reflect the value of the land being developed for reserves, rather than the land that is the subject of a subdivision.

However, RPL and SPL are very concerned that the current policy continues the practice of calculating and taking development contributions both at the time of subdivision and at the time of development. It is time for a change to this practice. Council did make some changes to its development contributions policy in response to the Local Government Amendment Act

but some of the old practices have survived unchanged. RPL and SPL submit that council should take the opportunity to make a correction now.

Section 197AA of the Local Government Act 2002 sets out the statutory purpose of development contributions as follows: *"The purpose of the development contributions provisions in this 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."* (Underlining added)

There is a distinction between subdivision and development that is not recognised in the council's policy. Subdivision by itself does not generate demand for council services. Subdivision is a process that usually involves the subdivider constructing services (roads, footpaths, stormwater piping, water piping and sewerage) and vesting them in council. New lots created at the time of subdivision do not add any demand to council's infrastructure or reserves until buildings are erected or uses are established on the land. There is no demand on council's water, sewerage or roading, nor a requirement for reserves, until a business commences operation.

For a subdivision of bare commercial or industrial land Council's current practice is to make an estimate of the level of development that might occur on the site and require the subdivider to pay contributions for the estimated level of development prior to requesting titles for the new lots. This estimate is based on 75% of 75% site coverage (56% of the site) even though most developments never achieve such a high coverage. At a later date, after the land has been sold and the purchaser lodges plans for a proposed development on the site, the council assesses development contributions again. If the level of development exceeds the previous estimate, council charges the new owner the excess development contributions. Notably, if the developer opts for a level of development that is less than the earlier estimate council never gives a credit to the subdivider, further driving up the cost of land.

The same reasoning applies to residential subdivisions where levies are on-charged with a margin. The purchaser carries that cost to his development together with the interest cost on the higher price. Council has an obligation to improve the supply of affordable land, not implement policies that increase the price of land.

A more logical approach is to continue the practice of requiring the subdivider to install the essential infrastructure for new lots but to charge development contributions only when the actual development to be constructed on the new lots is known. It is submitted that this approach fits with the statutory purpose mentioned above *"to recover from those persons undertaking development..."*. While it may be common to refer to a subdivider as a "developer", he is not in fact "undertaking development" that causes council to spend money on servicing growth and council does not have a mandate to require him to pay development contributions.

There is no equitable reason for council to continue the practice of collecting development contributions from the subdividers of residential sections and certainly there is no reason to continue this practice for commercial or industrial subdivisions where there is an informed purchaser who is the actual developer. It is the purchaser/developer - not the subdivider - who controls the timing, type and level of development that will be constructed on a commercial or industrial site. It is the purchaser/developer - not the subdivider - who will determine the level of demand on council services.

The requirement on a subdivider to pay development levies up front inhibits subdivision of land and delays the availability of titles.

Furthermore, the statutory provision requires that council only recovers “a fair, equitable and proportionate portion”. It cannot be fair or equitable to guess at the development contribution in advance, based on an anticipated level of development, when there is a simple way to avoid having to guess. Neither is it fair or equitable to take a payment from the subdivider in advance and then not grant the subdivider a credit if the contribution made exceeds the contribution that would apply to the actual development subsequently undertaken on the site. Nor is it fair or equitable to collect a development contribution years in advance of the development occurring. It is often the case that land is subdivided but sits vacant and perhaps unsold for many years before it is developed and places any demand on council services. One way to correct these unfairnesses would be to assess and collect the development contribution only once and to do it at the right time - which is when the actual development is known. That way the correct amount will be calculated and the correct party will be required to pay it.

Development Contributions and The Eastern arterial Road (EAR)

RPL’s submission on the TYP included a detailed discussion of the importance of the EAR and RPL’s concerns about the lack of urgency being given to this project by Council and the handling of the proposed funding of the EAR. We refer you to the entire section of RPL’s submission that relates to Transport Planning and also restate an excerpt from that submission below:

While the EAR was originally shown as being fully funded in the 2014-15 Annual Plan, it has now been pushed back to a 2018 completion date and is shown as costing \$10.205m spread over 2016, 2017 and 2018.

It is understood that Council regards EAR costs as being 80% driven by growth and 20% by an increase in level of service¹ notwithstanding this is an arterial road serving more than 200 businesses (70 in Remarkables Park Town Centre and 140 in Shotover Park and Frankton industrial area) and the airport, a public utility, and the High School where development (and traffic) is now starting and will be open in 2018. RPL supports the concept of recognizing growth and level of service components on the basis that:

- The EAR will provide capacity for future growth (part of the growth allocation)
- The EAR will help to restore the pre-congestion level of service that has suffered due to past growth (balance of growth allocation)
- The EAR will provide a new, more convenient, connection from the Southwest corner of the Frankton area through to the Northeast corner, and places in between (level of service allocation)

In all of these circumstances, 80% is a gross over assumption of growth.

A mechanism available to Council to fund growth-related infrastructure is the Development Contribution regime. In fact the sole purpose of the Development Contribution regime is:

¹ Council response to a request for further information on EAR funding treatment

“... 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.”²

Notwithstanding concerns over many aspects of the Development Contribution regime, if it continues to be part of the bureaucracy associated with development governance, it should be utilised to provide, as far as possible, equitable funding of growth-related costs. With regard to the EAR, this is not the case – it appears that the Development Contribution regime has not been used to build up a fund for the EAR, nor is it proposed to use the regime to collect future contributions towards this critical piece of growth-related roading infrastructure. Rather, it appears that Council is proposing that the EAR will be 100% funded by third parties³, with those parties being understood to be NZTA and a small selection of landowners (possibly as low as three) who will essentially border the new road. This proposal fails to acknowledge the huge number of existing and future businesses, residences and developments that will benefit from the EAR.

While the proposed approach is inconsistent with statements contained in the consultation material⁴, it does appear to be consistent with the Development Contribution disclosure tables that show net Council investment in new roads of only \$2.362m over 10 years.⁵

Landowners adjacent to the new road’s alignment will be well served by completion of the road - no question there – but this does not translate into 100% allocation of non-NZTA funded costs to those landowners being remotely equitable.

Although not intended to be exhaustive, the Lack of Urgency section above contained lists of drivers for growth in demand for roading infrastructure. Most of those drivers have their origin outside of the land adjoining the EAR alignment and all of them are relevant to demand for the EAR.

If it is accepted that most recent developments of any scale have contributed to the demand for the EAR, and that future developments will continue to benefit from the roading capacity enabled by construction of the EAR, there are two implications with respect to funding generally, and Development Contributions specifically:

1. Demand for the EAR has been identified for many years. In fact full EAR funding in the 2014-15 Annual Plan shows Council was aware of the imminent need for the EAR.
2. It would be wholly inequitable to seek 100% funding for all EAR costs not funded by NZTA from the handful of landowners who will essentially border the new road.

RPL and SPL submit that the proposed approach to funding the non-NZTA funded portion of EAR costs is inequitable and must be critically reappraised. If it is not it will lead to litigation related to Council’s failure to develop the EAR and any attempts to not utilise existing and forthcoming Development Contributions for that work. Litigation is a further cost to the community and private sector litigants. All of this seems to be a complete waste of resources

² Local Government Act 2002, section 197AA

³ Council response to a request for further information on EAR funding treatment

⁴ 2015-2025-TYP-Consultation-Document, page 11, paragraph 3 contains the statement “Budget for Council’s share of funding for the Eastern Arterial Route around the back of the airport is included in this draft plan.” - which clearly implies a non-zero Council contribution to the EAR.

⁵ Supporting-Document-Volume-2 PDF, page 160

when the wider community are totally frustrated daily by the need for this road to be built and operational. It is time the Council accepts its responsibility and agreements to build this road and puts a stop to the nonsense that this road is not a high priority that does not need to be funded by Council. Further, RPL and SPL submit that, while the Development Contribution regime is part of the bureaucracy associated with development governance, that regime is the obvious tool for Council to use for more equitable treatment.

If an opportunity is being given to submitters to address councillors or council representatives on the proposed development contribution policy, RPL and SPL do wish to be heard in support of its submission.

Remarkables Park Limited (RPL) and
Shotover Park Limited (SPL)

PO Box 1075
Queenstown

Attn: Alastair Porter
ap@porter.co.nz

30 April 2015

Stewart Burns
Chief Financial Officer
Queenstown Lakes District Council,

By email: services@qldc.govt.nz

Submission on Queenstown-Lakes District Council Proposed Development Contributions

This submission is lodged by Bridesdale Farm Developments Limited ("BFDL"). Bridesdale Farm Developments Limited is undertaking a residential development on the land located at 98 Alec Robbins Road, 99 Walnut Lane and 51 Erskine Street, Lakes Hayes Estate to be known as "Bridesdale Farm". The legal description of the 4 titles upon which Bridesdale Farm is to be developed are detailed in Appendix 1.

The comments below refer to the QLDC document titled "*Comparison of Proposed 2015/16 Development Contributions to Prior Years*".

Scheme Boundary

Currently only the northern portion of Bridesdale Farm is included within the Lake Hayes scheme boundary for Water Supply, Wastewater and Stormwater. BFDL submit that all of Bridesdale Farm should be included within the Lake Hayes scheme boundary.

Water Supply Contribution

Within the Lake Hayes scheme boundary current limitations exist on the Council's water supply infrastructure.

BFDL would like to participate in the Annual Plan process at Council in relation to the water supply infrastructure to ensure that appropriate resources are allocated to the Council's engineering department to allow for adequate planning for water supply infrastructure.

Wastewater Contribution

We do not understand why there is such a variance between the Lake Hayes and Shotover Country wastewater contribution figures, specifically why there is a reticulation and pump station charge for Lake Hayes and not Shotover Country.

We believe that the wastewater contribution for Lake Hayes should be fair and reasonable and that this is currently not the case when the Lake Hayes and Shotover Country contribution figures are compared.

Stormwater Contribution

BFDL agree with the proposed policy showing there being no stormwater contribution within the Lake Hayes scheme boundary.

We would welcome the opportunity to discuss with you the above points.

Yours sincerely



Bridesdale Farm Development Limited

Appendix 1: Legal Description

Address	98 Alec Robins Road & 99 Walnut Lane, Lake Hayes Estate			51 Erskine Street, Lake Hayes Estate
Legal Description	Lot 3 DP 392823	Lot 3-4 DP 447906 and Lot 1 DP 21087	Lot 1 DP 26719	Lot 3 DP 337268
Identifier	373464	566248	OT18D/353	152862
Area (more or less)	6,483 square metres	32.8549 hectares	3.8393 hectares	4,013 square metres

To: Queenstown Lakes District Council

Proposed Amendments to Funding and Financial Policies

April 2015



CLARK FORTUNE MCDONALD & ASSOCIATES
REGISTERED LAND SURVEYORS, LAND DEVELOPMENT & PLANNING CONSULTANTS



Reserve Land Contribution

Outdated

The estimated Reserves contributions have been based upon projections that are 12 years old.

The contribution per dwelling has been based on the projected demand for neighbourhood and local reserves. This demand was established within the Parks Strategy approved in 2002. This strategy is now 12 years old and was expected to be reviewed in 2012.

The draft annual plan states that the Parks Strategy needs to be updated to incorporate new information such as the 2004 Growth Options Study. Despite this the Strategy is still the working document in calculating the reserves contribution levied from each residential dwelling constructed.

Inappropriate

Part 3.8 of the Parks Strategy provides methodology for calculating the reserve contribution applicable to each residential dwelling that is constructed. The strategy identifies the demand for reserves being 27.5m² per residential dwelling or equivalent. 15m² for neighbourhood reserves and 12.5m² for local reserves.

The calculations for these contributions have been based on a “district wide” average lot size which equates to 6 lots per 10,000m² or 1666m² average lot size. When the density of a neighbourhood is higher than one dwelling per 1666m² the provision of neighbourhood reserves is below the contributions taken.

A residential neighbourhood that comprises of lots with an average of 600m² results in contributions almost three times higher than the actual provision. Subsequently, a neighbourhood with an average lot size of 2000m² will only contribute 88% of the reserve allocation.

Part 15.2.6.3 of the District Plan prescribes 64 different lot sizes throughout different zones of the District.

Each of these will result in differing levels of residential dwelling density. An more accurate measure of reserve contributions levied for each residential dwelling should be customized with reference to the surrounding zoning within the vicinity of the subject site.

Insufficient

Part 3.8 of the Parks Strategy calculates the contribution required for Local Reserves suggested at 5m² or 12.5m² per residential dwelling which will provide sufficient land for the purposes described above in the future. This is all the justification provided for 45% of the reserves contribution payable for each residential dwelling.



Section 106(3) of the Local Government Act 2002 (LGA) stipulates: “If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how the calculations for those contributions were made”.

The information contained in the Parks Strategy for Local Reserves is brought forward and is not considered to demonstrate how Local Reserve contributions are calculated.

Reserve Land Acquisition

The cash development contributions are calculated on a land value which Council does not match when it acquires land.

